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HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

FIRST SESSION—THIRTY-SECOND PARLIAMENT

29 Elizabeth II

VOLUME IV, 1980

COMPRISING THE PERIOD FROM THE NINTH DAY OF OCTOBER, 1980
TO THE THIRTEENTH DAY OF NOVEMBER, 1980

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HOUSE OF COMMONS

Thursday, October 9, 1980

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

WOMEN

ASSURANCE OF PROTECTION OF RIGHTS IN PROPOSED CHARTER—MOTION UNDER S.O. 43

Mr. Walter McLean (Waterloo): Madam Speaker, I rise under the provisions of Standing Order 43. In light of the statement yesterday by the government's own Advisory Council on the Status of Women that the proposed human rights charter does not adequately protect women from discrimination, and in light of the apparent muzzling of discussion on the constitution and women by the government's refusal of funds for the National Action Committee's special October 18 meeting of leaders of women's groups scheduled for Winnipeg, I move, seconded by the hon. member for Vancouver Centre (Miss Carney):

That this House instructs the government to immediately assure all Canadian women that any proposed charter of rights will reflect recognition by the government of the need for protection of their rights.

Madam Speaker: This motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

PARLIAMENTARY RESTAURANT

SERVING OF WINES FROM B.C.—MOTION UNDER S.O. 43

Mr. Vince Dantzer (Okanagan North): Madam Speaker, I rise under the provisions of Standing Order 43 regarding a matter of urgent and pressing necessity. Whereas there are 28 members of Parliament from the province of British Columbia in this House, whereas these members often welcome and entertain constituents on Parliament Hill, in view of the resolution now before this House which purports to guarantee that everyone has the right not to be subjected to any cruel and unusual treatment or punishment, and since the Parliamentary Restaurant does not offer wine produced in British Columbia, members from that province are subject to the cruel and unusual treatment or punishment of having to serve their guests wine not produced in British Columbia, I move, seconded by the hon. member for Okanagan-Similkameen (Mr. King):

That this House strongly urge those responsible to put an end to this cruel and unusual treatment and allow superb British Columbia wines to be served under the auspices of the Parliamentary Restaurant.

Madam Speaker: I doubt that this is a matter of urgent and pressing necessity.

* * *

● (1410)

GOVERNMENT OF CANADA

PROTECTION OF RIGHTS OF CANADIANS—STRENGTHENING OF PARLIAMENTARY SYSTEM—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, I rise under the provisions of Standing Order 43. Given the government's apparent obsession with the protection of human rights for Canadian citizens, I move, seconded by the hon. member for Saskatoon West (Mr. Hnatyshyn):

That the government cease the practice of illegally raising postal rates without reference to Parliament, that it stop governing by orders in council, and that it implement the recommendations of the Standing Joint Committee on Regulations and Other Statutory Instruments tabled in July, 1980, which would protect the rights of Canadians and strengthen the parliamentary system.

Madam Speaker: The motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

CALL FOR PROGRAMS TO MEET THRONE SPEECH COMMITMENTS—MOTION UNDER S.O. 43

Mr. Neil Young (Beaches): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the government's commitment in the Speech from the Throne to bring before Parliament a program of action designed to promote a national development policy, to provide jobs, stimulate growth and increase Canadian ownership and control of our economy, I move, seconded by the hon. member for Vancouver East (Mrs. Mitchell):

That this House calls on the government to immediately bring before Parliament the programs that it promised in the Speech from the Throne and that meaningful job-creation programs be implemented to alleviate the totally unacceptable levels of unemployment in our country.

Madam Speaker: This motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

EXTERNAL AFFAIRS

REUNIFICATION OF FAMILY OF VLADAS SAKALYS—MOTION UNDER S.O. 43

Mr. Girve Fretz (Erie): Madam Speaker, I rise on a matter of urgent and pressing necessity. In view of the tremendous courage, determination and will to escape from a life of oppression and lack of freedom demonstrated by Vladas Sakalys, a Lithuanian dissident, in his daring escape from the Soviet Union, travelling some 400 kilometres in 20 days by walking, swimming and sometimes crawling, I move, seconded by the hon. member for Etobicoke Centre (Mr. Wilson):

That this House, in congratulating Mr. Sakalys, requests that the Secretary of State for External Affairs make every effort to assist in the reunification of Mr. Sakalys with his wife and two young children.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

SMALL BUSINESS

INTRODUCTION OF "BUY CANADA" POLICY—MOTION UNDER S.O. 43

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity.

Since it has become abundantly clear as of late that the present government is doing very little to assist the small business community, I move, seconded by the hon. member for Broadview-Greenwood (Mr. Rae):

That the federal government introduce immediately a "Buy Canada" policy with teeth in it that would enable the federal government to purchase goods and services from Canadian companies wherever economically feasible.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[*Translation*]

TRANSPORT

CONTINUATION OF CP RAIL PASSENGER SERVICE—MOTION UNDER S.O. 43

Mr. André Bachand (Missisquoi): Madam Speaker, I rise under Standing Order 43 to ask for unanimous consent of the House to introduce a motion dealing with a matter of urgent and pressing necessity.

In view of the fact that CP Rail has given notice that it will discontinue its Montreal-Farnham and Montreal-Sainte-Thérèse passenger service on October 26, 1980, I move, seconded by the hon. member for Champlain (Mr. Veillette):

That the Canadian government along with the Canadian Transport Commission take immediate steps to prevent the discontinuation of passenger service between Montreal-Farnham and Montreal-Sainte-Thérèse.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

PENITENTIARIES

DORCHESTER, N.B.—PUBLIC INQUIRY INTO OPERATION—MOTION UNDER S.O. 43

Mr. Howard Crosby (Halifax West): Madam Speaker, I rise under the provisions of Standing Order 43. The reoccurrence of another hostage-taking incident at Dorchester penitentiary follows a series of disturbances and escapes and establishes the need of affirmative government action to avoid further risk of life to penal officers. Accordingly, I move, seconded by the hon. member for Hastings-Frontenac (Mr. Vankoughnet):

● (1415)

That this House instruct the Solicitor General to implement the recommendation of the hon. member for Cumberland-Colchester by holding a public inquiry into the operation of Dorchester penitentiary.

Madam Speaker: Presentation of this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

EXTERNAL AFFAIRS

SOUTH KOREA—PROTEST OF DEATH SENTENCE PASSED ON KIM DAE-JUNG—MOTION UNDER S.O. 43

Mr. Bill Clarke (Vancouver Quadra): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the continued harassment and persecution of Kim Dae-Jung, former presidential candidate and leader of the non-communist opposition in South Korea, which has culminated in the military court handing down the death sentence, and in view of the limited possibilities of appeal procedures and the extreme possibility of an early execution, I move, seconded by the hon. member for Lisgar (Mr. Murta):

That this House protest the deplorable action of the military court in South Korea in sentencing to death Kim Dae-Jung, and that this House urge Korean President Chun to secure the release of Mr. Kim.

Madam Speaker: Presentation of such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENERGY

NATIONAL GAS EXPORTS—GOVERNMENT COMMITMENT TO BE HONOURED—MOTION UNDER S.O. 43

Miss Pat Carney (Vancouver Centre): Madam Speaker, I rise on a matter of urgent and pressing necessity under the authority of Standing Order 43. In light of the Liberal government's dismal track record in ignoring its campaign promises, I move, seconded by the hon. member for Vancouver South (Mr. Fraser):

That the House direct the Liberal government to honour their commitments made on an open line show in Vancouver by the present government House leader in the other place, that there will be no federal tax on the export of natural gas.

Mr. MacEachen: Who said that?

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

GOVERNMENT ADVERTISING

INQUIRY WHETHER STATEMENT OF MINISTER GOVERNMENT POLICY

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I have some questions for the Prime Minister that relate to a practice which we believe constitutes a grave abuse of both Parliament and of public funds. The Minister of State for Multiculturalism was asked on television this morning whether the government's policy was, and I quote as follows:

Before any of our taxpayers' money is spent we want to know that Parliament has approved of the concept that you are advertising.

The answer of the minister was:

In principle, that is right.

I wonder if the Prime Minister would tell us whether the minister was speaking for the government?

Mr. Andre: The government has no principles.

Hon. Jim Fleming (Minister of State (Multiculturalism)): Madam Speaker, of course I was speaking in my role as chairman of the cabinet committee on communications. If I may, to correct—among the hee-haws from the opposition—what was said this morning, I said that I believed—and this is the policy we have followed—that advertising carried out and paid for out of public funds by the federal government should widely reflect Parliament, as our phase one ads on the constitution run in August did. I believe they reflected the opinions on all sides of the House of Commons to call for constitutional reform during the referendum debate. I said that I also felt that it was either support from all sides of the House or a policy that had at least been passed in principle in the House.

PARLIAMENTARY APPROVAL OF PROGRAMS—GOVERNMENT POSITION

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, the strange reluctance of the Prime Minister to answer that question, which had to do with the statement of government policy and the qualification by the Minister of State for Multiculturalism that he had made that statement in his capacity as chairman of the cabinet committee, leaves unanswered whether or not the minister was speaking for the government, and whether the policy that was stated and quoted exactly from a transcript of a program on CTV this morning, and which differs slightly from what the minister had just said in the House, that in principle the Government of Canada can justify spending taxpayers' money only when Parliament has approved of the concept that has been advertised, is the position of the Government of Canada.

I would ask the Prime Minister not to fob that off on to someone else, but to speak for his government himself and tell us whether that is the policy of his government.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I certainly approve the principle as just stated by the minister in his previous answer. In so far as what was stated this morning, I will inquire and find out what was stated. I can see in the quotation there that it obviously cannot be the policy of the government that every advertisement would have to be approved by Parliament, if that is the meaning of the words that I read. Because the Government of Canada is involved in many forms of advertising, such as recruiting for the armed services and so on, and this does not come before Parliament.

Mr. Clark: Madam Speaker, the Prime Minister will know that in the leaked document that outlined the various policies the government would follow to try to manipulate public opinion as we went into the question of constitutional reform, specific reference was made to, and I quote:

● (1420)

—once the government has decided what action it intends to take, and Parliament has been reconvened to debate that proposed action, the role of advertising changes. At that point, public funds are being used to sell the governing party's position—

The memorandum to cabinet then went on to say:

Under these circumstances, ministers need to decide if advertising is politically legitimate.

I wonder if the Prime Minister will tell the House of Commons what was the decision of the Government of Canada on that question of political legitimacy, which was put to ministers by this document?

Mr. Trudeau: Madam Speaker, I would imagine that most ministers, like myself, have not read that document.

Some hon. Members: Oh, oh!

Mr. Trudeau: I received it and I can say in all sincerity that it was much too long a document for me to read.

Some hon. Members: Oh, oh!

Mr. Clark: Madam Speaker, given the difficulty of the public service, then, in communicating with the Prime Minister, might I suggest that the Prime Minister have this full document sent to whichever advertising agency is working for the Minister of State for Multiculturalism so that he might have prepared a small advertisement to communicate the contents of the government's advice to the government?

Mr. Trudeau: Yes, Madam Speaker, if that is seriously recommended by the opposition I will take that into consideration.

Some hon. Members: Oh, oh!

REPORTED STATEMENT BY MINISTER ON CBC TELEVISION

Hon. James A. McGrath (St. John's East): Madam Speaker, I would like to direct a supplementary question to the minister of state for government propaganda.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. McGrath: I could not think of a more inappropriate Dr. Goebbels, Madam Speaker.

Some hon. Members: Oh, oh!

Mr. McGrath: I said inappropriate.

An hon. Member: You or him?

Mr. McGrath: Last night on the CBC national news, according to this transcript, the minister had this to say:

The content of ads should reflect either a policy that has been approved at least in principle in Parliament or widely reflect the views of all sides of the House of Commons. It is my view that it is inappropriate to go and spend the public's money on a view, if it is isolated to one party, albeit that that party is the government party.

If that is the minister's view, if he was accurately reported in that transcript, how then can the minister justify a continuation of this scandalous, outrageous advertising program which is undermining the role of Parliament?

Some hon. Members: Hear, hear!

An hon. Member: Better listen, Jim.

Hon. Jim Fleming (Minister of State, Multiculturalism): Madam Speaker, obviously the hon. member does not watch television. I would deny vehemently that there is anything scandalous about communicating to Canadians information on a very important issue, constitutional reform, which leaders of all parties in this House supported strongly during the referendum campaign but seem to have changed their commitment a little since that time.

Some hon. Members: Oh, oh!

Mr. Fleming: The Right Hon. Leader of the Opposition seems to want to answer for me.

Mr. Baker (Nepean-Carleton): He could probably do a better job.

Mr. Fleming: The fact of the matter is that no constitutional ads have been run since September 8.

An hon. Member: What about the billboards?

Mr. Fleming: The billboards will cease. They are under contract. When you purchase billboard space, you have to do it under a time contract and they will end on the fifteenth—

Some hon. Members: Oh, oh!

Mr. Fleming: Madam Speaker, I am glad hon. members are listening, but I wish they would regain their sense of courtesy. I am trying to answer. They have asked me a question and I would like to answer.

Some hon. Members: Hear, hear!

Mr. Fleming: Someone shouted "What about the billboard ads?" Those ads—which again reflect very much what I thought was the view of this House of Commons—

Mr. Clark: You thought?

Mr. Fleming: —that we needed constitutional reform—will expire on October 15.

Mr. McGrath: Madam Speaker, I am sorry to see the minister having to swallow himself whole without condiments.

Some hon. Members: Oh, oh!

Mr. McGrath: My question, very simply based on the reply which I have just received from the minister, is this: is he now giving this House an assurance, in keeping with the comments that he made last night on television, that there will be no more money spent on government advertising to promote the government's position on the bill that is now before the House? Is he giving the House that assurance?

An hon. Member: No.

Mr. Fleming: Madam Speaker, I will never assure the hon. member opposite that I will not attempt, as a member of the government, to communicate with the Canadian public something as important as the Canadian constitution.

Some hon. Members: Hear, hear!

* * *

● (1425)

ACCESS TO INFORMATION

PUBLICLY FINANCED POLLS—REPORTED STATEMENT OF MINISTER

Mr. Edward Broadbent (Oshawa): Madam Speaker, I too have a question which pertains to information. I hope I have a little better response from the government than that which we just heard. Yesterday the Minister of Justice said that he would release publicly funded polls pertaining to federal-provincial relations only "when I don't need them any more", obviously expressing what seems to some of us a partisan concern.

Mr. Crosbie: Never!

Mr. Broadbent: Will the minister indicate if he feels that this statement, which he is quoted as having made yesterday, squares with the basic principle of having freedom of information legislation in the first place?

[*Translation*]

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, I said that polls had always been taken for the development of government policies. We asked some questions during the referendum campaign, just like the former government did in December, to ascertain public opinion and we used the same procedure during the referendum campaign. Other polls taken since then have been used to develop our policies. We intend to make them public when their usefulness for the development of government policies has been exhausted.

[*English*]

PUBLICLY FINANCED POLLS—INQUIRY AS TO HOW RESULTS COULD BE COUNTERPRODUCTIVE

Mr. Edward Broadbent (Oshawa): Madam Speaker, I will direct my supplementary to the Prime Minister since I asked him a question on the same subject yesterday. He indicated that he would be willing in principle to make information available, but suggested that sometimes such information, for example in the federal-provincial field, could be counterproductive. I wish to ask the Prime Minister how information gathered about the opinions of Canadians in the federal-provincial field, paid for by Canadians, would in any way be counter-productive to the public interest as opposed to the Liberal party interest if it were made public.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, it is well known, or at least suspected, that many democratic governments engage in polling systems to be informed of the opinions of their electorate. For example, I read a statement this morning to the effect that it happens in the province of Saskatchewan as well. Governments are interested in knowing and assessing between elections the opinions of those who constitute the basic sovereignty of the people. It is the government's job to govern. To govern, it uses this knowledge. If these polls were made public the moment they were gathered together, and if this were done on a universal basis by the NDP government in Saskatchewan and by all other governments in Canada, I think those governments would probably object to this kind of procedure because they are getting polls in order to determine the kind of action which is acceptable to the Canadian people. This is the basis on which they make their decisions.

Mr. Andre: Are you listening to what you are saying?

Mr. Trudeau: Yes, I am not sure if the hon. member is listening.

Mr. Baker (Nepean-Carleton): Yes, we are, and we are shocked.

Mr. Trudeau: If the hon. member is shocked, I would point out to him that when he was sitting on the government benches, the government of which he was a member was also taking polls of public opinion. We inherited several of these polls.

Mr. Baker (Nepean-Carleton): Publish them.

Mr. Trudeau: They were not made public by his government.

Mr. Baker (Nepean-Carleton): Publish them.

Mr. Trudeau: You did not publish them.

Mr. Baker (Nepean-Carleton): You publish them.

Mr. Trudeau: We intend to publish them. That was the thrust of my answer yesterday.

Mr. Clark: When? In ten years?

Mr. Trudeau: The Leader of the Opposition did not publish them when he had the results.

Mr. Broadbent: Madam Speaker, the Prime Minister forgets that in the proposed legislation dealing with freedom of information, the option is clearly there that poll data collected pertaining to federal-provincial relations may not be made available to the public. The further implication, therefore, is that the government of the day may be asking questions and keeping the information ad infinitum. We have to rely on its judgment if it is not obligated by law, which sounds a little peculiar coming from a man who is at this time advocating a charter of rights to protect the interests of Canadian citizens.

● (1430)

Some hon. Members: Hear, hear!

Mr. Broadbent: I should like to ask the Prime Minister this. In this particular field of federal-provincial relations, what conceivable kind of information should be kept from the people of Canada and not released to them once it is gathered? How would that jeopardize the public interest? Surely it can be used for partisan reasons exclusively. If the answer the Prime Minister is going to give us is the same as the one he has just given, his whole approach to the freedom of information legislation surely is a grotesque fantasy.

Some hon. Members: Hear, hear!

Mr. Trudeau: Madam Speaker, when the Leader of the New Democratic Party says these polls are used for partisan purposes, he seems to forget that in this instance the government is formed by the Liberal party, as it was formed last year by the Conservative party; and it is the government which is doing the polling and it is the government which is using the result of the poll to inform itself as to what policies—

An hon. Member: Why shouldn't we see it?

Some hon. Members: Hear, hear!

An hon. Member: What about Parliament?

Mr. Trudeau: For the same reason that when the provinces poll on a subject having to do with federal-provincial relations—

Some hon. Members: Oh, oh!

Mr. Trudeau: I understand that the New Democratic Party is embarrassed; when getting power in Saskatchewan they followed practices which they condemn in opposition. This has been a constant pattern.

Some hon. Members: Oh, oh!

Mr. Trudeau: But, Madam Speaker, I would like to be on record as saying, quite frankly I do not give a damn about polls and I do not take polls.

Some hon. Members: Oh, oh!

Mr. Trudeau: I would be perfectly happy—

Some hon. Members: Oh, oh!

Madam Speaker: Order, please.

Mr. Trudeau: I would be perfectly happy to support any move or any legislation making polling at the federal and provincial levels completely illegal.

Some hon. Members: Oh, oh!

Madam Speaker: I recognize the hon. member for Provencher.

An hon. Member: This is incredible.

Some hon. Members: Oh, oh!

Madam Speaker: Order, please. The hon. member for Provencher.

An hon. Member: Publish and be damned.

Some hon. Members: Oh, oh!

Madam Speaker: Order, please. Could we have some order, please. This is the third time I have given the floor to the hon. member for Provencher; he was not able to hear me.

* * *

GOVERNMENT ADVERTISING

EXPANSION OF CONSTITUTION PATRIATION PROGRAM

Hon. Jake Epp (Provencher): Madam Speaker, I should like to direct a question to the minister responsible for government advertising, following up on questions of yesterday. The game plan of the Liberal party as it appears in a leaked memo—and I call it a game plan because they have been following it exactly—says that now is the time for the hard sell. Today in an interview the minister was asked about reports that the government was planning to expand its advertising budget to the tune of some $30 million in 1980 to sell the patriation plan, to which the minister replied "at the moment it isn't so". Would the minister now tell the House when the hard sell program is being planned and what is its budget?

Hon. Jim Fleming (Minister of State, Multiculturalism): Madam Speaker, there has been no decision on a further constitutional campaign.

Mr. Epp: Madam Speaker, the minister is again not giving an answer as to whether he will take the advice of many, including those who have written the memo, in regard to advertising in a period of time when Parliament is looking at the draft resolution. The government has to look very seriously at the legitimacy of advertising at that time. What can escalate, of course, is a propaganda war. In fact, a CP story quoting Premier Blakeney had that premier stating, for example, "Yes, we have ads prepared on behalf of Saskatchewan", but he fears "an advertising war".

I believe Canadians who want to look rationally at what is the best approach for our future in constitutional terms may find this could divide the country in its approach to constitutional renewal, rather than having a calm, rational debate here in the House where it should now take place. When will the government give clear assurance that it will stop its advertising campaign in view of the fact that Parliament now has the constitution resolution before it?

Mr. Fleming: Madam Speaker, I have had mail from at least one member of the official opposition calling the constitutional ads excellent. We have the Premier of British Columbia delivering door-to-door information, we have Mr. Blakeney, who has never appeared to me to be someone full of fear of the federal government, talking about a campaign, and we have had Quebec doing it.

I think we have a serious problem in Canada in that Canadians in recent years have not had an opportunity to well understand the programs before Parliament. I would sit down and stand by those statements. The Right Hon. Leader of the Opposition left our part of what I said this morning in his statement, but the statement by the hon. member for St. John's East was basically accurate in respect of what I said. I stand by that. If and when we make a decision to run further ads then that answer will be available.

An hon. Member: We are being goosed.

INQUIRY AS TO RATIONALE FOR $6 MILLION EXPENDITURE

Mr. John Bosley (Don Valley West): Madam Speaker, I have a further question for the minister of government propaganda who chooses—

Some hon. Members: Order, order.

Mr. Bosley: It is amazing, Madam Speaker, how members opposite do not like the truth. The minister who fully knows—

Some hon. Members: Oh, oh!

Madam Speaker: Order, please. Would the hon. member resume his seat. I think the hon. member would benefit from calling the minister by his proper title; otherwise he might not get an answer.

Some hon. Members: Hear, hear!

Mr. Bosley: Madam Speaker, I stand corrected. I have a question for the minister for multiculturalism and government propaganda.

Some hon. Members: Oh, oh!

Mr. Bosley: Madam Speaker, the minister knows full well—

Some hon. Members: Oh, oh!

Mr. Bosley: Madam Speaker, I now know where the whole cast for the beaver ad was.

Some hon. Members: Oh, oh!

Madam Speaker: Order, please. I will again give the hon. member the floor but I would ask him not to be argumentative and to go to his question immediately.

Mr. Bosley: Thank you, Madam Speaker. I have a question for the minister. I know what he stands for if he does not. The question is this. Since he chooses to ignore the staff report to himself which indicates that his ads are clearly partisan propaganda, I would ask him this question about the reasoning behind spending $6 million on the advertising. He maintains that the need is to tell Canadians about a matter, either, I presume—

Some hon. Members: Question.

Mr. Bosley: There is a question.

Some hon. Members: Order.

Mr. Bosley: Madam Speaker, I would like to ask the minister this question. Do you justify the $6 million—

An hon. Member: Who are you asking?

Mr. Bosley: I am asking the minister, Madam Speaker, and he knows who is being asked. It is the minister for multiculturalism and—

Some hon. Members: Oh, oh!

Madam Speaker: Order, please. There has been a question. I heard a question. I do not know whether or not there is an answer, but I heard a question.

Some hon. Members: Oh, oh!

Madam Speaker: Order, please. I heard a question. If there is no answer then the hon. member can ask another question.

An hon. Member: Go ahead, Jim.

Some hon. Members: Oh, oh!

Madam Speaker: Order, please. We have had a first question.

An hon. Member: And no answer.

Madam Speaker: We heard the question. We waited to see if there was an answer and I saw a minister rise.

Some hon. Members: Hear, hear!

Hon. Jim Fleming (Minister of State, Multiculturalism): Madam Speaker, I believe in the midst of all of that the question was about the spending of $6 million and why. If that is the question, let me say that the amount in fact spent on what I call phase one is about $4.9 million; and I have no apology to make for an attempt to inform the Canadian public of a major issue now before Parliament.

Some hon. Members: Hear, hear!

• (1440)

Mr. Bosley: Madam Speaker, my supplementary question is to the same minister. Since the justification used in public this morning was to keep the public thinking about the fact that constitutional reform should take place, does the minister believe that the public does not think that constitutional reform should take place, and do we now have a new policy that government and public money will be used to tell people what they ought to think? Or does the minister believe that the public already supports constitutional reform, in which case what is the justification for spending the money in the first place?

Mr. Fleming: Madam Speaker, as a member of Parliament as well as a member of the cabinet—and I think this is in the hearts and minds of hon. members on all sides of this House—certainly in private conversations I have had I have found that there is a genuine concern, which is shared by a number of members of the media, that the Canadian public has a very difficult time being made aware of the various complex issues we consider on the floor of this House. I believe that the Prime Minister gave me a mandate to try to improve communications between the Government of Canada and the Canadian public, and I am trying to do that.

Some hon. Members: Hear, hear!

* * *

HEALTH CARE

TAMPON USE—MEASURES TO PREVENT HARM TO CANADIAN WOMEN

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, my question is for the Minister of National Health and Welfare. In view of the fact that many women are suffering and that some have died from the illness called toxic shock syndrome, caused by tampon use, can the minister tell the House what specific measures the government is taking in terms of research standards and labelling requirements in order to stop and prevent serious harm to Canadian women?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, we have had working meetings with various companies marketing the product. They have begun improving the labelling and advertising used for these products. Unfortunately, I am unable to make a final answer today on this, but my department is studying right now what other form of public education would be best to use to make people aware of the weaknesses and problems so that they can make choices accordingly.

Mr. Blaikie: Madam Speaker, public education will not be enough. It seems that the faith of this government in advertising stretches to all issues.

In view of the fact that Dr. Ajit DasGupta, head of the medical devices bureau of the health protection branch of the minister's own department, has said that they do not do research on tampons and contraceptive devices for women but that they do rigorous tests on condoms because, as Dr. DasGupta says, they respond to priorities, will the minister give an unequivocal assurance that she will change the priorities of her department in order to have effective research, regulations and health protection for Canadian women?

[*Translation*]

Miss Bégin: Madam Speaker, one of the very first matters which I addressed when I became Minister of National Health and Welfare was precisely that of alerting the pharmaceutical industry and the others who initiate the vast majority of research resulting in concrete findings in matters of contraceptives, because I too felt that the point of view of women had been overlooked. I also asked the Medical Research Council to make it a special priority, despite the fact that the council is not involved to any extent in operational research, in order to make sure that women, who are the first ones concerned in the matter, are never disregarded. That is the answer I can give the hon. member.

* * *

REGIONAL ECONOMIC EXPANSION

MODERNIZATION OF PULP AND PAPER FACTORIES IN QUEBEC

Mr. Alexandre Cyr (Gaspé): Madam Speaker, my question is directed to the Minister of Regional Economic Expansion. Is the minister still pursuing his negotiations with his Quebec counterpart with a view to revising the federal-provincial agreement for the modernization of pulp and paper factories, and does the minister expect to sign that new agreement in the relatively near future?

Hon. Pierre De Bané (Minister of Regional Economic Expansion): Yes. Following the requests made by several provinces, including Quebec, the cabinet decided to increase the envelope by 20 per cent in the case of Ontario, 33 per cent in that of the maritimes, and 50 per cent for Quebec. Because of that sizeable increase, negotiations are now under way and I hope to be in a position very soon to tell the hon. member that an agreement will be signed with the Quebec government.

[*English*]

GOVERNMENT ADVERTISING

INQUIRY WHETHER CONSENSUS SHOULD BE REACHED BEFORE PROGRAM EXPANSION

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I would like to address my question to the Minister of State for Multiculturalism, following the questions addressed to him with respect to the advertising campaign of the government or of the Liberal party.

The minister has said in his statements in the House and in interviews that unless there is some consensus among the parties with respect to the subject of the advertising campaign, it would not be appropriate. In view of the fact that there are very substantial differences in this House with respect to the way in which constitutional reform should take place, does the minister consider that it is appropriate for the government at this time to enter into a very expensive advertising campaign? Does he not stand by his principle that there must be consensus as to what is to be achieved before there is an advertising campaign?

Hon. Jim Fleming (Minister of State, Multiculturalism): Madam Speaker, I think the hon. member's question is hypothetical because I have made it clear that at this time the cabinet has not approved a further campaign. However, I also tried to make it clear that if this House has approved in principle, then I think it is quite appropriate to go ahead and explain government policy—

Mr. Clark: Formal approval?

Mr. Fleming: —in the same way that the ads which ran in the summer on what I call phase one broadly reflected Parliament and did not go into any specific issues where there was, in my view, wide controversy.

Mr. Hnatyshyn: Madam Speaker, the point is exactly that, that there has not yet been a consensus with respect to the question of constitutional reform. There has not been approval in this House to this point in time. Therefore, in view of the government memorandum, which I am sure the minister has read carefully, with respect to advice on advertising campaigns, will the minister now make a categorical statement in the House that he is not going to subscribe to the advice he has received in this memorandum with respect to additional funds, so that we will be assured that there will be no further funds made available for the Liberal party advertising campaign?

Mr. Fleming: Madam Speaker, we have over several years done advertising through an office called the Canadian Unity Information Office about Canada and the national government. The last government, of which the hon. member was a member, did that as well.

Mr. Nielsen: That is not true.

Mr. Fleming: It is part of an ongoing campaign to inform the Canadian public. I have made myself clear on several occasions today about the principles I stand by on Government of Canada advertising. I said this morning, however—and I continue to be concerned and I say it quite openly—that that may have to be reviewed if indeed the provinces take an aggressive stand without the approval of their own legislatures, such as that taken by Premier Bennett of British Columbia.

APPROVAL OF UNILINGUAL ADVERTISEMENTS

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, my question is directed to the same minister. The minister has just finished saying that it is the Canadian Unity Information Office which is the vehicle for expressing government policy, yet an official of that office has said this in relation to this campaign: "Final approval is really at the cabinet level. We did not make the decision to go with one language. We approved the ads in both languages."

Since the minister says it is the Canadian Unity Information Office that is the vehicle of government policy, how is it that it is the cabinet which gave approval for unilingual ads?

Hon. Jim Fleming (Minister of State, Multiculturalism): Madam Speaker, the hon. member is confused and he confuses me with what he quotes. When I spoke of constitutional ads, I spoke of the Canadian Unity Information Office, which comes under the minister responsible for federal-provincial relations. I do not understand the hon. member's question. I thought the hon. member would understand it is basic policy that when we go to spend taxpayers' money, the cabinet has to approve the spending of it. Therefore, we approved the spending of that $6 million. Not all of that money has been spent. There is no further constitutional ad campaign approved at this time.

Mr. Friesen: Madam Speaker, the fact is that the cabinet has been in such a hurry to get these ads out that it violated the Official Languages Act in doing so.

An hon. Member: Question.

Mr. Friesen: I would like to ask the minister who authorized him to spend money in contravention of the act, and if this is such a non-partisan ad campaign, why was the national unity office not used?

Mr. Fleming: Madam Speaker, with all respect to the hon. member, that is a silly question. I am sure he would not, and I would not, authorize the approval of any ad campaign which made that mistake. I believe there were articles in the newspaper. That was drawn to my attention several days ago. Clearly an error was made. It is being cleared up, and replacement ads were put up some time ago. I really find it very humorous, after its experience over six months, for the opposition to laugh at a mistake being made.

Some hon. Members: Hear, hear!

● (1450)

REQUEST FOR UNDERTAKING ADVERTISEMENTS WILL NOT CONTRAVENE ADVICE TO MINISTER

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I have a question to direct to the Minister of State for Multiculturalism. This morning on CTV he said this:

I don't think that public funds should be spent by any government unless that campaign reflects a policy approved by Parliament or widely reflecting Parliament.

In view of the processes that we have yet to go through here in this Parliament—that is, the reference itself and ultimately a joint parliamentary committee which, if it means anything at all, means it will be considering possible changes, hardly a situation either approved by Parliament or widely reflected in Parliament—will the minister undertake to the House that while the process is in place before Parliament, whether at this stage, the committee stage or any subsequent stage, there will be no ads that might contravene the principles set forth in the advice that the minister himself received from his own officials?

Hon. Jim Fleming (Minister of State, Multiculturalism): Madam Speaker, the hon. member has heard me throughout this question period, and I have tried to make myself very clear. I did not say "approved by Parliament"; I said "approved in principle", and that is clearly what I said.

Some hon. Members: No, no.

Mr. Fleming: If the hon. member looks at the full transcript, he will see it there. If he wants to pick one or two lines, he can do that, but that is what I said yesterday and I was clear on that. If I left out those two words at one point, clearly if the hon. member listened over a period of time or checked any set of transcripts he would find that that was the intention, no matter how much the hon. member shakes his head.

I think it would be irresponsible for me to give any assurance—I am surprised the hon. member would ask for it—but I will do my very best in my role in the cabinet to communicate with the Canadian people on the policies of the Government of Canada, and I have set down the terms under which I will attempt to do that.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): Madam Speaker, one of the problems in this country is the communication of the policies of this government. What I am asking the minister is whether he will undertake to the House not to complicate even further by possible misinformation the problems of the country. Will he undertake that?

Mr. Fleming: First, Madam Speaker, this apparent piousness about something as fundamental as informing the Canadian public, which I think is the responsibility of any government, coming from the opposition House leader after that ridiculous ad run by the Progressive Conservatives a week ago claiming action we did not take, is fine, and certainly they paid for it and I am glad they did. Because when they talk about being responsible, which is the point I am trying to make, that particular advertising campaign accused the government of a policy that has not been taken by the government.

Some hon. Members: Oh, oh!

Mr. Fleming: We are trying to inform the Canadian public about policies that either widely reflect Parliament or indeed have been approved in principle. My hon. friends are either thick skulled or obstinate, because I made it clear throughout this question period that at this time there is no campaign. Yes, there may be a campaign and we will have to determine the circumstances. I know they are the voices of the provinces rather than the voices of the nation.

Some hon. Members: Hear, hear!

Madam Speaker: Order, please.

* * *

THE CANADIAN ECONOMY

COST OF LIVING TAX CREDIT AS PROTECTION AGAINST INCREASE IN ENERGY PRICES

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, I have a question for the Minister of Finance. In one of his few forays into the public realm the minister said, and I quote from a recent speech:

In the next few years, a great deal of purchasing power will be withdrawn from the Canadian economy as energy prices rise.

I should like to ask the minister whether he can give us a firm and solemn commitment that any increase in energy prices will be accompanied by a simultaneous imposition of a cost of living tax credit which will provide compensation for Canadians at the lower end of the scale who can least afford—

Some hon. Members: Oh, oh!

An hon. Member: You are a year late; you have already voted against that.

An hon. Member: You moved a motion against that.

Mr. Rae: I stress the word "simultaneous" cost of living tax credit to protect those Canadians who can least afford the energy price rises which appear now to be the deliberate policy of this government.

Some hon. Members: Oh, oh!

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Well, Madam Speaker, the hon. member has asked me to provide a solemn and firm undertaking. Solemnity is not part of my approach to public life and I could not possibly emulate the NDP in the field of solemnity on all occasions. But I will answer the question simply: I

cannot give an undertaking at this point, simultaneous or unphased.

Mr. Rae: Well, the minister is lugubrious if he is not solemn, Madam Speaker.

Some hon. Members: Oh, oh!

Mr. Rae: I should like to ask the minister a supplementary question. Elsewhere in the same speech he said, with modesty worthy of his predecessor, the hon. member for St. John's West:

—let me assure you that it was to create jobs, improve living standards and promote greater equity that I took on the position of Minister of Finance.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Rae: What did he plan to do on the fourth day?

Some hon. Members: Oh, oh!

Mr. Rae: I see him laughing now. I would like to ask the minister how that commitment, which appeared to be pretty solemn in the context of the speech, gibes with the fact that we have had since this government took power 1,000 lay-offs per working day, according to the government's own composite industrial wage, workers across Canada have fallen behind in the cost of living, and therefore their living standard has declined. Finally, so far as equity is concerned, nowhere in all of Canada have wages fallen further behind the cost of living than in Atlantic Canada. I would like to know how the record of this government compares with the rather high and solemn standard which the minister has set for himself.

Mr. MacEachen: I guess the hon. member has proven the danger of making speeches and the even greater danger of circulating, so the hon. member will have an opportunity to quote from them. In any event I do not find any contradiction between the declaration of objectives and the current situation. I believe that as time goes on the hon. member will, I hope, be convinced that the government is making a very serious effort to live up to the objectives which were laid out in that speech.

* * *

HEALTH CARE

INQUIRY WHY PRIORITY GIVEN TO ADVERTISING PROGRAM OVER REDUCTION IN INFANT MORTALITY RATES

Hon. Erik Nielsen (Yukon): I have a question for the Minister of Justice in his capacity as Minister of State for Social Development. The minister, of course, is aware that his government has often stated its concern for the native people, and indeed he has himself on many occasions. He must be aware that for less than $4 million the federal government could establish a program to reduce infant mortality rates. This program would reduce native infant mortality rates by almost half, which would mean a reduction from 28 to 15 deaths per 1,000 and in the national rate from 16 to 10 per 1,000 live births.

I ask the Minister of Justice in his capacity as Minister of State for Social Development to explain to the House, and indeed to all Canadians, how he can permit this government to give priority to the Liberal advertising program over a reduction of infant deaths in this country.

[*Translation*]

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, since I am responsible for population data, which form the base, and for social policies, and since my colleague the Minister of State for Social Development is responsible for broad directions, may I ask the hon. member whether he would be so kind as to repeat his question?

[*English*]

Mr. Nielsen: Madam Speaker, I put the question to the Minister of Justice who has been minister of Indian affairs in a previous administration and who is now responsible on behalf of his government for social development in this country. If he is not interested enough to answer the question I put to him—he is the one from whom I wanted an answer—then I will forgo putting it to the Minister of National Health and Welfare.

Some hon. Members: Oh, oh!

• (1500)

Mr. Nielsen: My supplementary question is again directed to the Minister of Justice in his capacity as minister responsible for both constitutional and social development in the country. Would he please explain why a non-essential constitutional advertising campaign was initiated, rather than an immunization program for small children which would have enhanced the co-operative spirit in this country? Obviously the minister puts a higher priority on showing Canada geese on television rather than on the health of our young children.

Miss Bégin: Madam Speaker, I would like to answer two parts of the question which are clearly within the Department of National Health and Welfare. I do not know why the member tries to ask a minister who does not have that information.

Mr. Epp: He is responsible.

Miss Bégin: I would like to tell him—

An hon. Member: He does not want the answer.

Madam Speaker: Order, please. I think even at this stage, although the question period is practically ending, we do need some silence, and I would thank members for that.

Miss Bégin: Thank you, Madam Speaker. The member is trying to link alleged cuts in very key programs to other

spending of the government. He is misleading the House right now.

An hon. Member: Withdraw.

Miss Bégin: The $6 million or something—

An hon. Member: It is $6.2 million.

Miss Bégin: The $6.2 million, as my colleague in the opposition pretends to know, for a so-called children's immunization program is not within federal jurisdiction. That has never been cut because it has never existed in the first place. It falls clearly within provincial jurisdiction. That is the first accusation.

Some hon. Members: Hear, hear!

Miss Bégin: As to the second one, I suppose the member is aware of the health problems of Indians; I hope he visits them in his own riding. He should know that the Minister of Indian Affairs and Northern Development and myself are moving at a pace which pleases us to have Indians take over health administration at the pace for which each community is prepared and make new requests according to the requests they are making to us.

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PRIVILEGE

MR. McGRATH—GOVERNMENT ADVERTISING CAMPAIGN

Hon. James A. McGrath (St. John's East): Madam Speaker, yesterday arising out of questions directed to the Right Hon. Prime Minister (Mr. Trudeau), I reserved, on a point of order, my right to raise a question of privilege. Since that time we have heard, by way of the public media, from the Minister of State for Multiculturalism (Mr. Fleming), who is responsible for government propaganda or communications. Also we have had replies in the House today.

I raise this as a question of privilege because I believe the practice the government has begun is an affront to the notion of open and free debate, which is basic to the theory of privilege in a parliamentary system. The inside front cover of Erskine May's Parliamentary Practice has a thematic quote which reads:

> When you have convinced thinking men that it is right, and humane men that it is just, you will gain your cause. Men lose half of what is gained by violence. What is gained by argument is gained forever.

In the formative years of Parliament the threat of violence was the most obvious impediment to parliamentary debate. The privilege sections of Erskine May are full of references to acts of intimidation which were specifically forbidden so that rational debate, free of physical fear, free of issues of personality, could proceed. Privilege does not exist to prohibit violence. It exists to guarantee the conditions necessary for productive debate. We would be misreading privilege if we applied the specific precedents and forgot their purpose.

Just as our constitution did not foresee all the jurisdictional disputes of today, the law of privilege could not foresee all the conditions under which debate could be throttled. If we recall the purpose of parliamentary privilege I do not think we can ignore what is now taking place. In essence, the public has been compelled to pay for advertising which supports the partisan position of one political party, albeit the government political party. The purpose of such advertising can only be to inhibit the opposition in its attempt to debate government policy or the assumptions on which it is based.

This Parliament has passed a law about partisan advertising and the public purse. Under the Election Expenses Act parties are able to collect money and contributors receive refunds. The Liberal party has used its executive position unilaterally to help itself to additional funds. Unfortunately there are no refunds for the taxpayers here. As has been pointed out in the House, we as a party have advertised against the proposal to de-index personal income taxes. We use money properly collected and accounted for as political contributions under the Election Expenses Act. In the referendum campaign in Quebec, both sides had public funds placed at their disposal.

The Minister of State for Multiculturalism seems to understand perfectly the division between acceptable and unacceptable advertising. Last night he said to a CBC reporter:

> The content of the ads should reflect either a policy that has been approved at least in principle in Parliament or widely reflect the views of all sides of the House of Commons.

The proposal before the House has not been approved in any way as yet, either in principle or in any other way. There are sharp differences emerging in the debate between the parties.

A continuation or escalation of this practice would seriously challenge our democratic system of open, unprejudiced debate. Ads paid for by the executive are merely the modern equivalent of the corruption and intimidation which contaminated the House of Commons at an earlier stage of its development. I believe this view was supported by the opinion of Madam Speaker's distinguished and illustrious predecessor, Mr. Speaker Jerome. As reported in *Hansard* at page 2180 of the last session, when government task forces were challenged by the hon. member for Yorkton-Melville (Mr. Nystrom), Mr. Speaker said:

> The support of public funds, where applied to parliamentary activities, ought, I think, to apply across the floor of Parliament—

That principle equally applies here. If the public is to be informed at public expense, it should be informed on both sides of the question.

Some hon. Members: Hear, hear!

Mr. McGrath: The practice now gaining in use is a dangerous one to the cause of fair debate. I think the present ad campaigns and the problem generally should be referred to the Standing Committee on Privileges and Elections.

My argument was supported today by statements made in the House by the Minister of State for Multiculturalism, the minister in charge of government communications, when he

talked about views having to reflect Parliament widely or approval in principle of Parliament. He went on to say that he had no hesitation in spending money to tell the Canadian people about a matter that is before Parliament. He has refused to give us an undertaking in keeping with what he said last night on television, that he would not permit any further public money to be spent on government advertising campaigns until this measure has been disposed of by the House. He refused categorically today to give us that assurance. If I needed any further arguments to support my question of privilege, I would merely have to refer to the *Hansard* of today and the replies of the hon. Minister of State for Multiculturalism.

Therefore, if Madam Speaker agrees in her wisdom that I have a prima facie question of privilege, I move, seconded by the hon. member for Nepean-Carleton (Mr. Baker):

That the matter of the financing of public advertising campaigns at taxpayers' expense on behalf of a partisan policy or opinion, before such policy or opinion has been approved by the House of Commons, be referred to the Standing Committee on Privileges and Elections.

Some hon. Members: Hear, hear!

• (1510)

Mr. Edward Broadbent (Oshawa): Madam Speaker, I rise on behalf of all my colleagues to lend our complete support to the question of privilege that has just been raised in the House of Commons.

Some hon. Members: Hear, hear!

Mr. Broadbent: I think it is incontestably the case, or ought to be the case, if the rules of this House were properly enforced in the best traditions of this House, that money spent for advertising should be specifically linked with programs that Parliament as a whole has approved, not ones that are under debate or discussion. In supporting this question of privilege I want to underline the connection that exists between the advertising that could be used and, in our view, has been used from time to time by the present government for partisan purposes and the related question of polling. Everyone knows that before you spend thousands, indeed millions of dollars, on advertising, you do the polling first. We heard earlier in the day, in answers from the Prime Minister (Mr. Trudeau), not an apology for keeping for government purposes information that was to be used by them until, in the words of the Minister of Justice (Mr. Chrétien) spoken in Toronto yesterday, it was no longer of use, presumably to the government of the day. I can see no other meaning to that.

We have a government which has been preaching the importance of freedom of information and has drafted a farce of a bill, which is full of loopholes, and the Prime Minister today said they are going to keep information on federal-provincial relations away from members on this side of the House. I think that information should be available. I do not want my argument misunderstood. I do not think anyone on either side of the House would deny the legitimacy of polling. There is absolutely nothing wrong with polling, as such, to obtain information. The question is: should that information be made available to the people who pay for it? The answer from this side of the House is, yes, it should be.

Some hon. Members: Hear, hear!

Mr. Broadbent: A question of considerable importance is at stake here. On the one hand, the government is polling, and no one objects to that—the Prime Minister tried in his usual way to confuse the issue today—and on the other the real issue is withholding information obtained in the polling and then, specifically related to the question of privilege which was raised today, putting ads in the papers, on television and on radio networks right across Canada, that have as their prime purpose the partisan interests of the Liberal government of the day, to further their particular views on a controversial issue. Surely, Madam Speaker, that is wrong.

Some hon. Members: Hear, hear!

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I want to make a brief intervention in support of my colleague on his eloquent, articulate, and well-motivated question of privilege as a member of Parliament. I address myself particularly to the members on the government side of the House because I think each of us as members of Parliament must consider the function of raising questions of privilege before the Speaker and the purpose for which we do that.

The purpose of questions of privilege is to raise matters which arise where the individual member of Parliament is somehow interfered with in the performance of his functions and duties as a member. I can think of nothing in this particular instance that has been raised in this House over the course of this Parliament which has been of the same consequence, because of the enormity of the expenditure that is taking place as a result of the government involvement in a multi-million dollar advertising campaign, which I submit is contrary to every fundamental principle upon which Parliament has been developed and fought for over the years.

The normal tradition in our country has been that the issues have been decided upon in free and unfettered debate in the House of Commons, on the floor of this House, as reported by an independent press, as viewed in an unrestricted way by the people of this country. We now have an additional dimension to our situation in Parliament—we have television. For the government spokesman, the Minister of State for Multiculturalism (Mr. Fleming), to stand up and say that the point of view of the government has not been adequately expressed and he must recommend to his colleagues that they devote enormous sums of money to an advertising campaign is ludicrous in the extreme. We are now being broadcast live across this country, in every corner, with the exception of remote northern areas.

If this were the only instance—the one we are talking about now with respect to the whole question of advertising on the constitution—well, that would be fine. The minister may give his excuse, but there has been a pattern developing with respect to government advertising since the minister has taken

over this responsibility. This shows to me, and should show to all of us as members of Parliament, that there is a plan afoot to enter into and cross that line of appropriate advertising which should be used only for educational or informative purposes, that is to say, when legislation has been approved and passed by Parliament.

Madam Speaker, there is a pattern being developed by this government, and in the instances that I put before you I hope to convince you there is a valid question of privilege here. We had initially a quarter of a million dollars spent on a decision that had already been made by the government with respect to the acquisition of fighter aircraft in Canada—a quarter of a million dollars congratulating the government on a good decision. They did that before the test plane crashed. The fact is it was a self-congratulatory and self-serving kind of advertisement which had nothing whatever to do with a question of education or information but, rather, was politically motivated.

My colleague now has raised the question of advertising with respect to energy matters—misleading in the extreme.

An hon. Member: False!

Mr. Hnatyshyn: False and wrong. These particular advertising campaigns are telling Canadians they have nothing to worry about with respect to their energy future, when we know there is an energy crisis. Now, with respect to the matter that is before the House, we have a debate taking place on the very rudiments, the very fundamental principles upon which our country is based, our constitution. Political cynicism has been observed in this country before. But I doubt whether or not it has cost us in the vicinity of $6 million every time the Minister of State for Multiculturalism addresses the cabinet. That is the ultimate in political cynicism with respect to the very important matter which I and every member of this House feel very strongly about.

My final submission to Your Honour is this: there has been a memorandum which has been under consideration by cabinet, which has been leaked and which has been acknowledged by the minister as well as by the Prime Minister (Mr. Trudeau). Just so we do not lose sight of the gravity of what the government is entering into with this advertising campaign, I want to quote from this memorandum. It may involve $6 million with respect to the constitution at the present time, but there is every possibility of substantially more money being spent and, indeed, with respect to all its advertising, the estimate is now upward of $50 million.

● (1520)

I believe that a committee should be seized with looking at the advice which the government is now receiving, to consider and recommend to the House guidelines with respect to government advertising. If we look at what has been recommended by the minister through his advisers to cabinet, there is additional reason for having this matter sent to the Standing Committee on Privileges and Elections.

I would like to quote from this memorandum which outlines the scenario with regard to advertising on the constitutional debate:

> But once the government has decided what action it intends to take and Parliament has been reconvened to debate that proposed action, the role of advertising changes. At that point, public funds are being used to sell the governing party's position, yet such funds are not available to opposition parties. Thus, the opposition has no effective way to respond, in contrast to the provinces which can, and did during the summer, respond by running their own advertising programs. Under these circumstances, ministers need to decide if advertising is politically legitimate.

That quotation, Madam Speaker, speaks volumes with respect to the intrusion into the House of Commons and the effect that this kind of advertising campaign has on my ability and yours to represent the people whom we have been elected to represent adequately. What is happening is that we are turning this whole question of constitutional reform, indeed, every major issue which comes up in our country, into an advertising war between different levels of government, and between the government with the power of the purse in its hand and the opposition, the role and function of which is to criticize constructively the programs of the government.

Never in this Parliament has there been an issue of this consequence with respect to the invasion of the rights of members of Parliament. I strongly support the motion put forth by my colleague, the hon. member for St. John's East (Mr. McGrath).

Madam Speaker: I can see that there are several members who want to speak on this particular question. I want to thank the hon. member who just spoke for having at least during part of his speech attempted to focus on the reasons for which he thinks there is a question of privilege. I want to remind hon. members who intend to speak that at this particular stage of the proceedings I am trying to be enlightened as to where the privilege stands. I would be grateful if hon. members would focus their remarks on elaborating where they feel the question of privilege lies.

I have not yet found a prima facie case of privilege, nor have I found to the contrary, but I am trying to inform myself of the reasons for which there might be a question of privilege. I would be grateful if, rather than debating the question itself, hon. members would concentrate their remarks in that area.

Hon. Jake Epp (Provencher): Madam Speaker, in rising to support the question of privilege by the hon. member for St. John's East (Mr. McGrath), I agree with your ruling that the issue before us is whether or not the privileges of myself and my colleagues to participate and come up with a decision on the proposed resolution have in any way been thwarted. We must put the matter into context in view of the fact that throughout the summer there was a campaign by the government to put before the Canadian people their position on constitutional renewal. Some members of this House stated, before we rose for the summer recess, that Parliament was the place where this matter should be first debated.

That debate is now in the House. The Prime Minister (Mr. Trudeau), in his address to the nation last Thursday, said that

Parliament had the responsibility to debate this issue. He also said in his address:

Every member of Parliament from every corner of this land is asked to participate in this historic act.

The question before us then is whether or not participation is only the right to rise and speak, or whether it does not also include the right to change the proposal that in its present form is only tentative in nature. The Minister of State for Multiculturalism (Mr. Fleming) put the matter into context when he spoke this morning on the CTV program "Canada AM." He said in part:

And then when that program has at least been approved in principle you have the right to tell the public about the program and spend some money on explaining it, otherwise how is the public ever going to know.

I am sure that the minister would agree that this House has not yet approved the resolution. Indeed, the government has not put a resolution before the House, but a proposed resolution. There is a notice of motion to strike a joint committee. I believe, at this point in time when Parliament is debating a possible course of action, that what the government is attempting to do is, possibly not to throttle every member here, but to make the point, now, to everyone outside the House, that no matter what argument is raised, legitimately or otherwise, that argument is not valid and that the plan of action has been completed. I think that point was illustrated by the government in the charade at the first ministers' conference through the manner in which it conducted its affairs. That charade is now being transferred into this House.

[*Translation*]

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, on the question of privilege and in answer to the Leader of the New Democratic Party (Mr. Broadbent) who talked about polls, I would simply say that I think it bears no relation to the question of privilege. We were able to answer during oral question period.

Now I should like to speak about the matter of advertising as mentioned by hon. members of the opposition. First of all, I should like to inform the House that the advertising which is referred to was terminated on radio and television on September 8 and that, in addition, as everybody knows, the advertising through billboards will be over this month. It is because of the very nature of that kind of advertising that it will be finished later. As a matter of fact, billboards must be leased for a certain period of time.

But in the very substance of the advertising which was made during the summer, Madam Speaker, absolutely no government position was proposed. If hon. members look objectively at the advertising, they will see that it began after the referendum in Quebec. I recall clearly that on May 21, the day after the referendum, all members present in the House said that the time had come to undertake constitutional changes. All members offered me their best wishes for the work I was undertaking that day, when I was about to leave to visit the premiers, and for the summer during which I met with all my colleagues to try and make some progress in constitutional matters and have the consensus of the provinces.

I do not think that anybody here could now accuse us of not doing everything possible during the summer to try to achieve a consensus. During that time we ran some ads. I will not apologize for it. This publicity tried to raise the consciousness of the Canadian people by telling them how important it was to make the constitution a truly Canadian document, how important it was to do this in the wake of the referendum so as to achieve some progress. I do not think that this publicity, at any time, was aimed at selling a point of view. For instance, during the debate in the House, we said that it was extremely important to patriate the constitution. Every member of this House, including the Leader of the Opposition (Mr. Clark), agrees that we must patriate the constitution. All parties agree that if we patriate the Canadian constitution we need an amending formula, without which we could not amend the constitution. To say that is important at this time to have—

• (1530)

[*English*]

An hon. Member: We listened to you.

Mr. Clark: We spoke the truth.

An hon. Member: You tripped over it.

Mr. Baker (Nepean-Carleton): On a point of order, Madam Speaker, I understood that you had directed members of the House to deal with the question of privilege. I thought that you narrowed that down quite nicely, just before the hon. member for Provencher (Mr. Epp) spoke, and requested members to speak about the merits, the motivation, and what have you. I thought that the hon. member for Provencher respected your ruling, and I would respectfully request that the Minister of Justice (Mr. Chrétien) address his remarks to the question of privilege raised and put in a draft motion by the hon. member for St. John's East (Mr. McGrath).

Madam Speaker: Order, please. It is always the hope of the Chair that at some point some arguments will elucidate the real question of privilege. The Chair often has to be patient with certain speakers in order to ascertain whether that is going to be the case. I would expect that the hon. minister has heard the remarks of his colleague, and that in order to help the Chair he will try to restrict himself to the reasons for which he feels there is or is not privilege.

Mr. Chrétien: Madam Speaker, that is exactly what I was doing. I was explaining the nature of the publicity, and telling hon. members and the Chair that there was nothing in that publicity that was partisan. It was the goal that the House of Commons was pursuing at that time, in order to have constitutional reform come quickly and effectively to Canada. I do not think that the privileges of members have been affected. We told Canadians there was a problem and that the problem should be solved quickly.

I just want to say, Madam Speaker, that there is absolutely no question of privilege in that matter. It was just a matter of informing the public of a problem that existed in Canada, a problem that the House of Commons on May 21 asked me to do my best to resolve. At that moment, one of the policies was to make sure that the public understood the nature of the problem we were having. At no time was there any publicity that was partisan. The publicity stopped on September 8, the day before the opening of the constitutional conference in Ottawa.

Of course, Madam Speaker, I will not deny that there are still some billboards out there. On the billboards it says that Canada is a great country and asks Canadians to think about it. There is no question about that. If they think that because we are proud of being Canadians that that would affect their privilege, I will never apologize for that.

Some hon. Members: Hear, hear!

Mr. Chrétien: I just say, Madam Speaker, that there is no substance to that. In terms of the privileges of the House, I should like to quote the Premier of Quebec. On March 31, in reply to a provincial member of the National Assembly, one who is more or less the Conservative or Union Nationale member, Monsieur Fontaine of the riding of Nicolet, who was complaining that the Quebec government was having a lot of publicity like—

[*Translation*]

—"Become attached to Quebec", or "dare", or something like that, between equals!—

[*English*]

—and what not, Premier Lévesque said that, it is the duty of any government to inform its constituents of what is going on. I think there is some publicity at the present time on the radio in Quebec. I heard it when coming to Ottawa not long ago.

The publicity we had was to inform those in the public who did not realize that we had a major problem in Canada. We were not offering Canadians one or the other solution, but the one solution that we all believe in, that this Canada should remain one, united, and strong.

Some hon. Members: Hear, hear!

Mr. Chrétien: I am very sorry to hear a member of the opposition complain because we have a preoccupation that when you have the best country in the world you do not take any chance about it.

Some hon. Members: Hear, hear!

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I shall attempt to address myself to the substance of the question of privilege. I believe there are probably two elements here that commend themselves to your attention. One has to do with the statement of the minister that advertising would be legitimate only if it had been approved in principle in Parliament. That language, "approved in principle" in Parliament—and I am quoting exactly from transcripts—

Mr. Fleming: Or widely reflected.

Mr. Clark: Now he also adds, "or widely reflected". Earlier, in question period today, he indicated to the House of Commons what standard would be adduced to determine a wide reflection of opinion. He said that if he thought there was a wide reflection of opinion, then there would be a wide reflection of opinion. I would like to suggest to you, Madam Speaker, that it is at least an innovation, and certainly unacceptable, to suggest that a minister of the Crown is empowered by his own judgment to adduce the position of Parliament.

When we use the words "approved in principle" in this House, we use those words in a quite specific and quite legal context. They have to do with formal, legal approval of a matter that has come before, been debated and approved by, a majority of members of the House of Commons. It is not a question of opinion; it is a question of decision. That is what approval means in the lexicon of Parliament. That is the only basis upon which government advertising of the kind that this minister is attempting to justify, could be justified. It is not a matter, simply, of sentiments being expressed; it is a matter of decisions having been made on a wide range of questions. Contrary to the view of my good friend, the Minister of Justice, (Mr. Chrétien), section 42 would not advance the federal state but holds the prospect of ending the federal state and establishing a unitary state.

I have excerpts here of certain of the advertising programs that have been used. The advertising program is designed to express support for federalism. The bill that is being debated contains a provision which could mean the end of federalism and its replacement not by separatism but its replacement by a unitary state.

Mr. Harquail: That is in your mind.

Mr. Clark: I am told that that is simply my opinion, but it is the opinion that I have expressed as the Leader of the Opposition and the leader of my party on a question that has not yet been decided here in the House of Commons. What the government is trying to do is to suggest that its advertisements reflect a decision that has been taken. That is false; that decision has not been taken. Those advertisements cannot be justified as being in any way a reflection of a decision taken here. That is one point, Madam Speaker—that approval in principle has a specific legal meaning here, and that we have not reached approval in principle of those points that are the subject of advertising.

The other matter, Madam Speaker, will perhaps require a little more consideration by the Chair and the law officers at the Table because it has to do with the application to Parliament of new techniques of communication—new techniques in public pursuasion. Reference has been made to the use of public opinion polls.

If I may impose upon the House for just a moment, I had intended to raise a question of privilege later simply to set the record straight. The Prime Minister (Mr. Trudeau) had indicated that during our period in office we had conducted

public opinion polls and held them secret. The facts are that during that period we conducted three public opinion polls: one on energy, one on federal-provincial relations, and one on multiculturalism. The poll on the energy matter was released because there was a request, and instructions were given to officials of the departments of the Government of Canada, when we were the government, that all polls should be released in keeping with the freedom of information legislation that our government had introduced. That was our position, and I recommend it to the government today.

Some hon. Members: Hear, hear!

Mr. Clark: The Minister of Justice asks when they will be made public. He is now their custodian, Madam Speaker, and I would urge him to make them public today.

Let me go back to the point about the new and subtle means of pursuading public opinion and influencing public opinion. We all know that these days extensive use is made of public opinion polls, not simply to determine what the public is thinking on a particular question but to determine what kind of appeals the public might be vulnerable to, what kind of fears or apprehensions might exist in the public mind or in the public psyche, that would allow a particular kind of presentation made by a government, made by a political party, to have some effect. We have had very recent testimony about the extent to which members of this government used that kind of technique.

Three or four weeks ago, before the Advertising and Sales Club of the city of New York, representatives of Goldfarb and other advertising agencies used by the Liberal Party of Canada, indicated to that club that in preparation for the 1980 election campaign the purpose of their polling was not to find what Canadians believed about issues, but what Canadians feared about the political opponents of the Liberal party. Indeed, they were not seeking information as to opinion, they were seeking information as to the vulnerability of the public of Canada, those fears they might have, those aspirations they might have, to which an appeal could be made that might cause people to be manipulated into a decision to which they might not normally have come to themselves.

● (1540)

That is not news which I bring to this House. That is simply a report of the admission made by the people who did the advertising, prepared the campaign, and ran the polls of the Liberal Party of Canada during the 1980 election campaign. They were clearly designed to poll opinion, not to find opinion, but to find fertile ground for sowing fear, fertile ground for trying to build support for particular proposals—

An hon. Member: On a point of order, Madam Speaker—

Mr. Clark: You are not in your seat.

Mr. Baker (Nepean-Carleton): Sit down.

Some hon. Members: Oh, oh!

Mr. Clark: The point here is that the same people who conducted public opinion polls to try to identify fears which they could subsequently exploit—

Mr. Kelly: A point of order—

Madam Speaker: The hon. member for Scarborough Centre (Mr. Kelly) on a point of order.

Mr. Kelly: Madam Speaker, my apologies for not observing earlier the rules of this forum.

Mr. Baker (Nepean-Carleton): Try it now.

Mr. Kelly: I would point out that members on this side have as much to be offended by in the performance of members of the opposition as they think they have with us.

Some hon. Members: Order!

Mr. Kelly: And I would point out to the Leader of the Opposition (Mr. Clark) that the public of Canada lost faith in the government of his day long before anything was done by this party—

An hon. Member: What is the point of order?

Mr. Kelly: —or long before anything was done in the election.

Mr. Epp: You did better in the other seat.

Madam Speaker: Order. I fail to see that the hon. member is raising a point of order. I believe he is participating in the debate. He can do that at another time, but at this juncture we were listening to the Right Hon. Leader of the Opposition (Mr. Clark). The Right Hon. Leader of the Opposition.

Mr. Clark: Thank you very much, Madam Speaker.

Mr. Kelly: Madam Speaker—

An hon. Member: Sit down!

Madam Speaker: Order, please.

Mr. Kelly: Madam Speaker—

Mr. Baker (Nepean-Carleton): Don't make an ass of yourself. Sit down.

Madam Speaker: Order, please. The hon. member was participating in the debate; he was not raising a point of order. I will now recognize again the Right Hon. Leader of the Opposition. If the hon. member at some point wants to raise a point of order, he can do it, but at this particular time I did not feel he was doing that. The Right Hon. Leader of the Opposition.

Mr. Kelly: Madam Speaker—

Madam Speaker: Order, please. I thought I told the hon. member that I did not feel he had a point of order. He cannot

be getting up again on a point of order because the Right Hon. Leader of the Opposition has not yet uttered a word since he raised the first point. He cannot have found a point of order in anything which the Leader of the Opposition might have said.

I would ask the hon. member for Scarborough Centre to resume his seat so as to allow the Leader of the Opposition to express himself. If the hon. member wants to participate in the debate, he can do it later on.

Mr. Clark: Thank you, Madam Speaker. I regret this matter is taking so much time of the House. But the point I was making is that we are now in an age where there are sophisticated and very powerful new methods of influencing opinion. What they involve is a marriage of public opinion polls with high-powered advertising campaigns. We have seen that work in election campaigns. We know who the pollsters were for the Liberal party. We know they are the same pollsters for the Government of Canada now. We know who the advertising agents were for the Liberal party. We know they are the same advertising agents as are used for many of the advertisements to which objection is being taken here. There is a purpose to this new sophisticated kind of marriage of public opinion polls to try to determine where the public is vulnerable and advertising campaigns designed to effect a message which will hit the public where it is vulnerable.

How does that affect the rights of the House of Commons of Canada? Naturally, this House is sensitive and conducts its debates with some sensitivity to public opinion in the country. We are here to serve a public. It is the grave fear of members on this side that these sophisticated new techniques are being used in an organized way by a minister charged specifically with that responsibility, to try to condition public opinion prior to a matter of substance and of importance being discussed and being decided here on the floor of the House of Commons. That, as my colleague, the hon. member for Saskatoon West (Mr. Hnatyshyn), attempted to indicate, imposes an entirely different environment and circumstance upon this House.

It may be to some degree that those changes that occur in public opinion are beyond the control of Parliament. What we are pointing to here is that there is a deliberate attempt being made by the Government of Canada to use these modern techniques of persuasion to create a public opinion that will be friendly to their positions, and hostile to the positions of their critics on the floor of the House of Commons. In other words, they are using public money to try to reach beyond Parliament to limit the freedom and the capacity of Parliament to come to decisions on basic and fundamental questions here.

In many cases, the advertising used is designed not to inform the public of Canada but to misinform the public of Canada. As I look at some of the advertising here, which talks about making the constitution right, making the constitution work and making the constitution ours, there is no question that that is an appeal to patriotism, an appeal to the pride which Canadians have in their country, and an attempt, a subtle, not very well disguised attempt, to suggest the legislation that will follow from that advertising campaign will be limited simply to the question of bringing the constitution home. That, Madam Speaker, is misinformation. That is false information.

The legislation which the public was conditioned by this advertising to expect was simply patriation of the constitution. But instead of receiving what they were conditioned to expect, the public of Canada has been presented here with a resolution which goes well beyond the laudable goal of patriation, which would, among other things, affect, in a way the Supreme Court declared illegal, the powers of the other place and establish a double standard of amendment: one standard for the Liberal government's amendments, and subsequent standards for all other amendments of interest to other Canadians. This will build into the law of Canada a capacity for any majority government to ignore the provincial governments and the legislatures of the land. In other words, there has been an attempt made to create among Canadians the impression that we were dealing with a limited question here, a question which struck at the heart and spoke only of the location of the Canadian constitution. Instead, after the softening up by the Government of Canada, there was a very different piece of legislation brought in.

As I say, it is very difficult for the Chair or for any members of this House to know exactly how we should respond to new developments in technology. It took our predecessor Houses some time and some discussion to determine what we would do about the so-called fourth estate; whether we would allow journalists in the gallery; whether we would allow that presence to change the traditional proceedings. There was extensive debate and extensive consultation among all parties before it was decided to allow television to take its place and to have cameras here on the floor of the House of Commons.

What I am suggesting is that there is now a new medium, a new instrument of persuasion of which use is being made by the government to try to create a climate, to try to manipulate public opinion which will set the context in which Parliament must decide. I suggest very briefly that that affects the fundamental and traditional freedoms of the Parliament of Canada to make decisions. I think that that attempt to spend public money, to manipulate public opinion on public questions that have not yet been decided, is an improper practice that offends the rights of this House of Commons.

That, in my view, is one of the questions of substance which your Honour will have to decide, along with the question of substance having to do with the quite precise definition of approval in principle as it applies to decisions taken by the House of Commons of Canada.

Some hon. Members: Hear, hear!

• (1550)

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, I shall do my best to meet the suggestion which you made some time ago, namely, that we address ourselves to the question of privilege itself. In other words, it is not yours to take part in the matters of substance that are being debated back and forth. However, in order for Your Honour to allow

the motion of the hon. member for St. John's East (Mr. McGrath), you have to be convinced that there is before you a prima facie case of privilege. I contend that there is, and I shall try to make that point.

May I say initially that I, personally, am not as offended by the advertising as are my friends in the Progressive Conservative Party. I think some of them are a waste of money. I believe that commercials for some products are funnier and more interesting to watch. I disagree with many of the things my friends in the official opposition are saying about the possible effect of these advertisements, but somebody has to come to the defence of the official opposition. Whether I agree with them or not, I do so.

I point out to Your Honour that you are not being asked to decide that there has been an act of wrongdoing. You are not even being asked to decide that the matter is to go to a committee. All you are being asked is to decide that there is sufficient prima facie evidence about the question of privilege to permit the motion to be put so that the House can decide whether the matter is to go to the Standing Committee on Privileges and Elections.

I suggest to Your Honour that the very debate that is taking place here this afternoon, no matter which side one takes, demonstrates the fact that those on the government side have available taxpayers' money to present their case to the people of Canada, whereas those on the opposition side do not have that facility. They do not have available to them taxpayers' money to make their point. I may not agree with the point of view of my friends to the right, but they have the right to make it.

We have some other views about the constitution, but no taxpayers' money is made available to us. We have to pay for these things out of our party funds if we wish to do so, or we have to content ourselves with argument on the floor of the House of Commons or at other public gatherings. However, the government of the day, and because it is the government does not get away from the fact that it is the Liberal party, takes a certain position in the House, has given to it or has taken to itself, a privilege, the right to spend public money which is not available to those taking other positions. At the very least, there are enough precedents regarding this that the House ought to have the chance to send the matter to a committee for investigation.

That is the only question to which you have to address yourself. You do not have to say there has been a wrongdoing or there has not been a wrongdoing. You do not have to say that money has been wrongly spent. All you have to convince yourself is that there is enough question about what has happened that the House should have the right to decide whether the matter is to be sent to a committee for investigation.

As Your Honour knows from past experience, at least from the experience of former Speakers, you might decide that there is a sufficient prima facie case of privilege that the motion might be put and the government could well use its majority to vote it down. However, at this point I think we are on sound ground for insisting that there is a question that ought to be looked into.

I know that the precedent I want to quote is one that I have quoted quite a few times. By now, everybody else in the House must know it as well as I do, but I think it is valid. Back in 1964 and 1965 when the Liberal government brought before Parliament the Canada Pension Plan, which was sponsored by the Hon. Judy LaMarsh, there developed a tremendous advertising campaign against that legislation sponsored by the insurance industry in this country.

I was greatly annoyed. In due course I spoke to Judy LaMarsh about it. I said to her, "Is it not possible for some government advertising to be put in the press to counter these unfair attacks being made by the insurance industry?" As I have said many times, the reply was, "Stanley, I have wanted to do that. I have tried to do it but they tell me"—I don't know who "they" were, Treasury Board or somebody—"it cannot be done. We cannot spend public money on a measure that has not been passed by Parliament."

She went on to say that once the legislation was passed, her department would be free to advertise its benefits and so on. At any rate, her position was that she had tried but the rule was there. What bothers me is that the present Minister of State for Multiculturalism (Mr. Fleming) is changing the rule.

Before I come to what I want to say that flows from that case, may I say that the other precedent which applies in this instance has already been quoted by the hon. member for St. John's East, namely, the ruling by Mr. Speaker Jerome regarding funds being used by the Clark government for committees or task forces which were made up of Conservative members only. Mr. Speaker Jerome in a reasoned, thoughtful and careful judgment, said it was his view that parliamentary funds have to be made available in such a way that Parliament as a whole is getting the advantage of them.

You may say there is a slight difference, that Mr. Speaker Jerome was talking about parliamentary funds, House of Commons funds if you will, for which the Speaker was responsible. You may say that the funds that are now being used are not coming out of your budget, that they are coming out of the federal government budget. However, the ultimate source is the same in both cases, the taxpayers of Canada.

If Mr. Speaker Jerome thought it was unfair for taxpayers' money to be used to get certain information and do certain things in which only the government side was involved, I suggest it is at least an open question as to whether the present government has the right to use taxpayers' funds to advertise on behalf of its position. I think the whole question of advocacy advertising, subliminal efforts, and all of these things raise many moral questions and questions that relate to our future. It is a good time for us to look at this whole practice. However, as I said earlier, I am not asking you to make a judgment on that. I am saying you have to judge whether there is a sufficient amount of evidence that the question is one that ought to be looked into.

In the course of his remarks the Minister of Justice (Mr. Chrétien), and I think others have said the same thing, emphasized that the advertising ended on September 8. The implication of that is that we should not worry any more about it. However, Madam Speaker, the Minister of State for Multiculturalism has said several times in the past two or three days that he has decided that it is all right to spend federal funds gathered from the taxpayers on advertising under two conditions one, on something that has been passed by Parliament and, two, on something on which there is agreement in principle in Parliament, or a wide consensus or what have you. Therefore it is not a case that closed on September 8. We are now having an announcement by a minister which is completely contrary to the rule that the Hon. Judy LaMarsh told me was the rule in 1965.

Mr. Baker (Nepean-Carleton): Whether it is over or not is not the question.

Mr. Knowles: As the hon. member for Nepean-Carleton (Mr. Baker) says, whether the advertising is over or not, it should be investigated even if it is over. But I find it disturbing and alarming that the Minister of State for Multiculturalism says that this will be the policy from here on. When the Prime Minister (Mr. Trudeau) was asked whether what the minister said was government policy, the Prime Minister fobbed the question off on the Minister of State for Multiculturalism. He said that he had spoken in his capacity as chairman of the cabinet committee on communications.

● (1600)

Really, we have the right to know what policy is. Judy LaMarsh did not tell me, because I did not press that point, who had made the rule then. We do not know who has made the rule now, but it sets up a situation in which there is gross inequality between the two sides of this House.

As I say, I disagree with many of the things my friends are saying. My friend, the Leader of the Opposition (Mr. Clark), a moment ago characterized this advertising as leading to the breakup of Canada and all of that. Whether I agree with the position of the Conservatives or not, they have the right to take the position, they have the right to argue for it, and they have the right to the same facilities available to the government, particularly if federal funds are involved.

Some hon. Members: Hear, hear!

Mr. Knowles: Though I have said it before, I am being reminded by my colleague, the hon. member for Broadview-Greenwood (Mr. Rae), so do we; we have views about the constitution and about that other place a few yards to the east of here. We have views that we have tried to make public in the best ways we can, but no public money is available to us for billboard advertising, radio advertising or television advertising. There is an element of unfairness about this which runs counter to the whole principle that here on the floor of Parliament we are equal in terms of our right to present our case. I believe that equality has been vitiated and damaged by the position the government is taking.

Let me say again, I am not terribly upset about the advertising, but I am upset by the authority with which the Minister of State for Multiculturalism says this is the rule now—that it is his duty to make known to the public of Canada all the information he can give them. The Prime Minister says the public is not as disturbed about information as are members of the Tory party. That is fudging the issue, if anything I ever heard was fudging an issue. The point is: do they have the right by calling it information to use public funds to advertise their side of an issue which has not yet been settled in Parliament? Where I stand on the issue of the constitution does not matter. Indeed, even though I do not agree with the position being taken by the Conservatives on the main issue, I defend their right to equality in the whole picture on the floor of Parliament.

I contend, Madam Speaker, as I said earlier, that you do not have to decide that anyone has done anything wrong. You do not have to take sides on the issue of whether the money has been properly spent or not, but I do think it is clear to you, clear to members of this House, and clear to those who will be following this debate, that there is enough question about what the government has done that the House ought to have the right to decide whether it wants the whole question referred to the Standing Committee on Privileges and Elections. I hope you will grant the hon. member for St. John's East the right to put his motion. If you do, we shall certainly support it.

Some hon. Members: Hear, hear!

Madam Speaker: Order, please. Obviously I will not be able to listen to all those who want to take part in this discussion. Therefore the number of speakers I will recognize in the future will depend very much on how briefly those who are recognized speak. I would suggest it would be reasonable that speakers who are to follow do not take more than five minutes, and it would be even better if they took less. As a media person I was always told there is nothing that could not be said or explained in five minutes. I know this House allows much more freedom in expressing oneself than in a tightly knit radio or television program, but perhaps we could apply that rule to ourselves for the remainder of this discussion.

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, I know this debate is taking up some time and I will try to confine myself to five minutes. I have not been here long enough to become quite as verbose as many. I do feel I have a point to make which bears directly on this matter and which has not yet been advanced.

The Minister of State for Multiculturalism (Mr. Fleming) has professed that governmemnt advertising on the constitution or, for that matter, on any other question, would not be contemplated without the approval or the implied approval of Parliament. He said that on television, and he said it in the House today.

The dimension I would like to develop is merely this. My privilege, my reputation, and my honour as a member of this House have been degraded because members of the government are proclaiming around the country, in my name and in the name of all members of this Parliament, slogans and viewpoints that I believe not merely to be misleading but in many respects to be downright dishonest.

The point about dishonesty has already been made, Madam Speaker, and it would not be proper to make that allegation if I could not be given—

Some hon. Members: Oh, oh!

Mr. Siddon: It would not be proper to make the allegation that such advertisements are misleading or dishonest if I was not permitted a few moments to expand on that by giving some examples.

The Minister of State for Multiculturalism told us earlier today about the education content of these advertisements which depict geese flying, beavers, and the rest. For my part I am most offended by the billboards I see around Canada. For example, let me quote from a television advertisement, and I am sure it must be on a billboard somewhere in the country, and this is part of the government's advertising campaign:

It's over a hundred years since our constitution was written for us.

It is, indeed, over 100 years since the British North America Act was proclaimed, but it was prepared by Canadians and they did that for us. Sure, they are dead, but that did not stop the process of revising and updating the BNA Act which is in fact our constitution.

The foregoing quotation is obviously directed at citizens in this country who have virtually no knowledge of our history or of how the British North America Act was drafted, and it would lead them to believe that the text of the BNA Act was prepared somewhere else than in Canada by people other than Canadians. The truth of the matter is that the Fathers of Confederation were Canadians who worked together in a spirit of good will to create this nation, once a proud nation.

The second quotation, and I am only going to use two or three more if I may, appeared on big billboards across the country and read as follows:

Practically the only thing that hasn't changed is the constitution.

Is that or is that not true, Madam Speaker? I suggest it is downright incorrect. First ministers' conferences represent a distinctively Canadian innovation. Over the years these conferences between provincial and federal ministers have contributed to the amendment and, yes, the reconstitution of the BNA Act in a gradual and orderly manner. For example, Madam Speaker, regional equalization was unheard of in 1867, yet it now forms an integral part of the federal existence. The "have" provinces share generously with those less fortunate. And whoever heard of the women's franchise to vote in 1867? These and many other changes to our constitution have evolved with time, and I submit the slogan is incorrect.

A third and most important example of a slogan which many people in my part of Canada, at least, are very deeply offended by, reads as follows, and this appears on big billboards:

A new constitution: Make it right, make it work, make it ours.

It does not take an intricate mind to conclude that this slogan suggests that the BNA Act is wrong. This implies that the present BNA Act does not work and that it is not ours. It has always been ours, because Canadians wrote it. What was wrong with a former group of colonies going together to the British Parliament with the request that they be given authority to form a federal state within the family of British parliamentary governments, and to make it work? The implication is that it does not work.

It takes trust and confidence between partners in a confederation to make the partnership work, and regrettably that trust and confidence have been eroded and virtually destroyed from one end of this country to another by a government which goes around picking fights with the provinces and their premiers.

I would like now, if I might, to lead to a final quotation which is prominently displayed in the subways of Toronto and on the streets of Vancouver and Charlottetown. This quotation—

Madam Speaker: Order, please. May I ask the co-operation of the hon. member to please focus on the reasons for which he thinks there is a prima facie case of privilege? Hon. members are not serving their cause well if they do not address themselves to that particular point because, if they do not, I will not have their arguments in order to judge the case. They are obviously intervening in this debate in order to enlighten me. I would very much like to be enlightened, and I ask the hon. member to focus on those reasons.

• (1610)

Mr. Siddon: Thank you, Madam Speaker. I think I tried to express my point at the opening of my remarks, and I will repeat it. I am a member of this House equal to every other member of this House, and when the Minister of State for Multiculturalism proclaims to the country that his advertising campaign speaks for me and has the consent of this House, and at least the implied support of all members of this House, then my reputation and my integrity are questioned. I go home to my constituency and it is said, "But one sign says 'Let's work together to build a better Canada now'." That is a slogan across the land, and who is working together? Who is working together to build a better country?

I believe in judging the merits of the motion put by my colleague, the hon. member for St. John's East (Mr. McGrath), that your Honour has to recognize that the integrity of every member of this House is in question if the slogans the government is proclaiming across the land are misleading and untrue and cast a pall of doubt over my reputation and the reputation of everyone else in this country.

[*Translation*]

Mr. Pierre Deniger (Parliamentary Secretary to Minister of State (Multiculturalism)): Madam Speaker, the hon. member for Winnipeg North Centre (Mr. Knowles) has defined quite well the context within which you must soon make a decision. Yes or no, in view of the evidence given by hon. members opposite, is there a prima facie case of privilege? Madam Speaker, after listening with a lot of attention—which is very difficult I pray you to believe—to all the arguments of the opposition members, I must respectfully conclude that there is not.

First of all, the hon. member for St. John's East (Mr. McGrath), who introduced the motion and who is no longer in the House, raised two points. He implied, and so did other members opposite, that the advertising campaign purchased and broadcast by the Canadian government was simply a propaganda instrument for the Liberal party. Madam Speaker, I have never in all my life heard so many inaccuracies and lies spoken by one party. In view of the climate which accompanied the referendum campaign, when all members of this House gave their support to what the Canadian government had done and congratulated the Right Hon. Prime Minister (Mr. Trudeau) for the commitment that he made a few days before the referendum, that is, to renew the constitution, how can we have strayed so far from this spirit which sustained the House and all its members during the referendum? This is my first point, Madam Speaker.

As for the principle itself, Madam Speaker, only one precedent has been mentioned. Unfortunately, I am not aware of the situation which occurred in 1964 between the hon. member for Winnipeg North Centre and the then minister of national health and welfare, but as for the hon. member for St. John's East, he referred to the ruling made by your predecessor about the task forces established by the then minister of transport, the hon. member for Vegreville (Mr. Mazankowski).

Madam Speaker, when you look at this ruling and especially at the discussions that came before it, you will note that I had myself taken part in the debate and expressed the opinion that there was indeed a question of privilege in that case because my rights as a parliamentarian had been infringed upon. So what distinguishes in this case what you have to decide from what your predecessor decided is precisely this: the task forces set up by the government of the time were made up of only one member, a government member, of course, who held a mandate and was paid out of public funds to go and investigate all over the place and report. I believe, Madam Speaker, that this has precisely nothing to do with the case we are dealing with because we all agree in the House that the constitution should be amended. So, Madam Speaker, if we agree on the principle, what is wrong with our advertising campaign? Because that is exactly what it says.

Madam Speaker, there is not a single member in this House who can say his constituents are fully aware of all federal programs in his riding. If one thing shocks me and aggrieves me as a member, it is when I go back in my riding and say, "Do you know that we, the federal government, are involved in that school, that road, and nobody knows about it?" That must change, Madam Speaker. And that is indeed the scope of the advertising campaign of the federal government under the auspices of the Minister of State responsible for Multiculturalism (Mr. Fleming), to indicate to Canadians what the federal government is doing for them, to indicate to the Government of Canada the policies we want Canadians to understand and in which we want them to participate. And if, Madam Speaker, members across are now telling us they did not accept the principle of constitutional renewal, unfortunately I must say we are very far from the spirit of May 22.

[*English*]

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I listened to the parliamentary secretary a few moments ago, and I had a little difficulty containing myself. I do not think there is any doubt in this House of Commons that members of this House in all parties are prepared to accept the proposition, and have accepted the proposition, of constitutional renewal. In other words, what I am saying to my friend is that there are no second-class members. There is no member who is better for his country because he has one point of view, or a detriment to his country because he has another point of view.

The essence of what we have talked about, the charter of rights and everything else, is that I have the right to have a view. The Leader of the Opposition (Mr. Clark) has the right to have a view, so does the Minister of State for Multiculturalism (Mr. Fleming), and so do you, Madam Speaker, and I am offended by what the parliamentary secretary said. I am also offended that he should be allowed to go, the way he was allowed to go, outside your suggestion to hon. members.

Some hon. Members: Come on!

Mr. Baker (Nepean-Carleton): I listen to rhetoric and I sometimes engage in it, but I listen to it, and I have the right to be offended as well by what I have heard.

The issue is a simple one. It is absolutely simple, and it was put simply and clearly by the most experienced member of this House. It is whether or not it is appropriate for the government to spend public funds to promote a decision by Parliament. I think the government can spend public funds for advertising. I have never argued that it could not. All governments have done that.

The issue here is the question of timing, and it is particularly acute because this is a very important issue. We are not just talking about the Canada Pension Plan, capital punishment, gun control or abortion. What we are talking about is the foundation stone of our country, and if there is any question at all in a document—secret, leaked or otherwise—that it might be inappropriate, then it is absolutely inappropriate for the minister not to have considered it, and if he did not consider it—and he may have; I do not know—he ought to be on his feet, not arguing—and he is not arguing; I note that he is

sitting listening—but saying, "I welcome this opportunity to have this matter cleared so as a minister of the Crown I will know that the programs I bring forward are appropriate and have the backing of the House of Commons." Surely that is something which ought to appeal to hon. members on all sides of the House because it is a deep question.

Many people do not agree with what the Leader of the Opposition said and says, but he made a point that we are into something new. If we had stumbled into television in the House of Commons the way we are stumbling into the powerful marriage of polls, television and media, then the grand experiment which was carried out in a non-partisan way would have been a failure. It was not a failure.

I do not say that the minister has no mandate to advertise, but I say that he has no mandate to advertise in a way which will undermine this institution, and if there is any question at all, as a responsible minister he should want to have that question resolved. I invite him now to consent to this motion being put so that he will be sure, in an area which is sensitive, that he not only has the backing of his parliamentary secretary, which is taken for granted, but also that he has the backing of the opposition and all members of this House, which he cannot always take for granted, but which is important that he have in terms of the kinds of promotional programs he is about to undertake.

Finally, it is no defence, as raised by the Minister of Justice (Mr. Chrétien) and by some others in the course of the question period, to say that an ad has terminated. That does not end the question of privilege. The question is still here, the advertising program having been begun. I do not think I have much more to say, but I do invite the minister to rise to his feet and do what his colleague, the Minister of Employment and Immigration (Mr. Axworthy), did, that is to go to a committee of the House so that his program can be cleared. I think that will end the issue. Parliament will be a lot better if the issue is ended in that way.

• (1620)

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, I think the government has failed to make a very important distinction. I have listened with a great deal of interest to what the Minister of Justice (Mr. Chrétien) had to say and to what the Minister of State for Multiculturalism (Mr. Fleming) and his parliamentary secretary had to say. I think we have to recognize that there really is a difference between the government advertising information on government programs which are in existence and advocacy advertising.

The parliamentary secretary said that he can go to a school or elsewhere and find he cannot tell people that the government is involved. No one is objecting to that and, for goodness sake, we have certainly seen a plethora of advertisements, both federal and provincial. Every time you go by a bridge you find a plaque saying the federal government gave $28,000 and the provincial government gave so-and-so, under the authorization of the hon. Joe and the hon. so-and-so, and everybody gets their name on it. This is part of the game, because that money has been authorized and approved. No one disapproves when the Government of Canada takes out an advertisement telling people what their rights are under the Canada Pension Plan, or when the government of Ontario takes out advertisements telling people what their rights are under the workmen's compensation act. The Tories do it in Ontario, the Liberals do it in Ottawa, and the NDP does it in Saskatchewan, and we cannot object to that because that is the dissemination of information. Of course it has a subliminal effect, and of course it has a political effect, but still it is information on a program which has been approved by Parliament.

However, there is a very different pattern going on and I want to refer to it. The pattern is that polls are being taken the questions in which are never revealed, nor the answers or results ever revealed. Perhaps I have a personal interest in this. My father wrote a book in 1939, together with Dr. Gallup, called "The Pulse of Democracy". We expect and encourage the government to take the pulse of democracy from time to time. I disagree with the absurd statement made today by the Prime Minister (Mr. Trudeau) that "we'll stop all polling," putting our heads in the sand so as not to know what the state of public opinion is. This is not going to help things. Coming from an autocrat, this is not a surprising position, but speaking as someone who is a democrat, I think the taking of the pulse of democracy is a very important and healthy development.

Imagine, Madam Speaker, the contrast between two pictures which I am going to paint for you, between what the government has done and continues to do and what it would do, I think, in a parliamentary democracy where the privileges of all members of the House are treated equally. On one hand they are taking secret polls, refusing to release the results, and carrying out advocacy advertising. There is no other name for it, it is the advocacy of a particular position. It is not, as the parliamentary secretary says, merely stating that there is a general position which we all favour. The parliamentary secretary knows perfectly well that, as the hon. member for Winnipeg North Centre (Mr. Knowles) said, many of those ads are a sheer waste of money. But those kinds of ads can develop momentum of their own and are definitely identified with the attitudes, policies and particular constitutional proposals of the Liberal Party of Canada.

An hon. Member: No, not our particular ones.

Mr. Rae: Yes. The parliamentary secretary is shaking his head, but this is absolutely the case. I can assure you, Madam Speaker, that I will never look at a beaver or a Canada goose the same again. They look like Liberals in disguise.

Some hon. Members: Hear, hear!

Mr. Rae: And the maple leaves, the clipper ships and the farmhouses. I watched all the ads. The principle is a key principle. Imagine the contrast between the taking of secret polls, refusing to publish the information, then carrying out advocacy advertising in all the media in Canada, and what the leader of my party and the hon. member for Winnipeg North

Centre have suggested as a course of action which would protect the privileges of the House.

I will come to the question of privilege in summary. We do not object to the taking of polls. We want to know the questions and we want to know the answers, because knowing the question very often tells you what the answer will be. It will certainly help the government in knowing which questions they are going to be putting in future. We have to know those things. The government should allow this House an opportunity to debate the results of public opinion as we feel it ourselves and as we feel we can represent it.

The government of the day should establish a committee, as it has done and, with all flexibility, it should establish a consensus of the House on the position of the Government of Canada and of the Parliament of Canada with respect to constitutional renewal. No party has a monopoly on constitutional renewal, no party has a monopoly on patriotism, and no party has a monopoly on loyalty to its country or to its future. That is something which is shared by all members of the House.

The question of privilege is really quite simple. It is this. Imagine the implications if we do not consider what to do about the advocacy of the government's positions, for the future of opposition parties in any democracy.

Some hon. Members: Hear, hear!

Mr. Rae: The government can control the media because they are taking taxpayers' dollars and they can advertise right across the country on the basis of positions which they have and on the basis of polling which they have taken. Compare the resources which the Government of Canada, with its control over the purse strings and over government expenditures, with the budget of the NDP, or even of the Conservative party. There is no comparison at all.

We are faced with a new and very hard question: when does parliamentary democracy become a mockery and when do we replace it with a kind of televised autocracy where the illusion of participation is given by the taking of polls. People come to the door and say, "What do you think the government wants to know?", they take a decision and press a button. The other side of it is the reality where you have a government party which has a monopoly on information and is manipulating that information with a cynicism which we have come to expect of that party, and which we have seen in the memos from civil servants to the Prime Minister and all around. That is the question of privilege.

The question of privilege is: is there a qualitative distinction between the advocacy of a particular position prior to approval by Parliament and the advertising of government programs which have been approved by Parliament? That is not a privilege only of the individual member for St. John's East (Mr. McGrath). It is a privilege of the House itself, to decide whether Parliament will be able to control the expenditure of government and whether it will be able to express itself freely without the government lobbying against Parliament's position, or whether we will move to a new kind of political system. That political system is not parliamentary democracy as I recognize it but some kind of electronic autocracy, which may be favoured by those on the opposite side, but I do not think it is favoured by the people of Canada, and certainly it is not favoured by the members of my party.

Some hon. Members: Hear, hear!

Madam Speaker: It is becoming harder and harder for me to choose which hon. member I should hear next. I will hear two more on the opposition side and one on the government side, and then I will conclude the debate.

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, my intervention will be very brief. I want to associate myself with the point made very clearly by the hon. member for Winnipeg North Centre (Mr. Knowles) which he directs to you, in the very narrow context in which we hope you will find the question of privilege, the subject matter of the question of privilege being of such magnitude and new design that perhaps it should be considered by a committee. That might very well be a logical way to proceed in this matter.

• (1630)

I gave the Chair notice at three o'clock of the point I wanted to make, that is, to remind Madam Speaker that the Minister of State for Multiculturalism (Mr. Fleming) and other government members, in arriving at a decision and in rationalizing programs like this, should be very, very aware that they do not speak for me.

Hon. John C. Crosbie (St. John's West): In connection with this matter, I gather from listening that there is a lamentable lack of precedents on the issue Madam Speaker now has to decide. The question that must strike one is why there is such a lack of precedents. There is such a lack of precedents because never before in the history of Canada has a government had the arrogance to attempt to do what this government is attempting to do. To bully and pressure members of Parliament in this way has never been conceived before.

There were some people who thought that the administration which preceded the Clark administration tended to show some arrogance toward the last ten years of its life. But what has happened since February 18 puts that right into shade. That is why, when Madam Speaker looks for precedents, you will not find any on this issue. I hope you, Madam Speaker, will take your time before deciding this issue. I suggest perhaps that it should be taken under advisement and not decided today.

It may be that Madam Speaker cannot do anything about this tyranny of the majority. This is tyranny of the majority. It may be under parliamentary rules and customs that Madam Speaker cannot do anything about it. If that is the case, then we will have to depend on the people of Canada when we can go to them to defend us from this tyranny of the majority, which will be four or five long years away. It may be that this kind of technique will be used by the government, and hundreds of millions of dollars will be spent in the next four years.

If this kind of technique of going to the public with advertising and polling, as the hon. member for Broadview-Greenwood (Mr. Rae) outlined a few moments ago, cannot be stopped by Madam Speaker or the members of this House, then in four or five years it will not matter if there is an election or not.

We all know that hon. gentlemen and ladies opposite are the governing party of Canada, but the fact still remains that we on this side of the House should have a fair chance of trying to become the Government of Canada, either the NDP or the Progressive Conservative Party. If Madam Speaker cannot protect us, we will have to appeal to the better judgment of hon. members opposite who have engaged in a very dangerous practice. The parliamentary secretary said that he wanted the people of Canada to be fully informed on the issues. How can they be fully informed on the issues in an advertising campaign? The whole purpose of an advertising campaign is to obscure the issues and to put across one simple point of view. That is the whole point. That is why Premier Blakeney talks about an advertising war for which they may have to get ready in Saskatchewan. It is not to put across the truth.

How could this campaign put across the truth if our views are not given to the public also? We may agree that there is some need for constitutional change in Canada, but we have a different view of what kind of constitutional change is needed and how it should be done. We certainly do not think that it should be done by this Parliament changing, by itself, the rights and responsibilities and jurisdiction of the provinces, which is what the resolution we are debating now will do. In fact we believe it will seriously threaten the unity of this country. Is our view being put across in these advertisements, or the view of the NDP? They are not. It is only the view of the majority that is being put across. They are not putting across a view. They are trying to give the impression that all they are doing is floating through the air like geese while they are trying to bring the Constitution of Canada from Westminster to Canada. That is not what they are trying to do at all. They are not trying to explain the complexities of this proposal, in their ads, what the amending formula is, what will be done and why, what the charter of human rights is, and what the exceptions to it are. When I get my chance to speak on it, I will point out its inadequacies. It is totally inadequate. It is a Liberal piece of hypocrisy. None of that has been explained in these polls.

I am not sure whether this has been referred to before, but it is something else for Madam Speaker to consider. The government's own advisers have raised a serious question with the government as to whether or not this is proper. Everybody in Canada has taken notice of what is known as the Kirby memorandum that put out the blueprint for the first ministers' conference in September. It is headed "Continuing Information Program—Constitutional Renewal" and reads in part as follows:

> The fundamental question to be addressed concerns the legitimacy of spending taxpayers' dollars to promote what will be deemed by many to be a politically partisan position. Ministers may want to note that selling federal constitutional proposals is quite different from the Quebec referendum campaign, when all federal parties basically supported the government's position and hence did not object strongly to federal advertising.

That put the question squarely to cabinet from its own public service. Normally we do not see this, but we can send Madam Speaker a copy of the whole 62-page document. You should have a look at it before making a decision. It continues:

> Moreover, ministers should recognize the important distinction between the use of advertising as a negotiating tactic and its use as a tool to sell the government's programs or policies over the head of the opposition.

This is what the memorandum brought out. Then it goes on to describe the role of government advertising as follows:

> During the summer, government advertising played a significant tactical role in two ways. First, it helped to keep the issue . . . before the public . . . Second, it helped to persuade the provinces that the federal government was not bluffing . . .
>
> But once the government has decided what action it intends to take, and Parliament has been reconvened to debate that proposed action, the role of advertising changes. At that point, public funds are being used to sell the governing party's position, yet such funds are not made available to opposition parties. Thus, the opposition has no effective way to respond, in contrast to the provinces which can and did during the summer respond by running their own advertising programs. Under these circumstances, ministers need to decide if advertising is politically legitimate.

My advice to you, Madam Speaker, is that if there is any way you can hold in favour of this question of privilege, then you should hold in favour of this question of privilege, and that the burden of proof is on the government. Madam Speaker must be interested in the rights of this House and in this House being anything but just a punching bag for the government. If not, we in the opposition will become a punching bag for gentlemen opposite who will take their polls and get their responses from the public, learn how to couch their campaigns in all simplicity without explaining the complications of their proposals, and not show us the results.

We are paying for it. It is taxpayers' money that is paying for it, the taxpayers of Canada. All these polls are supposed to do is find out what they think. That is not to be shared with us. Then the government will bring in legislation, have a referendum and so on. The hon. member for Yorkton-Melville (Mr. Nystrom) the other day pointed out what the government could do with the referendum, using these same techniques. If Madam Speaker has any way at all of finding for us on this question of privilege, I hope you will do so and I hope you will reserve your judgment. If Madam Speaker cannot hold for us, then believe me it will be tough for the government ever to change in the country or for this body ever to regain any of the importance or influence it once had.

Mr. Collenette: Madam Speaker, I rise on a point of order because I have become somewhat disturbed as the debate has gone on. Perhaps it is a reflection of Your Honour's continual attempt to be fair to all members, but there are members on this side of the House who wish to participate in the debate. A few minutes ago you said that you would entertain one more. At least eight speakers from the opposition have made their case, and I think fairness would demand an equal right of reply. I hope Madam Speaker would entertain further interventions from this side.

Madam Speaker: I think the debate has gone on long enough. I have invited members to speak on the question of privilege itself, but as I said before I will listen to one more speaker on the government side. We have heard many, many speeches, perhaps not an equal number, but we have heard expressions of opinion on both sides of the House. I will now hear one more speaker.

• (1640)

Hon. Jim Fleming (Minister of State, Multiculturalism): Madam Speaker, I will try to be brief and will try to cover, in the light of your admonition to all of us in this House, your point that we should indeed speak to the question of whether or not there is a question of privilege on this issue.

I would argue of course that there is not a question of privilege. There may be an issue for debate, and I think there has been quite an airing of that issue today; certainly in question period yesterday and today it was discussed extensively. I want to touch on a few points made by various members. At the outset we had the member for Broadview-Greenwood (Mr. Rae), with what—I hate to get into crazy and wild rhetoric—seemed to me to be pretty hysterical puffery in making his case. He seems to forget the intellectual leader of the New Democratic Party, the Premier of Saskatchewan, is the one who seems to have heightened this, according to some of the questions of the official opposition today, saying that he is prepared to advertise. And he has not indicated he is prepared to get the approval of his legislature or the other nine legislatures in Canada before any of the premiers do that. Clearly, Mr. Bennett has not done that.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Fleming: I have listened, I think, with some courtesy to the interjections of all the various members and I hope I will have the chance to make my contribution.

The hon. member for Winnipeg North Centre (Mr. Knowles) said—and I have three points of his, I think, with which I have a difference—that we, the government, have a privilege that others do not have to present our case. I believe I am quoting him correctly, in sense at least. I gather he means by that that before parliamentary approval we can present a case that would be the case simply of our party rather than the case of something approved by Parliament or, as I have argued earlier, reflecting all sides of the House, and I argued that that has not taken place.

Mr. Orlikow: At the taxpayers' expense.

Mr. Fleming: At taxpayers' expense. I argue that that has not taken place. I argue that the constitutional ads which ran in August, indeed, were quite legitimate because they called for constitutional reform. They expressed the view that it was important to update our constitution. I believe that reflects the public statements by leaders on all sides of this House and all the members I know of—I cannot remember anyone saying that there should not be constitutional reform.

I repeat the point made by one or two members on this side who have been able to speak, that the hon. member for Edmonton East (Mr. Yurko) had unanimous support for a motion that called for constitutional reform. So I cannot see how this debate today on a question of privilege makes any sense whatsoever.

Mr. Clark: You had better correct that, Jim.

An hon. Member: It's in the record.

Madam Speaker: Order, please. I would plead with the members to let the minister make his speech without interruptions. We have had a long debate on this question. I have restricted the speeches and I think hon. members will agree that they have had a fair chance to express themselves. Therefore, in order that we may continue with the proceedings of the House, I plead with hon. members to allow the minister to make his point.

Mr. Clark: On a point of order, Madam Speaker, I know that it would be the furthest thing from the minister's mind to mislead the House deliberately. He made a reference to the content of the motion moved by the hon. member for Edmonton East (Mr. Yurko) and is suggesting it had a broad content. That motion, as he will recall, dealt specifically and in a limited way with the question of patriation. I am sure the minister would want to correct the record.

Mr. Fleming: Madam Speaker, I do not think there is anything to be corrected because I put it in a dual context, of that motion, the speeches given, and the position of the various leaders in this House throughout the referendum.

Mr. Nielsen: That was patriation only, not reform.

Mr. Fleming: Madam Speaker, I will try to continue, despite the rude interruptions of hon. members opposite. I did not interrupt them and I listened to them carefully during their offerings this afternoon.

I might say again that in the airing of the issue during the time the campaign took place, principally in August,—and there was a considerable airing—there were statements made by the Leader of the Opposition (Mr. Clark), by the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty), the former minister of state for treasury board, and I might say because I take some responsibility in my job and I was concerned that we act fairly in this policy,—something I have tried to exemplify in my statements last night, and again today—through the summer period we did do a test of the ten major dailies across the country to find out how the Canadian public were reacting to the criticism put forward by the opposition, which is their legitimate right, and I found it interesting that 33 out of 950 contributions from Canadians were about half and half on this issue. So I say again, it has had an airing and I do not think the judgment of the Canadian people is that those ads were unfair.

An hon. Member: What are you talking about?

Mr. Fleming: Allow me to go on. I tried very hard in my position as the chairman of the cabinet committee on communications to be sure that those advertisements were not unfair and did not take undue advantage. It would have been simple enough to say in an ad "Liberalize the Constitution", like "Conserve Ontario." We did not do that although the government of Ontario, I think, is under attack for questionable practices.

We have not put out a position of this government in any form using the taxpayers' money, in the sense of advertising, such as the Premier of British Columbia has done. I was pleased to hear the former government House leader say a few moments ago that his own government, in power last year, spent a considerable amount of money on information and advertising—perhaps it was the Leader of the Opposition that said that—some $30 million to $40 million. Again I argue: how can you have a question of privilege about advertising when—and again I argue this strenuously—it gave no unfair advantage to or presented any particular case of this side of the House?

When I deal with the comments of the hon. member for Richmond-South Delta (Mr. Siddon) and from several other members, such as the former minister of finance, this righteous indignation that we have gone off sloganeering and have this great advantage, I again argue this certainly has not been the view of all members opposite because it was in the midst of the August campaign that the president of the treasury board of the last government, known as "The Slasher" to some, who cut down on spending—and we had questions today from the hon. member for Yukon (Mr. Nielsen) about spending this money versus immunizing your children, the kind of mixing of two different things which I thought was not fair treatment—we had the call from the office of the former president of the treasury board asking how they could get some of those nice constitutional ads on their local radio stations. I have a letter from the member for Northumberland (Mr. Hees) who wrote:

> Dear Jim,
>
> I am enclosing a copy of a federal government advertisement which appeared in various newspapers including the Stirling *News-Argus* and the Brighton *Independent*, which are both in my riding. I think this is an excellent advertisement.

Some hon. Members: Oh, oh!

Mr. Fleming: That was the hon. member for Northumberland! So, they are certainly not all of one mind on the usefulness or lack of usefulness or worth of this kind of advertising. I am delighted that at least the hon. member for Northumberland in the opposition feels that it is important that we inform the Canadian public and keep their interest and minds aware of this very important discussion, and not let it fade away to the point at which the view of all sides of this House that there should be reform does not come to a focus and action is taken.

I mentioned earlier the case of Mr. Blakeney. I believe it was the Leader of the Opposition who asked me to make the pledge that I would muzzle any further ads and would not let it happen; I would not take unfair advantage. Well, I give the pledge that I will not be a part of taking any unfair advantage. But I will not muzzle the ability of the federal government to talk to Canadians and inform them when we have a threat from the New Democratic Party Premier of Saskatchewan that he will do that, and we have Premier Bennett already doing it.

Some hon. Members: Oh!

An hon. Member: Come on!

Mr. Fleming: I believe I have a responsibility to assist in the informing of the Canadian public. That should be done within a context, and I have tried to describe that context. It is fair to express concern, and hon. members opposite have done that today. But I say: you are not all of one mind. Some members say it is worthwhile, and from the reactions of the Canadian people it can be seen that they did not buy your arguments all through August.

● (1650)

I think the Canadian public wants to be kept aware and informed of what is happening in Parliament, and within that context I can agree with a set of principles. But I also believe that with such an important debate before the House, to take up the time which has been used today, I suggest—and I have a right in this House of Commons to give my views—that what we are getting is a big blue balloon floated to cover up red faces who do not want to look forward to a vote because the Canadian public will be very unhappy when they understand the position of the official opposition.

Mr. Clark: That is one of the weakest performances this House has ever seen, Jim.

Mr. Baker (Nepean-Carleton): You have no case so you pound the table.

Madam Speaker: Order, please. As I said previously, this will be the last speaker whom I will hear on this question. As many arguments were put forward and feelings were very strong on this particular question, and as I would like to go over all the different arguments which have been brought forward to ascertain whether there is a prima facie case of privilege, I shall take this matter under advisement.

Mr. Clark: Madam Speaker, on a point of order, when the Minister of State for Multiculturalism was speaking, he made reference to a survey which he said his department had conducted of various newspapers across the country. I gather that there was some contact on behalf of the government with editors or editorial writers to take their survey.

An hon. Member: That is not a point of order.

Mr. Clark: The reason I raise the matter is that if the practice of having government advertising prior to taking a

decision has been joined by the practice of the government getting in touch, for whatever reason, with editorial writers—

Mr. Collenette: You are debating. Obey the rules.

Mr. Clark: —or perhaps with the publishers to try to gauge the response to these advertisements, the purpose of that policy and the extent of that policy may very well be germane to your considerations, Madam Speaker. I simply wanted to know what the minister meant he alluded to these contacts which have been made to determine the effect of the advertising undertaken by the Government of Canada.

Mr. Fleming: Madam Speaker, several of my staff went to the parliamentary library and checked out the editorial pages of those ten major dailies over a four-week period.

MR. NIELSEN—STATEMENT MADE BY MINISTER OF NATIONAL HEALTH AND WELFARE

Hon. Erik Nielsen (Yukon): Madam Speaker, I am rising on a question of personal privilege. It involves the reference by the Minister of National Health and Welfare (Miss Bégin) to me when she accused me of misleading the House. Since it is a personal question of privilege it must be raised at the first possible moment, and I inform you of it now, Madam Speaker. I do not think that it would be appropriate for me to pursue it now since the minister is not in the House. I will do so tomorrow.

MR. ROBINSON (BURNABY)—STATEMENTS MADE BY PARLIAMENTARY SECRETARY DURING ADJOURNMENT DEBATE

Hon. Bob Kaplan (Solicitor General): Madam Speaker, my point of order arises out of an exchange yesterday with the hon. member for Burnaby (Mr. Robinson) concerning a statement given last May 8 on my behalf by the then parliamentary secretary to the minister of state for mines, the hon. member for Cape Breton-The Sydneys (Mr. MacLellan). I wish to make clear to the House that in his statement the parliamentary secretary based his remarks on what was my understanding at that time of the McDonald commission's general attitude toward the provision of confidential information to the attorney general with a view to possible proceedings prior to the completion of the commission's hearings and the submission of the commission's report. That understanding which I had was reinforced by an exchange during commission hearings on April 17, 1980, between Mr. Justice McDonald and Mr. Alan Borovoy, general counsel for the Canadian Civil Liberties Association.

I referred to that transcript yesterday, but I could not quote it accurately because I did not have it with me. I have it now. At that time the chairman of the Commission of Inquiry responded to Borovoy's submission that the commission ought to, "encourage the normal law enforcement processes to go forward" by noting that such action, "would have required a report by us" based on "representations by counsel as to whether there was conduct not authorized or provided for by law".

As you can see, Madam Speaker, it would be those words which I felt justified the statement which I asked my colleague, the parliamentary secretary, to make. Subsequent to that statement being made by the parliamentary secretary, the chairman of the commission wrote to the parliamentary secretary on May 14 and stated that his response to Mr. Borovoy—which I have just quoted—was to be read solely in the context of the procedures required by law for the commission to make findings recommending further action. The commissioner's later interpretation was not obvious to me from reading the exchange in the transcript to which I have referred.

Mr. Justice McDonald went on to define the commission's position regarding action by the attorneys general prior to the submission of his report by making clear that he and his colleagues, and I quote from the letter, "express no preference one way or another" with respect to such action. It is for the attorneys general of the provinces to decide whether to proceed now or to wait for the commission's report.

For the government's part, my colleague, the Attorney General of Canada (Mr. Chrétien), has decided that he will not take action within his jurisdiction until the relevant report or reports are received, which, speaking as the minister responsible for the RCMP and including those members whose conduct has been under investigation during this very lengthy period of inquiry, now in excess of three years, I hope that report will be forthcoming in the very near future.

Today in the Ottawa *Citizen* the hon. member for Burnaby is quoted as making reference also to the letter of Mr. Justice McDonald:

> Robinson said McDonald goes on in his letter to ask the government to correct this "inaccuracy"—

I want to correct that reference because I have the letter here before me. Nowhere in that letter does Mr. Justice McDonald ask the government to correct this inaccuracy. I would also like to add that I was not certain yesterday, but I have checked and I did see the letter, and I also acknowledged it to Mr. Justice McDonald.

Mr. Svend J. Robinson (Burnaby): Madam Speaker, I must respond to the statement made by the Solicitor General (Mr. Kaplan) on the question of privilege which was originally raised on this matter. I regret that the Solicitor General appears to have misled the House in his final remarks with respect to the request by Mr. Justice McDonald. The statement was made that Mr. Justice McDonald had requested that the government, through its representatives, who had originally misled the House, correct the false statement which had been given.

The Solicitor General has stated to the House today that no such request was made by Mr. Justice McDonald. I would refer to the letter which the Solicitor General has now admitted having in his possession after having denied yesterday that he possessed it, which was written on May 14 by Mr. Justice McDonald to the then parliamentary secretary to the minister

of state for mines, whom the Solicitor General has acknowledged was speaking on his behalf on May 8:

I trust that you will bring this correction to the attention of those who may have understood that the position of my fellow commissioners and myself was as indicated—i.e. that we "would prefer any such action to await his report". In fact, we express no preference one way or another.

Unquestionably, Madam Speaker, Mr. Justice McDonald asked the government, through the parliamentary secretary, to correct the erroneous information which had been conveyed to Parliament through the parliamentary secretary. I call upon the Solicitor General, now that he has read this letter and has admitted to having read it, to correct the statement which he has just made in this House.

I also call upon the Solicitor General to explain to this House why it was that when the head of the McDonald Commission, Mr. Justice McDonald, requested on May 14, 1980, that this erroneous information be corrected by Parliament and through Parliament to the people of Canada, no action was taken, and why Parliament was not informed that incorrect information had been transmitted to it?

● (1700)

It was only yesterday that I finally received a copy of this letter, after pressing for some considerable length of time the Parliamentary Secretary to the Minister of State for Mines for it. I suggest that the Solicitor General has misled this House and I call upon him now to correct his statement, which was wrong.

Madam Speaker: This seems to be re-opening what was discussed yesterday. Some facts had been put on the record on both sides of the question and I think we should close the discussion there. I will have to ask the indulgence of the House as to whether the House wants me to proceed with the proceedings preliminary to the orders of the day and not see the clock.

Some hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 172, 596, 936 and 1,229.

[*Text*]

CORRECTIONAL INSTITUTIONS

Question No. 172—**Mr. Friesen:**

1. How many persons are employed as clerks, secretaries, counsellors, security personnel and others at the (a) B.C. Penitentiary Regional Reception Centre (b) Matsqui Institution (c) Mission Medium Security Institution (d) Kent Maximum Institution (e) Correctional Staff College (f) Elbow Lake Institution (g) Ferndale Forestry Camp (h) Mountain Institution (i) Regional Consultation Centre (j) Regional Psychiatric Centre (k) William Head Institution?

2. How many persons are incarcerated in each institution listed in part I?

3. What is the total annual payroll and operating cost for each institution listed in part I?

Hon. Bob Kaplan (Solicitor General):

1. As of March 31, 1980.

(a) B.C. Penitentiary*

Clerks:	4
Secretaries:	1
Counsellors:	1
Security personnel:	39
Others:	31

(b) Matsqui Institution

Clerks:	15
Secretaries:	2
Counsellors:	11
Security personnel:	158
Others:	78

* The correct name for the B.C. Penitentiary Regional Reception Centre is B.C. Penitentiary.

(c) Mission Institution

Clerks:	14
Secretaries:	1
Counsellors:	7
Security personnel:	111
Others:	60

(d) Kent Institution

Clerks:	12
Secretaries:	2
Counsellors:	4
Security personnel:	139
Others:	53

(e) Correctional Staff College

Clerks:	1
Secretaries:	1
Counsellors:	Nil
Security personnel:	Nil
Others:	9

(f) Elbow Lake Institution

Clerks:	1
Secretaries:	Nil
Counsellors:	1
Security personnel:	1
Others:	8

(g) Ferndale Institution

Clerks:	3
Secretaries:	Nil
Counsellors:	2
Security personnel:	11
Others:	7

(h) Mountain Institution

Clerks:	8
Secretaries:	1
Counsellors:	5
Security personnel:	65
Others:	39

(i) Regional Consultation Centre

Regional Consultant:	1
Clerk:	1

(j) Regional Psychiatric Centre

Clerks:	12
Secretaries:	4
Counsellors:	3
Security Personnel:	73
Others:	108

(k) William Head Institution

Clerks:	7
Secretaries:	1
Counsellors:	3
Security personnel:	71
Others:	39

Order Paper Questions

2. As of March 31, 1980

Institution	Number of inmates on register
(a) B.C. Penitentiary	The last inmates were transferred out on February 15, 1980.
(b) Matsqui Institution	333
(c) Mission Institution	191
(d) Kent Institution	140
(e) Correctional Staff College	Nil
(f) Elbow Lake	48
(g) Ferndale Forestry Camp	60
(h) Mountain Institution	201
(i) Regional Consultation Centre	Nil
(j) Regional Psychiatric Centre	103
(k) William Head Institution	146
	1,222

3.

Fiscal year 1979-80 Institution	Payroll and Operating Cost $
(a) B.C. Penitentiary	6,260,714.37
(b) Matsqui Institution	7,041,984.83
(c) Mission Institution	4,593,698.41
(d) Kent Institution	4,761,344.21
(e) Correctional Staff College	412,379.70
(f) Elbow Lake	693,231.57
(g) Ferndale Forestry Camp	622,887.85
(h) Mountain Institution	2,955,460.63
(i) Regional Consultation Centre	78,688.00
(j) Regional Psychiatric Centre	4,684,259.23
(k) William Head Institution	3,429,821.55

ANTIBIOTICS

Question No. 596—**Mr. Mitges:**

Has there been a reassessment of antibiotics used in disease and/or growth promotants in animals and, if so, which of the antibiotics cleared will remain on the market?

Hon. Monique Bégin (Minister of National Health and Welfare): There is at present a program for reassessment of antibiotics used for growth promotion in animals. Manufacturers of the 10 antibiotics involved in this program have been requested to submit supportive data from well controlled recent trials under field conditions in Canada to show that these drugs are effective for this purpose. The sale of only those antibiotics which are proven to be effective will be permitted. Present indications are that only three antibiotics are being retested as requested. The three antibiotics involved are therefore the only candidates for retention as growth promotants in this country. Submissions of this type from a manufacturer to a regulatory agency are normally considered confidential until such time as the regulatory decision is taken in response to the submission. The department cannot anticipate the results of these studies and the commitment to the company to pursue this work to completion. This might, as well, provide information to other drug manufacturers about the probable status of drugs, when in fact this type of information of possible economic significance is not usually supplied until submission evaluation is completed. Following assessment of all pertinent data, a final decision on which antibiotics may be sold as growth promotants is expected early in 1981. A similar program for retesting specific disease preventive antibiotics also is under way and will be completed in 1982.

STATISTICS CANADA—SOCIAL INSURANCE NUMBERS

Question No. 936—**Mr. MacKay:**

Does Statistics Canada, as empowered by the Statistics Act (a) require individuals to provide their social insurance number (SIN) as part of any questionnaire or survey (b) use SIN numbers to file, collate or otherwise as a link to records from a previous reporting cycle of Statistics Canada or some other department (c) use SIN numbers to facilitate the linking of information from surveys and questionnaires with data accessed from income tax records?

Hon. J.-J. Blais (Minister of Supply and Services): Statistics Canada reports:

(a) Statistics Canada does request that individuals operating unincorporated businesses provide their SI number on a few survey questionnaires with the specific objective of reducing reporting burden on small businesses.

(b) In the production of certain social statistics, Statistics Canada uses the SI number as a means of linking taxation data year over year in order to generate certain longitudinal characteristics, principally geographical mobility. Also in the social statistics area, Statistics Canada uses the SI number as an initial to certain records from a previous reporting cycle or as a link to other administrative records, through co-operative arrangements with provincial agencies.

(c) Statistics Canada uses the SI number to facilitate the location of relevant tax returns for a small number of individuals operating unincorporated businesses, to eliminate the need for duplicate requests for the same data on a Statistics Canada form. In some cases this involves bringing together data derived from surveys and questionnaires with those from tax records.

SUPPLY AND SERVICES—INFORMATION TASK FORCE

Question No. 1,229—**Mr. Cossitt:**

1. Was an information task force planned in the services branch of the Department of Supply and Services, under the former government, for the purpose of studying how the public could be served in a manner which would give better access to information on government programs, joint federal and provincial ventures, etc. and, if so, did this proceed to a point where an additional amount of funds for expansion was either set aside or about to be set aside to provide for same?

2. Has the government proceeded in this regard and (a) if so, what are all the details (b) if not, for what reason?

Hon. J.-J. Blais (Minister of Supply and Services): 1. Yes.

2. There is a task force on service to the public actively working under the deputy minister—services. Its mandate is to improve access to government for Canadians and to stimulate changes in the actual delivery of service and information. The government has both endorsed the goals of the task force and its work program. The work program includes new measures to make access to government by telephone easier, to improve department client practices and to examine ways and means of better providing over-the-counter service. The task force was responsible for the improved listings and blue pages in public telephone directories for example, and in September I signed an agreement with Manitoba marking the first link in a national federal-provincial telephone inquiry service.

[*English*]

STARRED QUESTION

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, would you be so kind as to call starred question No. 869?

[*Text*]

*MR. HARRY SHORTEN

Question No. 869—**Mr. Gass:**

1. Does the Department of Fisheries and Oceans employ community service officers in the Atlantic provinces and, if so (a) how many (b) where are they located (c) what are the terms and conditions of their employment?

2. Was Mr. Harry Shorten's contract renewed and, if so (a) under what terms and conditions (b) for what amount (c) what is the term of the contract (d) what are his responsibilities (e) is he involved in any way with over-the-side sales and, if so, in what capacity?

[*English*]

Mr. George Henderson (Parliamentary Secretary to Minister of Fisheries and Oceans): 1. Yes.

(a) 21

(b) Louisbourg, N.S.
Petit Étang, N.S.
Bickerton, N.S.
Canso, N.S.
Pictou, N.S.
Meteghan, N.S.
Tiverton, N.S.
West Head, Shelburne County, N.S.
Lower Wedgeport, Yarmouth County, N.S.
Lockeport, N.S.
Leonardville, Dear Island, N.B.
Seal Cove, Grand Manan, N.B.
Lepreu, Chance Harbour, N.B.
Baie Ste-Anne, N.B.
Robichaud, N.B.
Bayfield, N.B.
Pokemouche, N.B.
Richibucto Village, N.B.
Caraquet, N.B.
Petit Rocher, N.B.
Tignish, P.E.I.

(c) The community service officers were hired on a term basis initially to be from April 1, 1976, to March 31, 1981.

2. Yes.

(a) To continue the program, co-ordinate planning and implementation of activities and submit a program evaluation report for the first quarter of the 1980-81 fiscal year.

(b) $23,880—covers salary, office and travel expenses, secretary and employee benefits.

(c) April 1, 1980, to June 20, 1980.

(d) (i) co-ordinate program activities;

(ii) develop awareness of the program among government personnel, fishermen's associations, communities and fishermen;

(iii) prepare and submit monthly progress reports covering all aspects of the program and quarterly evaluation reports.

(e) Yes, in 1980 he has been involved in an advisory capacity.

Madam Speaker: The questions enumerated by the parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

* * *

PRIVILEGE

MR. KAPLAN—STATEMENT MADE BY MEMBER FOR BURNABY

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I rise on a question of privilege. The hon. member opposite accused me of misrepresenting the facts. I should like the opportunity to clarify what I said, because I was not misrepresenting the facts and I think the hon. member has abused my privileges as a member of this House.

There was a letter referred to written by Mr. Justice McDonald to the parliamentary secretary. That letter concludes by saying:

I trust that you will bring this correction to the attention of those who may have understood that the position of my fellow commissioners and myself—

The parliamentary secretary did that. He brought this letter to my attention. I did not deny yesterday receiving the letter. I said, and I quote what I said yesterday: "I do not believe I have seen the letter—". I was wrong. I had seen the letter and I had answered it. My belief was wrong, but I did not deny that I had received it; I simply said that I did not believe I had received it.

The hon. member opposite said yesterday, which was not the fact, that I had denied receiving the letter. I did receive the letter. I went back to my office yesterday afternoon, saw that I had received it, read it, and wrote to Mr. Justice McDonald acknowledging that I had received it.

That letter from Mr. Justice McDonald did not, as the hon. member opposite says, ask the government to correct this inaccuracy. It simply said "—bring this correction—"

Madam Speaker: The hon. member for Burnaby (Mr. Robinson) on a point of order.

Some hon. Members: You can't.

Mr. Svend J. Robinson (Burnaby): Madam Speaker, now that Your Honour has re-opened this subject for debate, I

merely wish to ascertain that I will have an opportunity to correct what once again is a complete inaccuracy on the part of the Solicitor General. Your Honour had indicated that the subject was closed and that the Solicitor General (Mr. Kaplan) had been given this opportunity. I indicated my view on the matter. Your Honour has now re-opened it and once again we have a completely erroneous statement. The government was asked to correct it, not merely with the Solicitor General, but all those persons who had been misled, including myself and the people of Canada. It was not merely to correct the misunderstanding of the Solicitor General.

Madam Speaker: Order, please. I want to remind the hon. member that the hon. minister rose on a question of privilege. I am obligated to listen to him to see whether he has a question of privilege. I might ask him to be brief in trying to expose it to me, but I just have to listen to see whether he has a question of privilege.

If the hon. member wants to answer to that once the question of privilege has been stated, he might seek the floor.

Mr. Kaplan: Madam Speaker, it is obviously a matter of interpretation between us. I am interpreting the letter one way and the hon. member for Burnaby (Mr. Robinson) has said that when Mr. Justice McDonald referred to "those" he meant "all those". He interjected the word "all". In his view, Mr. Justice McDonald wanted the parliamentary secretary to set the record straight for the country. Obviously, that is not the way the parliamentary secretary read the letter and that is not the way I read it. The letter has now been made public and the public can make up their own minds about it. It certainly does not say to bring this correction to the attention of "all those", as the hon. member opposite interprets it; he said simply "those who may have understood". The parliamentary secretary interpreted that to mean me, so he brought it to my attention.

On the question of privilege that was raised today I made it clear why I took the interpretation that I did. I feel that my interpretation is justified by what Mr. McDonald said last April in proceedings before him. It is a matter of public record and the public can look at that and draw its own conclusion about which interpretation of the transcript of the parliamentary secretary's statement and Mr. Justice McDonald's letter is accurate.

Mr. Robinson (Burnaby): Madam Speaker, in preface to my remarks may I say that I trust the Solicitor General will have no objection to this particular letter being made an appendix and being tabled in the House, if he is genuinely concerned that the public be informed of the facts. At the conclusion of my remarks I would request that it be appended to the *Hansard* of today.

The Solicitor General has indicated the remarks of Mr. Justice McDonald as follows:

> I trust that you will bring this correction to the attention of those who may have understood that the position of my fellow commissioners and myself was as indicated—

He then went on to indicate the position. The Solicitor General indicates that if the parliamentary secretary brought it to the attention of the Solicitor General, then he was satisfying the requirements of Mr. Justice McDonald.

Madam Speaker, it is a ludicrous proposition to state that when the parliamentary secretary replies to a question in this House suggesting that the government is taking a certain position because a certain statement was made by Mr. Justice McDonald—when that statement to the House of Commons, to the members of Parliament and through them the people of Canada is made, it is erroneous for the Solicitor General to stand up and say that that statement can be corrected by a quiet conversation or perhaps by a letter to himself, when the parliamentary secretary was allegedly speaking on his behalf in the first place. It is completely and utterly without foundation.

• (1710)

Clearly, the record must state that the House was misled. It is not good enough just to say that the Solicitor-General might not have understood and now he understands, even though no one else was informed of the inaccuracy. I would ask that the House grant consent for this letter to be appended to *Hansard* so that the people of Canada and members of Parliament may make their own judgment as to exactly what Mr. Justice McDonald was referring to.

Madam Speaker: Obviously there is disagreement as to whether the facts were the right ones or not. The hon. member did not say the minister had deliberately misled the House. His interpretation of what went on is that he misled it. The hon. minister put the facts to the House in the belief he did not mislead the House. I think we will let the facts stand on their merits. I do not see a question of privilege in this particular case.

If the minister wants to table certain documents, he may do so in due course, but we have now passed the time when documents can be tabled. He may choose to table same at another time and perhaps accommodate the member, as he has so asked.

The hon. member is rising on what may I ask?

Mr. Robinson (Burnaby): Madam Speaker, I would ask for leave of the House to have a copy of this letter appended to the *Hansard* debates of today.

Madam Speaker: We do not have the document on the Table yet. I would say that we should continue the proceedings of the House. The minister might table the document at some other time if he so desires and at that time it will be appended.

Mr. Robinson (Burnaby): Madam Speaker, I am rising on a point of order. I would ask for leave to table a copy of the document, and that a copy of this document be appended to the *Hansard* of today's proceedings.

Mr. Kaplan: Madam Speaker, I put myself in your hands for the appropriate procedure. I am perfectly prepared, for my part and for the government, to have that document made public, tabled, and appended to the proceedings.

Mr. Dick: Table it now then.

Madam Speaker: Is there unanimous consent of the House to allow the minister to table the document?

Some hon. Members: Agreed.

Madam Speaker: Is it agreed that the document be attached to *Hansard*?

Some hon. Members: Agreed.

[*Editor's Note: For text of document above referred to, see Appendix.*]

GOVERNMENT ORDERS

[*Translation*]

THE CONSTITUTION

ESTABLISHMENT OF SPECIAL JOINT COMMITTEE OF THE SENATE AND HOUSE OF COMMONS

The House resumed consideration from Wednesday, October 8, 1980, of the motion of the Minister of Justice and Minister of State for Social Development (Mr. Chrétien):

That a Special Joint Committee of the Senate and of the House of Commons be appointed to consider and report upon the document entitled "Proposed Resolution for a Joint Address to Her Majesty the Queen respecting the Constitution of Canada" published by the government on October 2, 1980, and to recommend in their report whether or not such an address, with such amendments as the committee considers necessary, should be presented by both Houses of Parliament to Her Majesty the Queen;

That 15 members of the House of Commons to be designated no later than three sitting days after the adoption of this motion be members on the part of this House of the Special Joint Committee;

That the committee have power to appoint from among its members such subcommittees as may be deemed advisable and necessary and to delegate to such subcommittees all or any of their powers except the power to report directly to the House;

That the committee have power to sit during sitting and adjournments of the House of Commons;

That the committee have power to send for persons, papers and records, and to examine witnesses and to print such papers and evidence from day to day as may be ordered by the committee;

That the committee submit their report no later than December 9, 1980;

That the quorum of the committee be 12 members, whenever a vote, resolution or other decision is taken, so long as both Houses are represented and that the joint chairmen be authorized to hold meetings, to receive evidence and authorize the printing thereof, when six members are present so long as both Houses are represented; and

Automotive Agreement

That a message be sent to the Senate requesting that House to unite with this House for the above purpose, and to select, if the Senate deems it to be advisable, members to act on the proposed Special Joint Committee.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Madam Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Kindersley-Lloydminster (Mr. McKnight)—Canadian Wheat Board—Grain—Investigation into upgrading—Value received by western farmers; the hon. member for York North (Mr. Gamble)—Labour conditions—Newfoundland—Reported decision of province to reserve oil rig jobs for Newfoundlanders; the hon. member for The Battlefords-Meadow Lake (Mr. Anguish)—Public Service—Cost of living increase less than rise in inflation.

It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, private bills, notices of motions (papers), public bills. There being no public bills under that item on the order paper, the House will proceed to the consideration of notices of motions (papers).

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*English*]

ORDERS IN COUNCIL MADE PURSUANT TO CANADA-UNITED STATES AUTOMOTIVE AGREEMENT

Mr. Hal Herbert (Vaudreuil) moved:

That an humble address be presented to His Excellency praying that he will cause to be laid before this House copies of all orders in council since 1965 relative to the remission of duties under the Automotive Agreement.

He said: This motion gives us a brief opportunity to examine the agreement concerning automotive products between the Government of Canada and the Government of the United States of America which was signed in January, 1965, and more specifically, the subsequent use of orders in council relating to remission of duties under the agreement.

A remission of duties, being a tariff item, is not spelled out in dollar terms. By its very nature, and however beneficial it may be to the company which profits from this action, it is not a highly visible item for parliamentary review, such as is the case with the spending estimates and public accounts. This lack of visibility at the political level is of even more concern at the industry level.

Before discussing the orders in council referred to in the motion, may I cite a specific item of concern? The orders in council are, of course, a government decision to confer a benefit. It is suggested that the Minister of Industry, Trade

and Commerce (Mr. Gray) has before him at the present time a proposed order in council that would grant to the Ford Motor Company an unconditional remission of duties for the next five years. Whether or not this is true, and whether or not it would be a justifiable measure, is not as important as the fact that such an order in council is a possibility. One can readily understand the industry concern based on lack of knowledge of the full reason behind past actions.

Let me explain what led to the putting of this motion on the order paper. About a year ago I was invited to a meeting of the Automotive Parts Manufacturers' Association, along with several other members. I had no particular constituency interest in automotive parts manufacture, but I went along because I had no great knowledge of the agreement that had been signed in 1965 concerning automotive products, and I thought I would learn something. At that meeting one of the members of the association expressed his concern that there was no publication of the orders in council which dealt with the remission of duties under this agreement, and I questioned him at the time. I felt that, after all, these orders in council are published in *The Canada Gazette* and therefore in the public domain. He pointed out that because of the volume of material which goes through, and that obviously these are not starred for any particular industry they are, by their very nature, very well concealed.

The complaint at that time was that they were not able to get from the officials of the Department of Industry, Trade and Commerce the details which they wanted, which they felt they needed, in order to judge whether or not the actions of the government in issuing these orders in council were rational.

I must admit that I felt the subject should be aired. So upon returning to the House, I put this motion on the order paper. It was short-lived in the last Parliament and it never reached the point where the papers could be produced by the government. Therefore, in this particular Parliament when the item was brought up, the government indicated that the orders in council were too voluminous and accordingly it was not a particularly practical matter to table them. In fact the reply, as I recall, and I will read it is: "The documents are very voluminous and would require a lot of time and a lot of public funds to prepare." I called for the item to be transferred for debate at that time because, once again, if we had said that "we understand", and I do understand, we would still be in the same position of not really being aware of what had been done in the intervening years since 1965.

● (1720)

As a result of the calling of this motion today, I have had meetings with the officials of the Department of Industry, Trade and Commerce and have reviewed with them the 115 orders in council which have been passed in the intervening 15 years. They made interesting reading. I have several copies with me. Of those 115 orders in council, 67 were passed to take care of companies that were not in existence in 1965 and, therefore, could not benefit from the agreement. Of those 67, 35 companies are still operational.

There were many other reasons, which I do not intend to review here, for the other orders in council. All of them were perfectly logical and, from my point of view as a member of Parliament, perfectly acceptable. What was abundantly apparent was that the information which I was receiving was obviously not in the hands of the members of the Automobile Parts Manufacturers' Association of Canada with whom I had met about a year ago. Hence, they have anxiety about what has been done and what could be done.

Canada's automotive trade deficit with the United States escalated sharply last year, 1979, to over $3 billion from a 1978 deficit of around $600 million. There was a substantial increase in the deficit on parts trade. The Science Council report is critical of the less than adequate support from the Canadian government for increases in parts production and engineering in Canada by U.S. automobile subsidiaries. However, the report supported the federal duty remission scheme whereby overseas automobile producers can obtain lower duties by placing more parts orders in Canada. In Canada we have an annual market of about one million automobiles and about one-third of a million commercial vehicles. However, the Canadian industry performs virtually no design research or development work.

I want to refer to the inquiry into the automotive industry which was published in October, 1978. The commissioner was Simon Reisman. I want to refer to some of the comments which pertain to the matter under discussion today, specifically that almost all the actual or perceived problems for Canada in the automotive industry flow from the absence from Canada of any decision making or other head office functions, the lack of significant design, research or development activities, a weak machinery and equipment support industry, and constant danger of inadequate investment.

The inquiry also stated that apart from the addition of snowmobiles and off-highway vehicles where inadvertence rather than policy dictated change, the agreement to which I referred to stands as original negotiated. Incidentally, among the 115 orders in council to which I have referred are those orders in council dealing specifically with snowmobiles and off-highway vehicles.

From the recommendations of this inquiry of Simon Reisman, I want to make reference to five items. I quote:

> The commission does not believe that this is a good time to attempt to re-negotiate the Auto Pact with the U.S. Government. The commission recommends, therefore, that the safeguards under the agreement, namely the assembly ratio, the CVA requirement and the "bogey", as well as the prohibition on imports of used cars and the restriction of duty-free imports to designated manufacturers, not be modified at the present time—

> The commission recommends that a tariff provision be introduced for duty-free import of materials to be used in the production of Canadian automotive parts and accessories. This would take the form of a special end-use item along the lines of similar tariff items now available for the agricultural implements industry and certain other industries. This will enable auto parts producers to obtain their requirements at world competitive prices.

A recommendation of the commission proposed that an advisory body be established to conduct an annual review of developments pertaining to the automotive industry. The commission recommended that this body also be charged with the

task of reviewing the operations of the Enterprise Development Program as it relates to the automotive industry.

Another recommendation dealt with the order to increase automotive research and development in Canada. Mr. Simon Reisman said the government may wish to consider limiting the amount of R and D payments to foreign affiliates which may be deducted for tax purposes.

The federal government's response to these recommendations was published in March, 1979. I will refer to only one of the responses. The government stated in part that the termination of existing duty remission programs and their replacement by another program required further study. It was acknowledged there were certain possible advantages to the designated vehicle importer proposal which could result in more production and a better regional distribution of automotive activity in Canada. As far as I am aware, this proposal is still being examined.

It seems from the inquiry and the comments of the industry that there is no basic desire that there be a renegotiation of the agreement as it was signed some 15 years ago. However, the members of the Automotive Parts Manufacturers' Association of Canada are suggesting, and I support their suggestion, that some means be found by which the actions which the government takes through the issuance of orders in council be either communicated directly to interested parties, or that notification should be sent to the interested parties when the order in council has been published in *The Canada Gazette* so that there can be full knowledge of each and every case. For example, among the listing of the 115 orders in council to which I have already referred, there were a limited few which dealt with the remission of duties in cases of small companies that were on the verge of bankruptcy. This is a judgment call, and certainly at the moment I do not have any knowledge which would suggest that the judgment call of the government in these cases was not good. Nevertheless, it is a judgment call and it should be open to scrutiny by the public. Granted, as I said earlier, the orders in council are printed in *The Canada Gazette*. Nevertheless, it was abundantly apparent just one year ago after 15 years of issuing these orders in council the interested parties did not have knowledge of changes which had been made by the government, possibly worthwhile, and of direct interest to them.

● (1730)

I would make reference to five of these orders in council which are of some significance. They all deal with relatively large companies—Chrysler, International Harvester, American Motors; two dealt with the Soma-Renault effort in the province of Quebec which subsequently failed.

Certainly inasmuch as the Chrysler action was concerned, no one disputes that it did result in the construction of a $40-million facility in Canada which would not have been built except for the agreement whereby Chrysler benefited from the remission of duties which obligated it in subsequent years to conform to the ratio under the agreement in total. As a result, the plant was built in Canada.

In the well-known case where, due to a strike, it was impossible for the company concerned to comply with the ratio requirements, once again the agreement on remission of duties ensured that in subsequent years this particular company had to conform to the required ratio performance. There is a point here, of course, that in our rather antiquated system under which we operate on a yearly basis there is no carry-over. I have no idea whether any thought has been given to averaging, but it certainly seems to me that in the two cases I have just mentioned some provision for averaging over a period of say five years would have done away with the problem. In fact, that is what the order in council effectively did.

The point of bringing this motion to the floor of the House is to indicate that the government does use orders in council for what certainly on the face of it to me at the present time are good reasons, but nevertheless by their very nature they are not abundantly evident to the public. Certainly if they are not apparent to those who have the greatest interest in them then they are not evident to the public at large.

Last week I discussed with the chairman of the Public Service Commission my belief that the public servant was there to serve the public, and that this meant giving a little more than a limited answer to the question asked. It means, in effect, ensuring that the person posing a question should receive all the information which the public servant realizes is necessary, in this particular case the explanation of the reasons for the multitude of orders in council that have been approved by the government.

I plead that some means be found whereby in future whenever there is an order in council to be approved of a nature that affects this particular association, an immediate communication of the reasons for the order in council be sent to the interested parties. I further suggest that if there is any suggestion that the order in council procedure be used as a means to relieve some of the problems of the Ford Motor Company, such an idea be communicated first to the public so there can be a reaction to this means of giving a tax benefit to a company, a benefit which, after all, will have some effect on the pocket of the taxpayer in Canada.

I hope I have explained my reason for bringing this motion to the floor of the House. I appreciate the co-operation I have received from officials of the Department of Industry, Trade and Commerce since the item was called for debate at the end of last week. I hope in the future that kind of co-operation will be extended voluntarily to the members of the industry who are vitally interested in this question. Thank you, Mr. Speaker.

Mr. Otto Jelinek (Halton): First of all, Mr. Speaker, I would like to say it is rather strange to be debating a motion of this nature which calls for the publication of orders in council, in this case regarding the remission of duties in the auto industry. The hon. member should know, and he alluded to this fact briefly, that orders in council of this nature are available from the PCO. As the hon. member is a member of the government he should have no trouble in getting that information from the PCO. In addition, *The Canada Gazette* has a list of duty remissions as well, and therefore if they are

published in *The Canada Gazette* they are available to the public and certainly to the industry which is interested in duty remissions.

During his comments the hon. member referred basically to recommendations of the Simon-Reisman inquiry into the auto industry, the report of which was tabled in 1978. The information gathered by that commission for that report would have been gathered over a period of perhaps two or three years. Therefore, we are talking about the auto industry as it was in 1975 or 1976. I do not know where the hon. member for Vaudreuil (Mr. Herbert) has been in the last four or five years, but I can tell him that the auto industry has totally changed in those years. In fact, it has changed for the worse in the last year or two, and that is why there is so much interest in Canada, North America and around the world in improving the auto industry in different areas.

The auto industry in North America has changed in many ways, probably the most important resulting from foreign, offshore imports taking a large slice of the industry in North America. In fact, Japanese imports have accounted for something like 27 per cent of the industry in North America.

There has been a change toward smaller and more fuel-efficient cars. This year American manufacturers have gone to new models, the ones we have been reading about in the last few weeks, including the Ford Escort, the Mercury Lynx, the Chrysler K cars, the Dodge Aries and the General Motors J cars. In other words, there has been a trend toward a world car. I really cannot believe the hon. member would base his comments on an obsolete report which, in essence, has no bearing on the situation today.

● (1740)

It is a totally different world. I do not know where he has been during that time. The changes in the auto industry have been major, therefore the potential solutions are different from what they would have been three or four years ago, and I suggest that the potential solution which should be considered, and considered by this Parliament, in the very near future is to make certain that we, with the United States, will be able to revamp the obsolete and inadequate auto pact which has been in existence since 1965.

The auto pact permits automobiles and automobile parts to cross the Canada-U.S. border duty-free provided certain requirements such as sales-to-production ratios, North American content and so forth are met. Canada traditionally has a moderate surplus in finished vehicles. In fact, in 1979 there was a surplus of some $800 million in finished autos. However, we in Canada have a very large deficit in parts, over $4 billion in 1979 alone, so last year's over-all deficit in the auto pact within the auto industry in Canada with the United States, which includes tires, was a record $3.12 billion.

The cumulative deficit since 1965 is over $11 billion, and it is growing. If we are to try to assist the industry, we cannot look back to 1978, 1977 and 1976. We must look to the present and to the future and to what can and should be done. I say the auto pact must be revamped, and I will get to that in a few moments because that is a long-range plan. It cannot happen overnight.

What should happen overnight, however, are some specific programs which can be put in place immediately if this government would get off its behind and start concentrating on some of the things which can be done to assist the auto industry in Canada. Tens of thousands of Canadians are unemployed because there has been no action by this government. Hundreds of plants across Canada are losing sales and productivity. Dozens of plants across Canada are going bankrupt as a result of the lack of action in the auto industry by this government, yet the hon. member comes up with duty remissions and quotes statements made in an inquiry in 1978. I just cannot comprehend his thinking in this regard.

I do not have time today to go in detail into the specific items with which the government could deal. I hope to do so in the very near future. I hope to express not only my views but those of the Progressive Conservative Party. The first step the government could take is a minor one but, nevertheless, it is one which would alleviate the problems of the industry. That step would be to remove the 9 per cent federal excise tax. This would at least assist in the stimulation of sales of North American-built cars. I suggest the removal of the 9 per cent federal excise tax from North American-built cars only.

The second step is far more important but should be taken only with the short-term in mind until the auto pact can be revamped. That step would be to impose quotas on offshore imports at least at the level of the year 1975 or 1976 when the number of imported cars was far lower and not as damaging to our industry here in Canada as it is today. I travelled to Washington and Detroit to see what the Americans were doing in their industry when it was in trouble, as it has been in the last two years, and I am convinced that with their new world car concept the American auto makers will pull out of the problems they have been encountering, the result not only of the recession which is plaguing both our countries but also of competition from foreign imports which has damaged sales in North America.

We must make sure that Canada gets its fair share of the renewed enthusiasm of the United States auto makers about their world car concept, but I do not think it will. In fact, I am convinced that Canada will not receive its fair share until and unless we change and revamp the obsolete auto pact about which I am talking.

The Liberal government, whether the present government or the one previous to the few short months we spent in office, has effectively relinquished control of Canada's motor car industry and is now making the industry dependent on whatever concessions it can wring from the U.S. auto makers within the constraints of the auto pact. The weakness of the Canadian bargaining position is demonstrated time after time by the involvement of governments in what is known as subsidy auctions. Those are to induce auto manufacturers to locate new plants in Canada rather than in the United States. That is a good point, but if the auto pact was truly effective, Canada would automatically receive its fair share of new

investment and it would be quite unnecessary to engage in such costly bribery, which is what it is.

It seems clear that the Canadian industry's most critical problem lies in the parts sector which accounts for the excessive and continually growing over-all trade deficit figures I mentioned earlier. This sector offers much higher benefits than vehicle assembly in terms of value-added and job creation. It is a field in which independent Canadian firms would appear to have good prospects of success, given fair access to the monopoly market operated by the vehicle producers.

Since parts and accessories constitute over three-quarters of the value of the finished vehicle, it is apparent that they must be fully included in any meaningful calculation of benefits accruing to the perspective countries and industrial participants.

I therefore suggest that when we are talking about the remission of duties the principle of fair share should be applied to the parts sector as a separate entity distinct from the vehicle assembly sector with which the present agreement, the auto pact, is primarily concerned. Such segregation would permit the more effective application of essential safeguards and help to ensure compliance with the basic intent of the auto pact.

Since some 60 per cent of total parts consumption is either produced in-house by the vehicle assemblers or comes from captive suppliers, it should be entirely feasible to incorporate the requirement for an appropriate share of Canadian parts in the commitment package for each of the major automotive producers.

Now is the right time—in fact, I think the time is long overdue—for Canada to encourage our parts manufacturers to compete worldwide in this new day and era of the world car, and unless the government takes the initiative to create incentives allowing Canadian manufacturers to get their fair share, this will not happen. We can no longer afford to sit idly by, as the Liberal administration has done time and time again, not dealing with the facts of today but rather looking back to yesterday, content with studies upon studies upon more studies.

The reduction in size and weight and increased fuel efficiency which are taking place in the United States and around the world have put a premium on the use of three materials. They are aluminum, plastics and stainless steel.

These are Canadian strengths with which we can become competitive not just in Canada but in the wider world. Canadian parts manufacturers must be encouraged to go after the automotive parts business anywhere in the world. They can do so. Canada might aid this development through the use of duty remission schemes. I believe we should bid for world productions of components and allow vehicles manufacturers in other countries to deduct from their Canadian duty the value of their parts purchased from Canada. We should consider broadening the application of duty remission to allow foreign producers to apply against Canadian duty on the basis of the total value of Canadian parts used worldwide. This would create an opportunity for Canadian parts manufacturers to trade not only in the United States but also in Japan, Germany, the United Kingdom, Italy and France as well as South America and Africa. With the world car concept, the only way we will stay competitive is to go to the world and trade our advantages—and those are our auto parts and our natural resources—with the rest of the world. We cannot depend on the present auto pact to be able to go forward in that regard.

● (1750)

Such a concept would build on Canadian strengths and would encourage Canadian entrepreneurs to go to world markets to sell. Duty remissions can provide the framework for this export drive. Within the development potential of the remission program, joint ventures with foreign vehicle manufacturers to produce such items as plastic and aluminium components must be encouraged. As part of the same strategy I suggest that Canadian producers of auto parts be encouraged to form export consortia so that they might be more competitive in the world markets.

As I said, we could continue debating this for a long time and come up with the many options that are available. That is precisely my point. Options are available to this government and to this Parliament—I have mentioned a view of them. What is needed is action by the government to work out those options. Unless the government takes action, our auto industry will not get its fair share in the United States where most movement is taking place and our assembly plants and, more important, the smaller and medium-sized parts manufacturers will go down the drain.

So I urge the hon. member not to go back to some reports of three or four years ago and wonder where he can get orders in council when he knows full well—he has been here long enough—that *The Canada Gazette* prints those orders-in-council and that anybody in the country can find out from that source what they are. If he is indeed concerned about the auto industry, he should put pressure on the Minister of Industry, Trade and Commerce (Mr. Gray), on the cabinet and on the Prime Minister (Mr. Trudeau) to start acting on some of these important issues. Only then will we be able to make the best of the strength we have.

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I am very pleased to have the opportunity to support the resolution put forward by the hon. member opposite. I think there is a very clear need to make a record of these orders in council from some readily available source, which would entitle the Canadian auto industry and the auto industry in general to a remission on import duties. The only thing I really regret is that the resolution is not broader because it appears there is much more information which the public should have, considering the present state of the auto industry and its future options.

I also agree with what the hon. member who has just preceded me said in the sense that I think the government is basically looking at an issue that is dead. The whole North American auto industry has been restructured but we are looking back at what happened almost a decade ago and trying

to live with a particular concept which is now dead. If we are not ready to respond to the new trends, we will be left behind and we will find ourselves in a worse situation than the one in which we find ourselves today.

The basic reason for making information in orders in council readily available is that the industry is in very serious difficulty. If there is to be a public debate and public input, that information must be made available. It appears to me that if those orders in council, along with much other documentation, are not made readily available in this country, it will become evident that the Canadian government has continuously given up production quotas and allowed U.S. auto workers and their subsidiaries in Canada to avoid meeting those production quotas and that, in other words, it has given away Canadian jobs. Secondly, the government has not enforced duty payments in penalty for failing to meet particular job guarantees to Canadians. That duty amounts to hundreds of millions of dollars in public revenue which have been given up by orders in council. Those countries have agreed to create jobs in this country in exchange for duty-free marketing and they have agreed to pay penalties in terms of income to Canadians for taking advantage of the market in this country.

I congratulate the hon. member on the motion because I think Canadians have the right to see that information and to have it provided in a readily accessible and consolidated form so that they can participate meaningfully in the debate. What concerns me is that there appears to be much more information needed than is available, and there is some indication that all the information needed will never become available in Canada. Canadians wanting to participate will have to go to the United States where laws on information are far more lenient.

Let us take some examples from the International Trade Commission hearings in the United States and let us consider the questions which were put to the Ford Motor Company. The company has suggested that its failure to meet production quotas in Canada resulted at one time in their owing Canadians duty amounting roughly to $165 million. The procedure which the Canadian government used to allow them not to pay it was to approve a consignment system which allowed the Ford Motor Company to readjust its production quotas. So even though they sold numerous cars in the country in one particular year they were able to break up that allocation over several years.

I suggest to you, Mr. Speaker, that the Canadian government literally gave away Canadian jobs and gave away the compensating revenue which should have accrued to the people of Canada, revenue which amounted to $165 million. I can give you another example, which comes out of the International Trade Commission hearings, or information which is not readily available to Canadians but which they should have. I am referring to the fact that the General Motors Company has failed to meet its production quotas in Canada. The company readily acknowledged at those International Trade Commission hearings that it owes Canadians roughly $6.5 million in duty and that by a variety of schemes it had managed to avoid paying that duty. This demonstrates to me a lack of willingness to ensure that Canadians have their rightful share in the auto industry. Second, there is a serious attempt by the Government of Canada to hide information from Canadians. It is a sad state of affairs when Canadians have to go to the United States to obtain needed documentation. Some of the techniques which allow companies to escape production quotas and duty requirements are questionable. It appears that, rather than elected members of cabinet, officials of the Department of Industry, Trade and Commerce and of the Department of Finance are making certain rulings by agreement which have allowed companies to escape the requirements of the act. It appears from the evidence before the International Trade Commission that those officials have interpreted the law in such a way as to cause Canadians to give up their claim to revenue and to jobs through guaranteed production quotas. Frankly I think that a legal inquiry should be instituted to determine whether the interpretation of those officials was correct and whether those decisions should not have come from elected members rather than from officialdom.

In the few moments remaining I should like to endorse what the hon. member who preceded me said. The automobile industry in north America has been totally restructured, as he stated. What has happened is that the recession in the United States has caused the market to shrink. The U.S. is left with all the technology relating to small, fuel-efficient cars and with all the production capability. Effectively, there is none available in Canada. The auto industry in Canada is disappointed with the auto pact; they say it is not working. I believe that in the United States, with all their technology, they do not care whether it works or not. We may be sitting here arguing about a document whose time has come and gone, about an industry which has changed while we were worrying about grants for plants and putting the industry on welfare and trying to bargain away a subsidized approach. The industry in the United States has restructured itself, admittedly in a shrunken market, but nevertheless it has responded to the situation and now it has all the technology, all the production capability. I think eventually they will tell us we can have our auto pact and whistle for it. There will be nothing left for us, but their benefits will continue to accrue.

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

At six o'clock the House took recess.

● (2000)

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*Translation*]

THE CONSTITUTION

ESTABLISHMENT OF SPECIAL JOINT COMMITTEE OF THE SENATE AND HOUSE OF COMMONS

The House resumed consideration of the motion of the Minister of Justice and Minister of State for Social Development (Mr. Chrétien):

That a Special Joint Committee of the Senate and of the House of Commons be appointed to consider and report upon the document entitled "Proposed Resolution for a Joint Address to Her Majesty the Queen respecting the Constitution of Canada" published by the government on October 2, 1980, and to recommend in their report whether or not such an address, with such amendments as the committee considers necessary, should be presented by both Houses of Parliament to Her Majesty the Queen.

That 15 members of the House of Commons to be designated no later than three sitting days after the adoption of this motion by members on the part of this House of the Special Joint Committee;

That the committee have power to appoint from among its members such subcommittees as may be deemed advisable and necessary and to delegate to such subcommittees all or any of their powers except the power to report directly to the House;

That the committee have power to sit during sittings and adjournments of the House of Commons;

That the committee have power to send for persons, papers and records, and to examine witnesses and to print such papers and evidence from day to day as may be ordered by the committee;

That the committee submit their report no later than December 9, 1980;

That the quorum of the committee be 12 members, whenever a vote, resolution or other decision is taken, so long as both Houses are represented and that the joint chairmen be authorized to hold meetings, to receive evidence and authorize the printing thereof, when six members are present so long as both Houses are represented; and

That a message be sent to the Senate requesting that House to unite with this House for the above purpose, and to select, if the Senate deems it to be advisable, members to act on the proposed Special Joint Committee.

The Acting Speaker (Mr. Blaker): Order. I believe the hon. member for Hochelaga-Maisonneuve was to have the floor but I think the Secretary of State has some information to convey to the House first.

* * *

[*English*]

BUSINESS OF THE HOUSE

Mr. Fox: Mr. Speaker, I rise on a point of order. I should like to avail myself of this opportunity to inform members of the House that Tuesday, October 14, will be an allotted day.

[*Translation*]

THE CONSTITUTION

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That a message be sent to the Senate requesting that House to unite with this House for the above purpose, and to select, if the Senate deems it to be advisable, members to act on the proposed Special Joint Committee.

Mr. Serge Joyal (Hochelaga-Maisonneuve): Mr. Speaker, with your leave I will resume the debate where we had left it last night at the time of adjournment. I will try to assess the effects of the proposed resolution before us over the whole issue of immigration. This debate is all the more important that in yesterday's issue of *Le Soleil* appeared a headline on first page stating, and I quote, "Ottawa opening up English schools to immigrants."

Mr. Speaker, I strongly protest; the proposed resolution and especially section 23 does not deal at all with the immigration issue and there is absolutely no intention whatsoever of giving back freedom of choice to immigrants in Quebec whatever the country they may come from. Therefore, under the proposed resolution an American, Polish, Italian, Australian, Greek, Portuguese, British, French-Haitian immigrant is still required to send his child to the majority school, the French one.

So it is wrong to keep alive in the public's minds the idea that with this proposed resolution we are creating two classes of immigrants in Quebec. There is only one class of immigrants in Quebec, they all send their children to French school. I want to repeat and emphasize this, because for the last 48

hours in particular, media are reporting that the proposed resolution before the House will in effect reopen the matter of freedom of choice for immigrants to Quebec. Let it then be clearly understood, there is no question of re-establishing freedom of choice for immigrants to Quebec.

The second matter on which I would like to call the attention of the House is the access to English schools for Canadian citizens whose first language is English. When we looked for a way to guarantee Francophones outside Quebec the right to send their children to French school, we had to ask ourselves how we were going to allow the English minority coming to Quebec or living in Quebec to send their children to the school of their choice, or English school. We had no choice, Mr. Speaker, we could not establish two classes of citizens in Canada, one class of citizens born in Canada and another class to whom citizenship is granted. We wanted to avoid the trap of creating two types of citizens—new citizens and Canadian-born ones. What we have in Canada is two official languages, what we have in Quebec is two types of schools, French schools and English schools. Therefore, in determining what groups of citizens must send their children to French school, we had no other choice than to use the criteria of first language. This means that a Canadian citizen coming to Quebec and whose mother tongue is Italian or Polish or Chilean or Spanish must send his children to French school. There is no question of freedom of choice for any other citizen whose first language is not English. They have the same status exactly as French-speaking citizens. Therefore, the only citizens with access to English school under this proposal are those whose first language is English.

[*Editor's Note: At this point, a child started crying in the gallery.*]

Mr. Joyal: I do not know if this new citizen's mother tongue is English or French, but if ever he has to be enrolled in a Quebec school and his parents' first language is not English, they will have to enroll him in a French school.

We were not free to choose a criterion such as that of Bill 101 which says that the school attended by the parents determines accessibility to the French or the English school, because if we had adopted that criterion we would have made it impossible for Francophones living outside Quebec who could not get their primary or secondary education in French to send their children to a French school. I would like to make that clear to Quebeckers, Mr. Speaker. There is no question of restoring free choice under the proposed resolution nor of opening English schools to immigrants. I insist on that point because during the past two days the media have published reports that do not take into account the contents of the resolution now under consideration.

● (2010)

Mr. Speaker, that is the first point I wanted to make. The second deals with an assessment of the demographic fluctuations between Quebec and the remainder of Canada. This is quite important because if we establish that the mother tongue is the criterion of accessibility to English school, we should have some idea of the number of English-speaking Canadians coming within Quebec, as we must have some idea of the number of new English-speaking Canadians who settle down in Quebec. I said yesterday that the percentage of new English-speaking citizens settling in Quebec through immigration over the past two years had a tendency to come into line with their percentage in Quebec; in other words, the number of English-speaking citizens settling down in Quebec through immigration make up 20 per cent as a whole, which is equivalent generally to that part of the population in Quebec.

There is therefore a balance in the immigration process such that the proposed resolution will, without a doubt, change the balance or the numerical importance of Francophones in Quebec. Also, Mr. Speaker, we need only look at the migration of Quebeckers from Quebec. This phenomenon has been going on for 25 years, and I am not the one who came to that conclusion. Mr. Jacques Henripin, one of Quebec's most respected demographers, stated in a study published in January, 1980, that since the present economic situation is not quite in Quebec's favour the trend to leave the province has been stronger over the last 25 years than the trend to come to that province.

For the year 1977-1978, Mr. Henripin noted that there was a loss of 41,000 and 35,000 Quebeckers who left Quebec to establish themselves in other provinces. A breakdown of these migrants by language shows that 29 per cent were Francophones, 62 per cent were Anglophones and 9 per cent were from another language group. This clearly means that there are almost as many French-speaking Quebeckers who leave Quebec to settle elsewhere in Canada as there are new citizens whose mother tongue is English who come into Quebec.

Therefore the provisions of section 23 which grant French-speaking Canadians the right to send their children to French schools when they leave Quebec to live elsewhere in Canada ultimately protect French-speaking Quebeckers more than they bother English-speaking Canadians who would move to Quebec. The people of Quebec must know that because the shift of economic wealth within Canada, which is not an isolated phenomenon, has also been observed in the United States. Therefore the westward shift of wealth is followed by a shift in the population which affects as many Anglophones as Francophones. We must think about the rights of French-speaking Quebeckers to send their children to French schools where they leave Quebec and go live in other provinces.

Nothing in this resolution prevents Quebec from drafting its own policy enabling the government to ensure a fair balance between French-speaking and English-speaking groups as well as groups using other languages. And this is very important, Mr. Speaker, because if I believed that this bill would make it more difficult to maintain this balance without which Quebec

cannot be the focal point of Francophones in North America, I would be the first to ask for amendments in this regard. But the facts are quite the opposite. Under section 95 of the present constitution jurisdiction over immigration is shared equally by Quebec and the central government, and this is why, on February 20, 1978, the Government of Canada and the government of Quebec signed a three-year agreement which gives Quebec a power of veto concerning immigrants to its territory, which veto Quebec has used, continues to use and will eventually still use when it expires since it could be renewed by common agreement.

Consequently, Mr. Speaker, nothing in this bill goes against the essential provisions of Bill 101 in Quebec. French continues to be the official language of Quebec, it continues to be the working language; French continues to be the language of business and trade, it continues to be the focal point of the efforts of all governments so that Quebec can remain the principal residence of Francophones in North America. I want my fellow citizens to be aware of this because it is very easy to confuse everyone, to raise the spectre of immigration and of the invasion of Quebec, and because we must know exactly what we are talking about when we speak of immigration and new citizens and when we try to balance the relationships which must exist between Francophones and Anglophones in Canada.

Mr. Speaker, this is very important because, for our part, we realize that Francophones outside Quebec, who are very conscious of the subject matter of the resolution being debated by Parliament, are well aware that unfortunately this proposal does not go far enough. They tell us: In Victoria, in 1971, seven provinces had agreed to recognize the use of French during the proceedings in the legislatures. There was Quebec, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland, Manitoba. In 1971, three provinces were willing to recognize the use of French before the courts. In 1971, five Canadian provinces were willing to recognize the use of French in their services to their citizens. It may be well to remind the House which provinces those were: Prince Edward Island, New Brunswick, Newfoundland, Ontario. Yes, Mr. Speaker, Ontario.

In 1971, Ontario was willing to recognize the right of Francophones to be served by their government in either of the two official languages in Canada. We forget that too often. Ontario has backtracked in that regard since 1971. The Ontario government is not solely responsible for that. As we know, it has been pointed out repeatedly, the Quebec government was the one that refused the Victoria charter, by demanding what? That it have jurisdiction in the field of social affairs, a topic that has not been heard of again in eight years, which has never been the subject of another constitutional conference. Yet, at that time, at least seven provinces were willing to make significant progress.

When Bill C-60 was put before the House in June of 1978, the federal legislation contained provisions identical to those of the Victoria formula. When the Right Hon. Prime Minister of Canada (Mr. Trudeau) addressed the provincial premiers on September 10, 1980, less than a month ago, he made identical proposals. Today, Francophones outside Quebec ask us, "Why do you not respect the commitments you made over ten years ago in Victoria, the promises you made two years ago when you introduced legislation?"

We have to recognize that the present proposed resolution does not go far enough in terms of protecting the rights they are entitled to claim in this country. So, Mr. Speaker, in the days and weeks to come when the committee will debate this issue it will have to consider including proposals allowing those provinces which are willing to proceed towards linguistic equality to achieve the basic equality provided in the proposed resolution, to make voluntary commitments and to guarantee through a provision in the charter the possibility of giving Francophone citizens of their province the same rights that are given to Anglophones in Quebec. That is the basis of Canada, Mr. Speaker. The commitment of all citizens to get exactly the same rights in any province, in any region.

Yesterday I heard my colleague from Ontario who was rightly expressing the aspirations of the west and who told us that in that region there are also people who think that the west might separate some day if we are not sensitive enough to their expectations. He was not talking to a brick wall. Francophones and Quebeckers are fighting in Ottawa in an attempt to re-establish that equality and we are ready to fight with our other colleagues in the House so that our fellow citizens in the west feel at home in our country. But when they return in the west we expect them not to attack the federal government—and I make a difference between the federal government and the Liberal party, knowing as I do the rules of politics—they should not attack our institutions, they should not alienate their fellow citizens and they should do like we Quebeckers do when we return to Quebec. We try to make our fellow citizens understand the advantages of staying in this country but also our duty to change it.

Mr. Speaker, this responsibility works both ways. We are ready to give them all the help they need and to listen to what the Leader of the New Democratic Party said the night when the Prime Minister tabled that resolution. We are listening carefully to the west. We are curious about what is to be done in that part of the country, but what we are asking them is to speak on behalf of Canada when they return home. The reason we are here is essentially to make sure that we have exactly the same perception and understanding of the duties we have with respect to our fellow Canadians. The future of Canada will be based on this, Mr. Speaker, and I am sure that when we are called upon to vote on this resolution and to decide, we will choose the extent of freedom the Canada of tomorrow will grant its citizens.

• (2020)

[*English*]

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my first words must be, after listening Monday, Tuesday, and the little there was on Wednesday to this debate, that the high quality of most of the speakers has raised this debate far above the level of most debates in this House over the last 25 years. This does not mean that all the speeches were of high quality, but the high quality of most of them should be commented upon. When I use the words high quality, I include such adjectives as sincerity and deep thought, both of which have been put into the speeches in the House. It bears out what has always been the case when we discuss a subject like the constitution, that it requires a tremendous amount of thought trying to think our way through the points which are raised, not for the first time, it is true, but for the first time in the last ten or 12 years.

The constitution was the prevailing subject during the 1930s. It became clear that the weaker provinces under the terms and organization then existing were not able to meet the economic and social costs of a world-wide recession as well as the richer provinces. Then, after tremendous discussion, we moved on and under a royal commission headed by Rowell and then Sirois, the equalization principle came into being.

Now, 40 years later, it has come into the consciousness of the Canadian people that it is time we discuss the matter again. I think we owe a debt to the Prime Minister (Mr. Trudeau) for suggesting that all members should speak in this debate. That is going to take some time. With the quality of the speeches which we have been hearing, I think it would be very unwise for him to change his view on that proposal.

I want to mention the speech of the Right Hon. Leader of the Opposition (Mr. Clark), particularly the last five minutes. I watched the faces of those who were in this House across from him and those behind him, which I could see much better on the television monitor.

All members were watching intently. When my leader came down to his conclusion that even though all parties wanted patriation, because it is a matter of national pride, and even though all parties were willing to take a look at what reforms they could bring to the constitution, we had to be aware of the significance of section 42. The impact which was made showed up, not only in the faces of the members, but in the shock effect across this nation as people got a second dose of what they had seen at the first ministers' conference.

At the first ministers' conference we saw a situation across the country whereby through every technique known to modern communications we were told that the Prime Minister would face a united group of provincial premiers, all of whom opposed him. When we saw the conference on television and heard it over the radio we found instead ten sincere, able men putting forward different views which made a lot of sense. Obviously, there was not agreement between the Prime Minister and the premiers, but there was no massing or ganging up.

The people of Canada were proud that there was a difference because they instinctively understand that this is a very important and complex problem. They were proud that men could put forward different views so sincerely and ably, and they knew that this country was in good hands.

• (2030)

Instead of taking that disagreement among the provinces as a sign of weakness in this country, it should be taken as a sign of strength. People are going to have different viewpoints because there is no human being in the whole world who can say for sure at this time what is the right thing to do on the subject we are discussing.

Let us take the idea of federalism. The word is now used openly and proudly but that has only come about in the last few years. When the Right Hon. Leader of the Opposition (Mr. Clark) served notice that he stood for a federal system, for the first time many people in Canada knew what he stood for. They got the idea that they have always known to be true, that this was the same concept as we had in 1867. We as Canadians knew in 1867 that it would be impossible to run a country as diverse, a country with so much geography, as a unitarian state. The same view prevailed in the United States in 1787 when men like Alexander Hamilton, keen exponents of a strong central government, listened to the discussion of that unique group in Philadelphia and came down for the first time in history on behalf of the unique form of government, the federal system.

This federal system follows something that we know instinctively to be right—wherever possible, keep government close to the people. It gives a better class of government. You have to have a strong central government, but you can only have a strong central government when you do everything you can to make the other levels of government as strong as possible too. That is the concept of federalism.

There is no such thing as a compact in federalism, just as there is no such thing as a compact in the human body. An arm is an arm is an arm; it is part of the body and you cannot ask the arm to go one way and be different. I am simply saying that the concept of federalism was stated, by the Leader of the Opposition in one or two sentences, more powerfully and clearly than I have ever heard it stated before.

The speech impressed many people. Also, I have no choice but to mention the speech of the hon. member for Yorkton-Melville (Mr. Nystrom). He certainly surprised me. I have listened to him off and on for ten or 12 years and now, all of a sudden, when I heard him come out and in unequivocal terms support the concept of federalism as expressed by the Leader of the Opposition, I had to pay attention and listen very closely.

The House may not understand the significance of that but from a Saskatchewan point of view where we have witnessed this violent political clash for the last 50 years, to hear a socialist saying he believed in a federal system bringing government close to the people wherever possible, letting them make the decisions was, to my mind, revolutionary.

I say to the hon. member for Yorkton-Melville, quite straightforward by, that I think he could well consider making the conversion complete. I now extend to him on behalf of the Saskatchewan caucus of the Conservative party, a welcome into our ranks where he can stand up and fight with colleagues unanimously behind him.

Some hon. Members: Hear, hear!

Mr. Hamilton (Qu'Appelle-Moose Mountain): The resolution before us is not going to be weakened by anything I am going to say. It is unfortunate, however, that the resolution should be introduced in the middle of what has been going on in Canada in the last few years, particularly the last five or six months.

I was in the state of Washington last weekend. As I was driving to my destination I heard the American radio stations mention "scam". I knew it was a new word so I looked it up in these new dictionaries. As far as I can tell, it means fraud, it means manipulation, it means phony advertising. What made it news that day was the fact that three legislators in the state of Washington had just finished a four or five-month trial for "scamming"—conspiring to fool people. By God, if that is not what we have had in Canada these last four or five months, I wonder what we have been doing!

An hon. Member: The last 17 years.

Some hon. Members: Hear, hear!

Mr. Hamilton (Qu'Appelle-Moose Mountain): Scam seems to have become part of the political techniques of all political parties but to use it when we are discussing something of common interest to all political parties, the constitution, just goes too far. You do not have to go through the processes as if you were a General Motors or Ford or Chrysler. If you have a lousy car, you put millions of dollars into advertising and claim that it is the best car that was ever built. You con the poor suckers into it. The suckers cannot jump out, unfortunately, but eventually the car companies go broke. Other people come in and provide something better, closer to what the people need but, by God, for 15 or 20 years they really take you to the cleaners.

Scam is such a serious issue in the United States—and I think their politics are just a shade lower in level than ours—that these trials are taking place in state after state. It is so bad down there that I even hear people talking about bringing the presidential candidates who are now running for the three parties—or the two parties and the independent—up on charges of scam. They believe they have a right to charge these people for trying to fool them. The main charge they would level against them is conspiracy to defraud. By God, have we not got conspiracy and fraud going on here?

An hon. Member: That is Liberalism.

Mr. Hamilton (Qu'Appelle-Moose Mountain): I should like to suggest in plain and simple terms tonight that the British North America Act, drawn up by Canadians in Canada, is a good act and a good constitution. Not only has it served this country for over 100 years but it can serve us for another 100 years. There would be no trouble at all dealing with any of our problems, provided there was good feeling and a will to co-operate between the various elements and the levels of government.

I speak from the knowledge of how I have seen the situation deteriorate. If I have time, I may deal with the co-operative federalism we tried to get going from 1957 to 1963. I should like to bring matters more up to date, however.

What is the real issue we are talking about in Canada today? What is the real basic quarrel that is going on? It is not the French fact. Every province in the country, to my knowledge, is trying its level best to get that situation resolved. What we are fighting over in Canada is the same thing we were fighting for before we were a country.

If we look at the early history of the French colony and the English colonies, we see that the battle was over land. What we now call Quebec had small seigniorial farms of 30 or 50 acres, but people could not make a living on that. In the western colony of Ontario the clergy reserves took up the choice pieces of land. There was a tremendous demand for land and things were the same in the United States. The question was finally resolved by moving people westward. When we brought our government into being in 1867, Cartier, speaking on behalf of his part of the country, saw a great opportunity for the hard-pressed farmers of what is now Quebec to go west and share in the great desert out there. Many in this House know why they did not go. People from many countries, from the Atlantic area, from the eastern townships, and from Ontario did go. Thank God, they did, because the Americans were coming in from the south to take it anyway. We made a dominion from sea to sea. Unfortunately, not enough of the sons and daughters of those who worked on these small farms in Quebec joined us in that great adventure.

• (2040)

Land today is still in short supply, but there is something else beneath the land which attracts us. We have discovered that underneath our land, as a result of the productivity of the last two inches of soil, there is a tremendous wealth to be found in aquifers—water, if you like, underground streams and rivers—which is in far greater quantity than all the Great Lakes. At the bottom of the sedimentary areas, great wealth of thermal heat can be found which is hundreds of times greater than all the wealth in the hydrocarbons. When you realize that this wealth is there, who do you suppose wants to get in on the act? What we have witnessed is a battle this last decade or so between the civil servants at the provincial level who are trying to hang on to what they have got and the civil servants at the federal level—in the finance department—trying like the devil to get a hold of it. They are fighting for land now in the new form, and they fight for the taxes on it. So here we are with a federal government, with a highly efficient tax group of people

now matched by equally efficient people at the provincial level, fighting to preserve what they have got.

Guess who is caught in the middle? It is the fellow who is fighting to develop the resources. Certainly the politicians are not in the fight, they surrendered long ago. So here we have our masters, the mandarins who have taken a war lord attitude. And the battle between these war lords pops up in various forms.

Look at the budget of 1974—we had two of them that year. Because the provincial governments in five western provinces had doubled, tripled and quadrupled their taxes in the mining industry as well as the oil and gas industry, the federal civil servants said they would not let them get ahead. In 1974, out of their tariff budgets we got a principle that disallowed all provincial royalties and taxes. So we find two governments double-taxing the resource industries. They were so bad that the well drillers moved out of the west, and B.C. and Alberta had to back off a little.

All of this has been admitted in the House, Mr. Speaker. Two finance ministers said we should resolve this problem, but those budgets in 1974 were the opening round of a battle that we are still carrying on and calling a constitutional debate. In 1979, it was still there. Now, as this battle goes on with the roaring of the big guns, the threats go out. These include a natural gas export tax, an electricity export tax, an energy export tax and refining taxes. All these are part of the artillery drum fire of the civil service at Ottawa which is trying to terrify its opponents by threats of what they have to face, and this is one of the reasons why the provincial governments are watching this debate with great care. They suspect that trying seriously to look at what changes we can make in the constitution, and how we bring it to Canada for the first time, a Canadian law is only a guise. The provinces look at it and they are frightened. When people are frightened you get odd actions from them. The conclusion I reach is that this whole matter of the scam we have been using to push through this unilateral approach has already done great harm. But to solidify it in any form of a constitution means, as the Right Hon. Leader of the Opposition said the other night, the beginning of the end of the federal state. When I heard the Leader of the New Democratic Party (Mr. Broadbent) come out for rapid action on the constitution, I thought how little he has learned of Canadian history. The only way you should deal with the constitution is to surround yourself with people who are not fighting to preserve their little empires, as has to be the case when you deal with heads of governments. Deal with people from all parties who are honestly trying to come up with some sort of way that can meet what we need to change the constitution to make a good constitution even better.

The fight will come down on this question of the charter of rights. There is no argument on patriation. Every party believes in it. We want the constitution back. We want that Canadian constitution to be continued as a Canadian constitution by this Parliament and the other legislatures so we can get at the serious questions knowing full well we have not had to ask somebody else to do it for us.

Let me speak for a moment on this charter of rights. I was pleased and shocked when the Minister of Justice (Mr. Chrétien) in his speech praised John Diefenbaker's bill of rights. I was one of the chaps who was there. My mind is very clear about the opposition we had to face to bring that into the House. For two and a half years I had to listen to about 18 lawyers in that cabinet, all brilliant, sincere and dedicated people who were trying to find some way to write it in the right way, to do what they wanted to do. In no way could they ever come quickly to the right way of saying it. As everyone knows, we discussed the merits of putting the bill of rights into the statutes affecting only matters under federal jurisdiction. Obviously we discussed the value of entrenchment, American style. At that time there were some 60-odd bills of rights around the world. These men were good men. They were sincere men. But how do you define in any language the rights of the people? It is absolutely impossible. Rights keep changing. Sometimes they pull back and sometimes they move forward in freedom. No matter how honest or how sincere a person is, it is very difficult to describe rights. I doubt if there are any more than one or two people in this House who do not want rights.

In our day, the argument was that common law under the British system, gave you the rights with these other bills of rights, and the Magna Carta all added in. And that was the constitution. It worked through most of their history fairly well, improving and evolving all the time, but it was not working in our day 25 years ago. The Scots were very unhappy, the Irish have been unhappy for one hundred years and now even the Welsh are unhappy. I am simply saying that even in a small little country like Great Britain, using the evolutionary approach, which the United Kingdom has used, it is still difficult. It is equally obvious why the Americans and Canadians went the way we did instead of trying to go back to the unitary approach—I think we would be very unwise to try and do that in our country with the difficulties we have today, even through they are not as great as they were one hundred years ago.

Our difficulties are clearly economic. Who is going to break up a country for a few bucks? We get dragged into these discussions about language rights, desperately sincere men fight to the death on language rights. Three or four hundred years ago they used to fight desperately about religious rights. God, we do mature as time goes on. As long as boys are boys and girls are girls, there is going to be an end to that problem. Don't expect it to happen overnight. I am simply saying that the only issue that we are fighting over, if you look at it with honesty is not all these side issues. Whether the guys in Calgary wear high boots once a year is not the issue. But this scam, saying that we must have a devil so that people can be fearful. Poor Peter Lougheed. He is not the right type of person to make into a devil. Out in his province he catches "Hail Columbia", because he is too easy. He offered the people's oil at 85 per cent of the world price and then brought

it down to 75 per cent. Some people say, "What for? You get no thanks. They are just making you a target." Propaganda is used to destroy people. That is not what we need in Canada at this moment. Our fight is over a silly thing called money. It is not worth while breaking up our country by trying to use the technique of destroying a person and trying to make people think that he is the leader of the opposition.

● (2050)

Before I leave this question of rights, whether you entrench it or leave it as a statute, it cannot be perfect. You try to level best to make it perfect, but it changes. Should you leave it so you can change it easily, or entrench it so it is hard to change? There are good arguments in both cases. All I am saying is I do not care which way it is done, it is not going to be perfect. The minute you get it done, someone will come along and say you have to change it because our ideas have changed.

Above all, I would hesitate to take away rights from a province in which there is a deep cultural feeling. It is very dangerous in the name of bilingualism to take away from Quebec, Manitoba, and I might even say British Columbia the right to control the language. The language is the key to their educational cultural function. In my view, we have no choice of saying that if you do not trust the provinces, you are not a country.

I would hesitate to divide the country on such an extraneous issue. It has been and is being resolved. A lot of credit goes to men like René Lévesque. He scared us into taking a hard look at it. There were others before, but René did it well. He really gives a shot. Sure, René is a socialist. He admits honestly he does not like English-speaking people, particularly from England and Montreal, but he likes the rest of us. I can understand that.

Let us get rid of these extraneous issues. Let us go forward together to see how we can get these rights put in there. Whether you take John Diefenbaker's bill of rights and entrench it it does not make any difference. This brings me to the point I started to talk about. I am glad the Minister of National Health and Welfare (Miss Bégin) is in the chamber. Do you realize, Mr. Speaker, that this is the only member of Parliament on either side of the House who agrees with me that for seven or eight years, through federal legislation and administration, in her department, under several ministers, we in Canada have deliberately discriminated against orphans? All the rest of the members seem to have had no great interest. There are not that many orphans. She has the courage to stand up and agree with me that there is discrimination, but we cannot get it changed. When you want to change the mandarins, there has to be awful pressure put on them. That pressure can only be put when the Prime Minister is behind the ministers. I am simply pointing out that not one of us is free from blame.

I could talk about air safety. We discriminate in our administration of government in Ottawa against all those who fly in commercial aircraft. I am talking about dying in a commercial aircraft.

Look at the attacks on the family which have occurred in this House over the past ten years. There have been insidious attacks on the family, the fundamental institution of any race, whether it be yellow, black, red or white. We, in the name of great objectives, have seen the family institution attacked. The family is in John Diefenbaker's bill of rights. It was the only bill of rights in the world to mention the family because all previous bills of rights had been brought in by Liberal governments all over the world. The Liberal doctrine is individualism above all. You naturally expect a Conservative government to mention the family because we add to individualism the right of groups, and the main group is the family.

The family has been attacked in this House and I have sat silent, wondering how I could sit there knowing that the bill of rights was being infringed before my very eyes. I do not excuse myself at all. It is so bad that the two Houses of Parliament, the Senate and the House of Commons, have set up a committee to look into this main technique of taking away our freedoms. It is the committee on instruments. They have a list a mile long where we have infringed the bill of rights. They will sit on that committee for God knows how many years. They will come back and we will put it into another committee to be examined.

Where are the voices of freedom when we lose these rights every day in the House? Now we all stand up on this resolution and sanctimoniously say we stand for freedom and want to entrench the rights, put them into a bill of rights. There is not one of us who would dare look in a mirror and say he is honest on that score.

I want to end my remarks with something positive. I stated earlier that if I had the time, I would mention co-operative federalism. These issues that we are fighting and trying to do something about today are not new. I belonged to a government which, rightly or wrongly, tried to establish a new technique of dealing with the provinces. I think I am the one who started the use of the phrase "co-operative federalism".

At one time I had 60 or 70 agreements with the provinces; roads to resources, forestry agreements, and transmission agreements. You name it, and I had an agreement and all the rest of it. We got along fine.

We set up the Canadian council of resource ministers. The first chairman was René Lévesque. When he found out that our interest was not politics but what was best for that resource, we decided on the jurisdiction, and asked those people to perform their function. We got along fine. We had co-operation on rivers. That is our record. We worked with municipalities. Even Duplessis worked with us. That co-operative federalism was based on sitting around with everybody as an equal, whether it was Prince Edward Island or Ontario, until we came to paying for it and then we had to share the costs.

We did a lot of work and spent a lot of time, but we had a considerable track record. Today we follow a different technique. It started in the Pearson days. He picked up the co-operative federalism concept. He thought it meant putting the ten premiers on one side of the table and him on the other. With

that guy on one side and with murderer's row on the other, God help the poor federal government. He had to chase his ministers out of Quebec and make peace with Lesage. He chased them out to some other place. I was so embarrassed at that show, I never mentioned co-operative federalism for years after. Let us conclude with some positive things. Let us agree that we want to make these changes to the constitution to make it even better. Let us agree this is going to take time, not just three months. I would suggest it will take something like two or three years. I have a whole list of proposals I intend to offer on a later occasion. Let me start with little steps.

• (2100)

I heard the hon. member for St. John's East (Mr. McGrath) speak here the other night in this regard. Let us start with the eastern provinces, and let us determine in this debate that while we are debating the matter we are not going to stop action. Let us put the matter to a committee which will bring justice to P.E.I., Newfoundland, Nova Scotia and New Brunswick. Of all the provinces, those provinces have never received the same treatment as the six western provinces. This Parliament amended the British North America Act and made Quebec bigger, Ontario bigger, Manitoba bigger, B.C. bigger and set up the provinces of Alberta and Saskatchewan with good size. Why have we not done the same for those four eastern provinces? The resources underneath the sea are just as valuable as those above the sea. Let us make P.E.I. just as big as Manitoba and the others the same. In that way the first ministers will sit down at the table and we will not look at a premier and say he has only 2,000 square miles in his province while we have 350,000. He would then be equal when we are meeting to discuss ideas.

Second, let us start to look at our budgeting. Let us take these greedy hands of the finance people off our backs. When I talk about "our backs" I mean the people's backs. Instead of increasing taxes, with all the quantitative evidence we have that increasing taxes reduces the taxtake, stops growth and so on, let us decrease the taxes on those things people need and want and in that way get more money in to balance the budget. Some of you have heard me on this subject many times before. I have all the evidence in the world to show that it works.

Third, as a central demonstration of good faith to those Arabs out in western Canada let us repeal the Petroleum Administration Act as being unconstitutional and inequitable. I said it was unconstitutional when we had the debate. The provinces said this primarily. It was suggested there was an energy crisis when there was not. This scared the daylights out of the judges of the supreme courts and they ruled there was a "peace, order and good government" situation. We now have this legislation sitting there like a sword over every resource province, and that means everyone. Before I am finished I want to see P.E.I. just as strong as Ontario.

I will not go through all the things that were done. I am simply saying that in our budget and in our legislation we ought to treat all Canadians as equals.

I want to say a personal word about the tragedy I see unfolding in respect of a man by the name of Claude Ryan. I have known him for a number of years and have disagreed with him most of the time. He went to work and produced a plan designed to maintain a federal system and meet some of the aspirations of Quebec. I could not agree to all those things nor could anyone else, but he did work and try. He got us all in from all across the country supporting him on his views on the referendum. Then this strategy came out and bang, bang, bang, the whole constitution is to be completed in three months in the summer and two weeks in the fall. Why should a man like this be destroyed? What failure has he experienced that he should be subject to this type of unusual cruelty? I think we have done a great injustice to a great Canadian, Mr. Ryan. He has a right to his opinion and so has Lévesque. He is a Canadian and I am darn sure he will be until he dies. He is not going to move out.

We would serve our country well if we stopped banging each other around carrying out these scam operations, and instead did as many of the speakers of this House have suggested, the hon. member for Waterloo (Mr. McLean), for example. Hon. members have been telling us something about the making of a constitution with the inclusion of rights. Let us work at giving more freedoms to Canadian people. Let us not try to fool them that this will provide them with everything they want for forever and after. Let us do the best we can and above all make certain there is no evidence of a single government, either at the provincial or at the federal level, trying to ram something down our throats. You do not force Canadians, Mr. Speaker, you lead them. That is my conclusion.

[*Translation*]

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Mr. Speaker, during the last fifty years many initiatives were meant to shape this country in the image of its inhabitants. As a nation we have experienced the industrial and technological developments of the post-war period. We have also lived through the social and cultural disruptions of the sixties and we have witnessed the rise of regional nationalisms which emerged at the political and economic levels. All that occurred mainly during the last decade.

Assuredly, it is one of the reasons that explains why it is urgent and necessary to revise the federative agreement. We find this task difficult—and the speeches I just heard confirm this—because of the need to reconcile the various interests of the provinces and those of a national government which represents each of us wherever we live in Canada.

Mr. Speaker, like the Fathers of Confederation, we must be visionaries and perhaps make our own the spirit which sustained them, a certain generosity and above all a sense of audacity before a task they certainly deemed difficult.

[*English*]

The resolution before the House comes at a time when it is incumbent upon the government to act in order to break the political paralysis created by the lack of agreement at federal-

provincial conferences. Indeed, this resolution will give us our own Canadian constitution with a charter of rights and freedoms and the entrenchment of the equalization principle. In fact, a unanimous vote in this House last May expressed agreement to bring home the constitution.

Last Thursday the Prime Minister (Mr. Trudeau) spoke of the tyranny of unanimity when he declared:

> Unanimity gave each first minister a veto: and that veto was increasingly used to seek the particular good of a particular region or province. So we achieved the good of none; least of all did we achieve the good of all, the common good.
>
> We were led by the dictates of unanimity to bargain freedom against fish—

I happen to be a defender of both. The Prime Minister went on to state:

> —fundamental rights against oil, the independence of our country against long distance telephone rates. But we were led further still, towards a radically new concept of Canada, one in which the national good was merely the sum total of provincial demands—

[*Translation*]

Mr. Speaker, this is precisely the deadlock which must be broken. But while taking this first step, and it is only the beginning, we should serve first not the governments, whether federal or provincial, but the citizens in this country by giving them inalienable fundamental rights. Indeed if we draw up the list of those rights, we see that it is impressive: freedom of conscience and religion, freedom of thought, belief, opinion and expression including freedom of press and other media of information, freedom of association, democratic rights, mobility rights anywhere in the country, minority language educational rights, legal rights, non-discrimination rights, language rights in Parliament and too many others to be mentioned.

Mr. Speaker, I would be remiss if I did not reflect on one of the rights that the new charter would guarantee, namely, the right to education in the minority language where the number warrants.

You will understand that my view reflects the history of my ancestors, the Acadians, and my experience as a teacher in the schools of New Brunswick around the fifties. One only has to read the history of Francophone or Anglophone minorities in Canada to understand that the history of survival or assimilation is directly linked to the access to schools in one's mother tongue. It is the access to education in one's language and the humble school teachers, who were often nuns, that are responsible for the fire of developing minorities or the embers that still hold hope in spite of everything. Even before the belated expansion of Radio-Canada, even before the grants from the Secretary of State, the French-speaking people of Acadia, Ontario and western Canada showed through their collections and their cents that they wanted to remain themselves. Can you measure the hope this constitutional amendment brings them?

• (2110)

[*English*]

Mr. Speaker, I would like to deal with the constitutional proposal, which is very important to those who have shown over the last century not only their loyalty to Canada but also their continuing will to live as full citizens—the French-speaking Canadians outside the province of Quebec. The proposed language of education right would enable citizens of Canada whose first language is either French or English, but who are a minority in a given province, to have their children educated in that minority official language, when numbers warrant.

At this point I would like to address this issue not from a legal point of view, for I am not a lawyer, but, rather, perhaps from the standpoint of a bit of common sense and some practical experience. It is possible to give justice and fairness in the area of education without creating division nor causing financial ruin, and here I call to witness my own province of New Brunswick, a region not rich in money and goods but a region whose history should justify suspicion, mistrust and perhaps hostility. Yet New Brunswick is often given as a model to the rest of the country. This was not always the case.

I would like to share with you what I experienced as a New Brunswick teacher during the early fifties in the rural parish of Drummond, which, incidentally, was totally French speaking. I had to prepare totally French-speaking high school students for the provincial matriculation examination in history from an English textbook. The lecture was in French, and then we rehearsed the answers that they would give when they wrote the matriculation tests in English, the same test, by the way, which was passed by the students of the cities of Fredericton and Saint John. As hon. members can well imagine, this created some slight handicap, since matriculation for all New Brunswickers was required for entrance to university, to nursing schools, to normal school and to trade schools. I feel no rancour, and I do not assess blame when I say this. I give this example because I believe that from a difficult past New Brunswick has emerged in the last 20 or 30 years as a leader in the accommodation of different language groups.

After the war, men of vision opened rural high schools to all New Brunswick children, and men of vision with names like Chapman, Blakeney, Taylor, Hugh John Flemming, Louis Robichaud and, yes, Richard Hatfield came to the conclusion that access to education had to be access to one's own culture and, in fact, probably to one's own soul.

How did these changes come about? I believe they came about because there was a coalition of human forces anxious to alleviate human conditions which spoke no language. The first steps were taken by a Liberal government under John McNair, then under a government by Hugh John Flemming, as I said, who was a member of this House, and then through successive governments including the one of Louis Robichaud, an Acadian who was three times elected by a province which has a good majority of English-speaking people. The changes have continued under the leadership of a Conservative premier, Richard Hatfield, and I believe we understood why he spoke so eloquently about rights and about access to rights in the

conference which took place last September. Today in matters of education New Brunswick has almost achieved a parallel system for French and English-speaking students.

My province is not divided. My province has, of course, a few marginal extremists on both sides, but its citizens are working and living together with a large measure of respect and co-operation.

[*Translation*]

Mr. Speaker, another significant aspect which is guaranteed in the proposed constitution is the concept of sharing the great wealth of this country. Indeed, section 31(1)(*a*) reads, and I quote:

(*a*) promoting equal opportunities for the well-being of Canadians;

This principle of equal opportunities in sharing among the regions of the same country has also dominated political life in my province since 1960. Indeed, we owe the expression "equal opportunities" to the man who was the premier of that province at the time, Louis Robichaud, as he is the one who put in place a program which said—

[*English*]

Louis Robichaud's equal opportunity program said that whether you are English in Queens or Charlotte counties or French in Restigouche or Gloucester, you had equal access to the meagre wealth of the province. In fact, New Brunswick from that moment on has not ceased progressing, and we need only look at the results of its school system, which finally was opened to all the citizens, not just to those who lived in the privileged cities, to see the progress that co-operation achieved. The fact is that the progessive people in New Brunswick were ready to unite and to reform, and that program has not been destroyed by successive governments. There was hope for everyone. There was hope because it did not matter what language you spoke, what religion you practised or where you lived; the citizens would share in the opportunities of that province. This reform was possible in good part because of federal government programs of unconditional transfers to the poorer provinces which provided citizens with a reasonable level of essential public services and which in fact reduced regional disparities.

The very principle of sharing has become part of our way of life and now, after more than 20 years of practice, the principle of equalization is to be entrenched in the constitution.

The proposal to entrench the equalization principle is not foreign to our history as a nation. Does anyone think that the maritimes joined confederation to get help from other partners? The fact is that then New Brunswick and Nova Scotia were "have" provinces, and not only do the old sketches of Cunard lines leaving the Miramichi and Pointe du Chêne for the high seas reveal the intense commercial activities of mid-nineteenth century on the New Brunswick coast, but they also sometimes rekindle the idea of an economically viable province.

Basic to the Canadian experience is that when one province has flourished with the development of a resource, the other partners benefit, and not to have another's resource does not make one less Canadian.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. LeBlanc: Mr. Speaker, since last Monday, we have heard several members of the opposition say they endorse such and such a part of the resolution. It seems in fact—and I am thinking of the speech the hon. member for Qu'Appelle-Moose Moutain (Mr. Hamilton) just made—that sometimes our divisions are less in the substance than in the method. I have in mind the words of the poet de Saint-Exupéry who once said about a controversy, and I am paraphrasing: We are divided over the means which are the result of our reasoning, but not over the goals which are always the same. I have a feeling that thoses words apply to our debates.

• (2120)

[*English*]

Mr. Speaker, I believe this is an important week in our Parliament. History is being made by all of us, ordinary human beings, yet history is supposed to be made only by giants. When the flag debate took place, ordinary men struggled with an extraordinary problem. There was division and possibly there was rancour.

I remember that as a journalist based in London, my colleagues and I followed the acrimonious debate in the Parliament of Canada with some pretty heavy discussions of our own. Yet, on February 15, 1965, when the new Canadian flag was raised at Canada House on Trafalgar Square, our discussions were forgotten and we were all proud to be Canadians and to be present.

It is my hope that when this resolution is adopted and when our constitution comes home, we will be no less proud.

Some hon. Members: Hear, hear!

Mr. Lyle S. Kristiansen (Kootenay West): Mr. Speaker, I should like to begin by asking a question which I know many Canadians are asking, and that is: what are we doing here and why are we spending what some people out there think is an inordinate amount of time discussing what some people think is far removed from their daily lives, that is the constitution? I know that this is what a number of people are saying, and it is evident in the mail we all get and in the phone calls we all receive.

Last week I had the opportunity to spend two full days in Vancouver at a meeting of regional council No. 1 of the IWA which was and remains my union. Many of the people at that conference from all over western Canada were asking that question. That is not to say they did not recognize we have to deal with the constitution, but they are impatient because they want Parliament and their elected representatives to get on with the job and deal with it thoroughly but with some dispatch. They want Parliament to bring the constitution home and to begin the job of laying the groundwork for a new

structure within which we can live and work in the years to come. They want this Parliament, while the matter of the constitution is before the committee and, we hope, in a quieter way, back before the federal government and the provincial governments, to get down to dealing with many of the other day to day issues, such as the economy, the budget and, I hesitate to say, the Bank Act, as well as other issues with which this Parliament is vitally concerned.

Having said that, I wish to begin by reading a poem written by Earle Birney some years ago entitled "Canada, a Case History". It reads:

> This is the case of a high-school land,
> deadset in adolescence,
> loud treble laughs and sudden fists,
> bright cheeks, the gangling presence.
> This boy is wonderful at sports
> and physically quite healthy;
> he's taken to church on Sunday still
> and keeps his prurience stealthy;
> He doesn't like books except about bears,
> collects new coins and model planes
> and never refuses a dare.
> His Uncle spoils him with candy, of course,
> yet shouts him down when he talks at table.
> You will note he's got some of his French mother's looks
> though he's not so witty and no more stable.
> He's really much more like his father and yet
> if you say so he'll pull a great face.
> He wants to be different from everyone else
> and daydreams of winning the global race.
> Parents unmarried and living abroad,
> relatives keen to bag the estate,
> schizophrenia not excluded,
> will he learn to grow up before it's too late?

The question we must ask ourselves is whether he will grow up before it is too late. We hope, Mr. Speaker, that Canada will grow up before it is too late and we believe that now is time for this country to grow up. Quite frankly, we do not need any Canada goose ads or goose Canada ads to tell us so.

Some hon. Members: Hear, hear!

Mr. Kristiansen: We were able to figure that out all on our own. I only wish some other members, particularly in the party sitting to my right, would recognize that there is a certain degree of urgency in this matter because, quite frankly, I have had enough of the "nattering nabobs of negativism" who refuse to recognize the limitations of the roles within the political process or the limitations of the bargaining process. This party is not the government—I wish it were—and if we were the government, I am sure we would be introducing a package which is substantially different from that which the government of the day has introduced.

Some hon. Members: Hear, hear!

Mr. Kristiansen: We are not the government and therefore our approach to the issue is different and the proposals which we put forward are not what we would consider to be ideal. But we will play our role and, if the government demonstrates good faith over the next few weeks and months, we intend to play our role in a constructive way to ensure that we grow up as a nation and begin the job of settling down to the kind of work that has to be done if Canada is to grow and thrive.

Perhaps my view is somewhat jaundiced but I have my own definition of the democratic process. It is that democratic political action is the process by which you stop worse things from happening. It is also hoped that somewhere along the way something of positive value can be accomplished. Perhaps that is too limited a view, but in the current context of our present role as a third party it is perhaps the most we can achieve in the life of any Parliament, and that is the role we intend to pursue now.

What is in the resolution which we are considering and what are the motives for its presentation? The Minister of Justice (Mr. Chrétien), speaking to the Canadian Club in Toronto yesterday, said that the government was acting for three reasons. He stated that the second reason for acting now was to provide a momentum for some change. I have been around a sufficient number of bargaining tables, I think, to know that when matters of vital interest are at stake, people and major forces seldom move unless a gun is put to their head. I do not find that insulting. Other people seem to be threatened by it, but this is part of the daily process in the business world and certainly in the world of industrial relations. I do not feel the least intimidated by it. Rightly or wrongly, the government finds it necessary, or says it finds it necessary, to do a little sabre rattling and to say to some of the provincial jurisdictions that if some accommodation is not reached soon—and I hope the federal government is willing to make some as well—the matter will be decided unilaterally. It is in our interests as a people and as a party, and in the interests of the gentlemen and lady to my right as a party, to realize that the invitation is there to take part in a realistic way. We should do so. To sit there in petulance, as the people to my right have done on other issues, sucking their thumbs and feeling sorry for themselves is not being realistic. They sit there and say, "Why did you not give us a chance to go ahead and do all these wonderful things?" For a government, the first cabinet in history to swear in using the kamikaze oath, to take that kind of position is absolutely incredible. They say we did not give them a chance. They did not give themselves a chance. The first time they had a prime minister during the course of my lifetime, in effect they murdered him. This time they did not have to; he committed suicide. We have had enough of that.

• (2130)

I should like to comment on one major change we feel the government must make if we are to give serious consideration to the many other important proposals before us. My leader said that we support in principle most of the items, if not all, in the current resolution. We agree that patriation is necessary. We agree, historically and now, that a charter of rights is a good thing, though we may have differences as to some of the wording and the possible implications of the government's current wording. We agree in principle to the incorporation of language rights into the constitution. We have some concern over the manner in which that will be interpreted. We hope that is an issue which, along with other items, the government will sit down in good faith and discuss in the weeks to come.

I think all of us in the House agree with the principle of equalization. Certainly we understand that an amending formula of some type is necessary. While we are concerned with certain of the implications of the specifics in the resolution, we hope the government will prove to be open and receptive to suggestions during the course of the negotiations which lie ahead and that the committee will keep an open mind.

My leader has stated one matter about which we are adamant. In order for there to be be some balance in the government's proposal, a recognition of the right of the provinces to own, control and indirectly tax their resources must be included. To do anything else would be a major disturbance of the status quo. We are talking about bringing the constitution home in a relatively short period of time. It would be a little much to expect that any substantial part of this country would accept a package which does not at least retain the basic rights they have always enjoyed. That demand on the part of my party is absolute. It is non-negotiable, it is a "must-have" demand. Also it is a pre-condition for any further consideration of other items the government wants to see included in this resolution.

I should like to put the resource issue in a somewhat different context by referring to the matter of collective and individual rights. There are those of us in this country who feel that individual rights cannot be enforced and sustained except by real and recognized collective rights and that those rights are a myth. We need the power to deny access to resources, whether that power rests with our communities, with our unions, our band or tribal councils or within our provinces. We need the power and muscle to be able to enforce the individual rights listed in any charter. It is as important a principle applied to resources as it is when applied to individual human rights. Legislation and laws can change, but once people recognize they have certain powers and rights they will not give them up. We do not suggest the government can grant those rights, but it is proper that those basic rights, especially in so far as our provinces are concerned, be recognized. It is one further bulwark against the strength of central government action which we in my part of the country feel we must have if we are to ensure the long-term survival of democratic and open government.

In addition to resources we have many other serious concerns, but I stress again that acceptance of the package rests and is dependent upon the government's acceptance of our prime resource demand. In this regard I would also urge the government to bear in mind the importance to Atlantic Canada and other maritime provinces of offshore resources and some tangible recognition of expanded rights thereto by the provinces concerned. After years of dependency those provinces now see a chance to become masters in their own houses or at least to get a piece of the rock.

We should hope to see very soon some tangible proof that the government recognizes the provincial ownership and right to indirect taxation of resources. The government and government members on the joint committee must show some concrete evidence of bargaining in good faith on other key concerns in the weeks and months to come. We are not stipulating anything, but we insist that there must be some evidence that the committee is not a rubber-stamp for the Prime Minister (Mr. Trudeau) or any cabinet minister. They should listen not only to us but to the official opposition and to the representatives of the provinces. That good faith must be demonstrated in the time that lies immediately ahead.

We are not in a position to judge the receptiveness of the government, but if the package is balanced we intend to support the resolution. Our final decision can only be made on judgment day when the report of the committee is in and the final-final offer of the government is clear. At that time the final answer can be given.

For all provinces, provincial ability to manage and tax resources is a key part of the confederation bargain. For many provinces, particularly those in the west, resources compensate for the lack of a significant manufacturing industry. Resource proceeds allow provinces the financial ability to help stabilize and diversify their provincial economies and provide the services their people need. With wise management, resources are the key enabling most provinces to obtain a reasonable level of economic stability. But the provincial governments' ability to manage their resources so as to create a more stable economy has, in recent years, been seriously impaired. The rights of the provinces to regulate and tax their natural resources have been reinterpreted by the Supreme Court of Canada. Those judgments have called into serious question the ability of provinces to raise revenues from resources and to regulate the rate of production, especially if those resources are sold outside the provinces concerned. Thus it is necessary to reconfirm jurisdiction to the provinces to manage and develop resources, to allow provinces to levy both direct and indirect taxes, as long as they do not discriminate between provincial residents and other Canadians and to permit provinces to legislate with respect to the export of resources from the provinces. Of course, federal paramountcy in trade and commerce would still be maintained.

• (2140)

In summary, the amendment my party would propose would confirm provincial ownership of resources, would incorporate a clause with respect to indirect taxation and, finally, would incorporate a concurrent power with federal paramountcy with respect to trade and commerce as it affects the export of non-renewable natural resources, forestry products and electricity both in interprovincial and international trade.

But resources are more than this to us, especially those of us from British Columbia and western Canada. Control over our resources is more than a matter of cash and carry or "what we have we hold." The British Columbia energy minister perhaps overstated it the other day. I saw in a column by Marjorie Nichols in the Vancouver *Sun* that:

> Mr. McClelland, without blushing, said that resources represent the culture of British Columbia.

That may be a little much—she thought so—and I think it is going a little too far as well. But, if members opposite wish to understand the attachment by the people of the west to their land and resources they should take the opportunity to enjoy some theatre, a play originating in Saskatchewan which toured across the west and which has twice been covered on CBC television. It is a great play entitled "Paper Wheat". That play, people's theatre as it is, outlines not only the growth, complexion and nature of the developing west and the west today, it clearly and dramatically outlines the long and popu-

lar struggle of westerners to gain control of their own resources from Winnipeg, Toronto and Montreal Exchanges, the growth of the Wheat Pool in particular and their struggle to gain popular control of the marketing of their products. That process, that struggle—and it is a very recent struggle in western Canada—to gain control of our means of livelihood, our resources, is very much a central part of our culture. I hope you will forgive me for being skeptical but we do not feel that this government appreciates this attitude, this gut feeling in Western Canada. Unless we have concrete evidence very soon from the government that jurisdiction over ownership and resource taxation rights, which until recent years and judgments we always believed was ours, is to be recognized by the government by the acceptance of a clear amendment to their patriation resolution, then we simply cannot agree to support the motion or consider the resolution.

I want to also reject the notion—widespread, apparently, on the other side—that we in the west are greedy and want, either as members or as provincial governments, to keep all our riches, old or new, to ourselves. That has been and remains untrue. A former British Columbia premier made an offer some years ago in relation to natural gas and petroleum resources that if the federal government would guarantee the public development of those resources for the benefit of all the people of Canada then British Columbia would be prepared to share those resources with all Canadians. I understand similar offers were also made by the government of Saskatchewan. There were no takers, but the offers were made. The west, or at least a portion of it has been willing, and is willing, to put Canada first in the interests of all Canadians. And that, Mr. Speaker, is not greed.

What is the federal interest and what is the federal government's record in resources? In the absence of a clear and open commitment by the federal government as to its intent on this matter, within the context of their resolution, one is left to assume they intend to intrude even further in the traditional provincial domain. In view of the past Liberal record we must seriously question the motives behind any such move.

Until the early 1970s there was little expressed interest, not to mention interference, with western resources on the part of the federal government. It was not until the western provincial governments took decisive action to maximize the return on those resources to their people through royalties, direct ownership, marketing agencies and other means that the federal government and the federal courts moved to intervene levying, in effect, double taxation or other penalties which caused great anxiety and difficulty for both the governments and industries involved. It seemed that as long as the private sector was the major winner the feds never acted. But as soon as the people and their provincial governments moved to secure their fair share, the federal government intervened. Maybe it was accidental—we are generous—but it was enough to make us very wary as to some of the motivations which lay behind those central government actions. If the federal government ever wants support for a greater role in economic development they had better start to improve their track record and credibility in that regard.

There are more than a few, especially in western Canada, who hold the view that Canada was created because the CPR needed a country to pay for their railway to resources and the Hudson's Bay Company needed a country and taxpayers to pay the cost of policing their territory. Whether that is an accurate reflection of our origins or not, successive Canadian governments have certainly continued to act as if it were in fact very close to the truth. That is the picture many of us have and federal government actions in recent years have tended to add credibility to what was originally a rather humorous version of the origins of Canada.

Something else has taken place over the years which make us wonder what the constitutional fuss is all about. I think the hon. member for Qu'appelle-Moose Mountain (Mr. Hamilton) referred to it in a slightly different way a few moments ago. It has to do with why the federal government has again deemed it necessary to move in on the resource field over the last few years.

I want to talk about taxation for a minute. Since the Second World War the direct taxation field has been less and less of a burden on the corporate sector. Federal governments—mostly Liberal—have retreated through political pressure, it would appear, from the field of direct taxation, particularly of the corporate sector.

• (2150)

The level of resource taxation by the provinces, in their field, has not retreated at the same time. Consequently, we see the federal government denying itself, through its own timidity perhaps, access to revenues in its traditional sector while the provinces have not been so encumbered. It has thus found itself in this financial squeeze and obviously it has to find a way out. It would appear that it is not prepared to turn on the corporate sector and return it to its appropriate and historical level of taxation in Canada, so it must find another way.

My friends to my right, during their brief tenure in office, attempted to find yet another way out. They did not go after the provinces but decided, instead of raising taxes, to raise prices as a means of hiding the situation. In the meantime they would look for another way without causing a major tax revolt by searching different routes to see if moneys were available to allow our governments to carry on.

It appears, for whatever the political reasons, that the federal government does not dare to restore corporation taxes. Therefore, it has chosen to move in the field of resources. How it intends to work things out, I do not know, but I do understand that ministers over there are in a bind. We think it is extremely unfair to attack provincial administration and sources of funding in order to escape the rather obvious answers to their own timidity over the years.

I referred some time ago to the play "Paper Wheat". There is a section of that play which refers to the expansion of the Canadian west. It says that it goes on, and on and on and on and on.

Mr. Nielsen: And on.

Mr. Kristiansen: That is a fairly accurate description of the Canadian prairies or it certainly seemed that way to our people when they first arrived in that part of the country. I am also afraid that if these last three days are any example it will begin to characterize the description of the debate we will have on the constitution, as might be gathered even at this early stage.

Mr. Knowles: Don't put the idea in anybody's head.

Mr. Kristiansen: It reminds me of a saying which is often used with regard to strikes, that it does not take much talent to get one started, but it sometimes takes a great deal of wisdom to put an end to one with honour and justice. It is not enough that we write something in stone. For all the importance that a constitution, or in another sphere a contract, may have in its wording and its distribution of benefits and powers, the key thing must be leadership and the willingness of all the parties to live together.

The important thing when we put together the constitution is that it be done in such a way that we can live together in balance. There must be something in it for everybody or everybody loses. It is the same in a marriage; people are entitled to their own space, and that space must be recognized. There must be something of value in the constitution for all the major parties.

In conclusion, I would simply say that while there may be many important concerns and differences in addition to the obvious difference we have over the matter of resources and provincial rights, this is not the time to let those other differences stop us from doing what we must. We must rise above those differences and demonstrate a faith in ourselves as a maturing nation to deal with all these remaining issues in our own time, in our own way in Canada and as Canadians. That is what the process in which we are engaged should be all about, and we in this party believe this is what it is all about. We are willing to play our part and recognize the limitations of our role.

We should have a constitution that is made in Canada. We should have a constitution and a structure in which all Canadians from all areas and all regions can work together and live together to produce what should be in this world of ours the greatest and most wonderful quality of life imaginable anywhere on this planet. Again, that is how we see it and we are prepared to move. We hope that others are as well.

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, 113 years ago, with the British North America Act, the people of Canada engaged in an act both of rejection and of affirmation. It was an act of rejection in the sense that we rejected the "Manifest Destiny" which some saw as our future, to be annexed to the United States. But much more important, as an affirmation of our commitment to an equal partnership between our two founding races, Canadians acted at that time to create a political structure that would accommodate the interests of the two founding peoples. Today we are engaged in another stage of that evolution, that of providing political unity without racial, cultural or linguistic conformity.

We are no melting pot. We are committed to a nation in which two founding races can live in equal partnership. However, that equal partnership has been variously interpreted at different times and places in our country's history, creating confusion and frustration. The most recent manifestations of course are the Quebec referendum and the regional preoccupations which mark much of our country today.

Those various interpretations of how we must achieve our political unity have brought practical problems impairing our collective ability to deal with our difficulties. But that commitment to equal partnership has never wavered in all who believe that confederation will be judged a failure if we cannot assure all our citizens full opportunity in either the French or English language and in their own culture. The time has come to place that commitment in a Canadian constitution. In the past, as our country expanded west and east, as industrialization advanced and brought a changing role for governments, as social programs were advanced, amendments to the British North America Act were successfully made.

• (2200)

However, in the absence of an amending formula, that process of evolution, that process of constitutional change, of relying upon amendments to the act of another parliament, has become increasingly cumbersome, increasingly laborious and increasingly anachronistic.

As Senator Forsey said recently, this idea of unanimous consent of the provinces was voted down twice by the House of Commons, in 1869 and in 1871, and that was by a House of Commons which contained a number of fathers of confederation, all of whom voted against the idea of unanimous consent of the provinces.

Against that background, the time has clearly come to patriate our constitution.

Mr. Speaker: Order, please.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

CANADIAN WHEAT BOARD—GRAIN—INVESTIGATION INTO UPGRADING—VALUE RECEIVED BY WESTERN FARMERS

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, in the last session on May 29, I asked the minister responsible for the Canadian Wheat Board if he could inform the House and the farmers of western Canada whether he had

investigated the question of grade promotion, "uppages" or upgrading and, if he had done so, whether he had assured himself that the farmers of western Canada and the producers of grain in that area are receiving full value for their grain.

The question was asked not only on behalf of the grain producers and farmers of western Canada, but on behalf of the Canadian Wheat Board, which represents the farmers of Canada. They also lose money as a result of this practice.

The minister replied in the House that he would report back. He did report to me by mail rather than doing so publicly in the House so that it could be on record.

In his written reply, the minister stated that the practice of grade promotion was performed under the auspices of the Canadian Grain Commission which reports to the Minister of Agriculture (Mr. Whelan). The Minister of Transport (Mr. Pepin) then said that if there is any specific evidence of difficulties in relation to grade promotion, he would be pleased to discuss them with the Minister of Agriculture.

I should like to quote his answer. He said:

Grade promotion at terminal elevators is closely supervised and controlled by the Canadian Grain Commission which reports to the Minister of Agriculture. I am assured that the commission is carrying out its responsibilities to ensure that farmers are receiving full value for their grain. If there is specific evidence of difficulties in relation to grade promotion, I would be pleased to discuss this with the Minister of Agriculture—

I should like to say that the terminal elevators are entirely different from the country elevators system where grade promotion is carried out. At the terminal elevator system it is perfectly legal to blend grades other than one and two CWRS but by law the blending of other grades at terminal ports, in the terminal elevator system, is specifically excluded. There is nothing to prevent this practice at the country elevator system—that is, the initial system, the first bout, when the farmer delivers the crop he has worked to grow and for which he hopes to receive a good price.

He may be given a lower grade for his grain which the country elevator will then blend with a higher grade of grain, increasing that grade by one point. The farmer therefore loses the difference in price between the lower grade he was given and the higher grade the elevator system receives.

I have heard of institutionalized theft and that is what this works out to. This is the product the farmer has worked all year to grow and he should be given a fair grade and a fair return. The benefit is going somewhere else—it is going to the country elevator system.

I am well aware of the old argument that the majority of grain in western Canada is sold through co-operative elevators and, in turn, they supposedly will give the shares back so that all members receive equally. This benefit is going somewhere else, that is, to the country elevator system.

● (2205)

I am well aware of the old argument that the majority of the grain in western Canada is sold through co-operative elevators. In turn, supposedly the shares are given back and spread over so all the members share equally. But that is not what it is about. When a person has his own grain which is worth a dollar, why should he not receive the benefit? Why should he not keep it? Why should it be spread out among other members?

There are examples ranging as high as over a dollar a bushel difference in Durum grades; a dollar a bushel between grade No. 4 and grade No. 5 in amber Durum. We have seen this in the past. That is a tremendous difference to a farmer who may deliver 15,000, 25,000, or 30,000 bushels of grain. That could be almost as much as some members of Parliament would lose if they had to take lower pay for their jobs and have their pay blended in with someone else's who performs a little better. In that case, they would not receive full pay.

With respect to the minister's report, I would like to refer to the Booze-Allan report commissioned by his Liberal predecessor, Otto Lang. The report dealt with misshipments and misgradings of grain, and I quote from the report as follows:

The implications of these misshipments and misgradings of grain should prompt the establishment of management incentives and controls which could improve performance—

I know that the Parliamentary Secretary to the Minister of Agriculture (Mr. Ostiguy), who I see here tonight, will be reading from a prepared text, but I hope he will take these thoughts into consideration and take them back to his minister so that the farmers of western Canada can receive a fair dollar for a fair product.

[*Translation*]

Mr. Marcel Ostiguy (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I would very briefly like to reply to my colleague on the other side following a question he asked last May 29. I think that his speech almost contained the answers I am about to give him and which complement the letter he received from the minister responsible.

First of all, we all know that the main object of grain grading is to guarantee to each producer that the product he delivers at a regional elevator is given the proper grade according to the applicable standards as defined by the Canadian Wheat Board.

In cases of dispute over a shipment, a sample chosen by the producer and the elevator representative is sent to the chief inspector appointed by the board. His decision on the grade given is binding on all parties.

Once the product is in the elevator and has changed owners the agent representing the silo can, if he so wishes, mix the grain if he has to upgrade it. I think that the hon. member even mentioned this a moment ago.

For example, he could buy from five different producers 5,000 bushels of wheat of top quality grade No. 1 and 5,000 bushels of grade No. 2 wheat—higher than average for this grade—and mix both and ship 10,000 bushels of grade No. 1 wheat. Of course this extreme case is strictly for illustrative purposes. In practice, Mr. Speaker, grain improvement through mixing at the regional elevator allows an over-all

quality increase in the order of less than 10 per cent. And I know what I am talking about, because as my colleague from Louis-Hébert (Mr. Dawson) suggested in Sainte-Rosalie, there are many in the Saint-Hyacinthe area, and we know that the Coopérative fédérée has enormous silos.

Anyway, that improvement brings indirect benefits to producers. Elevator operators derive financial advantages that lower their handling costs. Once in the elevators, we know that grain can be conditioned, and it can be mixed, with the exception of the two higher classes of red spring wheat. For example, let us take the case of a wagon of No. 3 "out of grade" wheat from western Canada. It is classified grade 3 because of some pebbles, and was brought from a farmer by the representative of a regional elevator. Once cleaned, that wheat is mixed with ordinary grade 3 wheat from western Canada, which improves the quality of the original grain. Here is another example: a farmer ships a load of No. 1 wheat—

Mr. Deputy Speaker: I am sorry to interrupt the hon. member, but his time has expired.

• (2210)

[*English*]

LABOUR CONDITIONS—NEWFOUNDLAND—REPORTED DECISION OF PROVINCE TO RESERVE OIL RIG JOBS FOR NEWFOUNDLANDERS

Mr. John Gamble (York North): Mr. Speaker, it is most propitious that this adjournment debate should occur in the midst of the constitutional debate with which the House is presently confronted. I am particularly delighted that it has, having regard to the fact I have not yet had an opportunity to speak on the current resolution. On May 26 in the question period, I had occasion to refer to a statement made by the Minister of Labour (Mr. Regan) at a Winnipeg conference at which he was quoted as having said:

> —provincial moves such as Newfoundland's decision to reserve jobs on oil rigs for Newfoundlanders do more to damage Canada in the long run than any nationalism that has surfaced inside Quebec.

I would ask the minister whether he would acknowledge that in following the procedures it has, the government of Newfoundland has simply followed the practice in the province of Quebec under legislation which precluded Ontario construction workers from gaining employment in that province. The minister in part responded by saying:

> —I happen to believe that the essence of this country is having a common market in which Canadians can move to another part of the country and be employed without restrictions on the basis of what province they come from.

Typically, of course, the minister did not respond to the question. There has been a silence of a profound nature with respect to the conduct of the government of the province of Quebec in connection with breaches of our present constitution and inroads made into what would have been expected to be the goodwill that would exist between the provinces of this country. It is easy to enumerate them.

They have as a result of the imposition of a special retail tax on Ontario construction equipment which enters the province of Quebec for construction in that province specifically breached the provisions of section 121 of the British North America Act as part of our constitution. That province has, as I indicated in asking that question of the minister, in addition specifically prevented construction workers from any province, and in particular the province of Ontario, entering the province of Quebec for the purpose of carrying on the legitimate activities of their employers with construction contracts in that province.

The province of Quebec has, contrary to the specific provisions of section 133 of the British North America Act as part of our constitution, imposed restriction on the use of language in the courts and in the legislature of the province of Quebec. In addition, they have been the beneficiary of inaction by the present federal government against the desires and expressed wishes of the province of Newfoundland, under the authority of the federal government, to impose on a public federal works project across Canada or any part of it for the purpose of transmitting hydroelectric power from the lower Churchill to some part of the United States. Yet the federal government has with ease taken those necessary steps under a national works project to allow a pipeline both for natural gas and petroleum products from western Canada into the province of Quebec. That created no problem.

It is a legitimate concern of all Canadians that equity, fair play and justice be enforced by the Government of Canada against all those which breach not only the letter of the law, but the spirit of the law in Canada. No province should be singled out for special preferential treatment, yet this has been the case.

• (2215)

Where has the Minister of Labour specifically laid out condemnation against the action which directly resulted in the action taken by the province of Newfoundland? That province has had a good teacher. The province of Quebec did what it did with impunity. Other provinces in this country can expect to do the same with the same results, unless equity, fair play and justice are put in place and implemented by the Government of Canada. I know we will hear that the current legislation before this House answers all the difficulties and problems. If I may refer to proposed section 6(2), you will find there that it states:

> Every citizen of Canada and every person who has the status of a permanent resident of Canada has the right
>
> (a) to move to and take up residence in any province; and
>
> (b) to pursue the gaining of a livelihood in any province.

That is not what the minister said. The minister said "to move to any part of the country and be employed". In order to be employed you not only have to move to but take up residence in, and the term residence has a specific legal meaning defined by the Supreme Court of Canada on a number of occasions. It would not apply in my submission to construction workers from the province of Ontario who move to the province of Quebec.

In any event, we find in section 6(2) as proposed in this measure that those rights are restricted in the event that a provincial government imposes laws primarily on the basis of some internal requirement the province may have. That is a sham. It does not answer the question in respect of real rights of mobility in the country, and this government in introducing that as a panacea for the problem is defrauding the public. Thank you, Mr. Speaker.

[*Translation*]

Mr. Dennis Dawson (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I would like to point out to the hon. member that, in spite of his reservations concerning the resolution presented to this House, I believe that the progress accomplished through this resolution compared with the situation he deplores concerning the resistance of Newfoundland in relation with the hiring of workers from outside the province and concerning the problem of Quebec, which set restrictions to job mobility in the employment sector—I believe that even though no resolution can be perfect, as we are all aware, instead of speaking this evening, he should rise tomorrow in the House and say that he supports entrenchment in the constitution of the right to job mobility, the right for people to move from one province to the other and the right to education in the language of their choice. This is more or less what he objects to in the case of Quebec. I believe that he should start by criticizing the province of Ontario, and refer especially to the right to development in the maritimes and the western provinces. But in any case—

[*English*]

This position notwithstanding, we favour the concept of a national labour market to respond to worker and employer needs across the country so that all Canadians may enjoy the benefits of economic expansion. It should be noted that the employment referral activities of the CEIC are governed by the Unemployment Insurance Act of 1971 and the national employment service regulations pertaining to the act. Nothing in the act or regulations gives a preference based on the residence of the worker seeking employment.

In practice, however, it is normally in the best interests of an employer to hire from the local labour force to the maximum extent possible. This is less costly and makes for a more stable and contented work force. In this regard it is the practice of the Canadian employment centres to exhaust the potential of the local labour force on behalf of an employer before extending the search to other regional and/or the national labour markets.

Reference to the federal powers to disallow certain kinds of provincial legislation is a matter with which the Minister of Employment and Immigration (Mr. Axworthy) is not prepared to deal here. Such matters more properly fall within the purview of others.

I wish to reiterate, however, that except in those cases where affirmative action is judged to be in the best interest of certain disadvantaged groups our preference is for an open labour market which allows freedom of movement in pursuit of employment to all Canadians. That is why this government is moving toward the entrenchment of the liberty of movement in this country. It is on this concept that many of the commission's programs are developed. The Canada Manpower Mobility Program, which encourages the movement of Canadian workers from regions of high unemployment to low unemployment, either to seek jobs or to relocate once jobs have been found, is but one example.

• (2220)

This government has followed such a practice in the past, and if we compare its actions with those of the previous government during the period it was in office I am sure we would see that we are encouraging the mobility of employment and encouraging opportunity so that people will not be part of ten little provinces but part of one big country.

Mr. Deputy Speaker: Order, please. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m.

At 10.20 p.m. the House adjourned, without question put, pursuant to Standing Order.

APPENDIX

TEXT OF McDONALD COMMISSION LETTER TABLED BY SOLICITOR GENERAL

14 May, 1980

Mr. Russell MacLellan, M.P.
Parliamentary Secretary to Minister of
State (Mines)
House of Commons
Ottawa, Ontario

Dear Mr. MacLellan:

My attention, and that of my fellow Commissioners, has been drawn to the following statement made by you on May 8, 1980, in the House of Commons, as reported in Hansard at p. 879:

"The laying of charges is not the responsibility of the Prime Minister or the Solicitor General, but a unique prerogative of the Attorneys General, federal and provincial, depending on the nature of the case. However, Mr. Justice McDonald has clearly indicated that he would prefer any such action to await his report . . . "

I am not aware that I have ever indicated that I would prefer the laying of charges to await the report of the Commission of Inquiry of which I am Chairman. My fellow Commissioners are also unaware of any of the Commissioners having said that.

We understand that the statement you read was based in part on the following passage in the transcript of public proceedings during the presentation by the Canadian Civil Liberties Association on April 17, 1980, at pages 25687-8:

"MR. ALAN BOROVOY: Mr. Chairman, the proposal we had made a couple of years ago did not contemplate such findings in specific cases.

I quite appreciate that problem.

Our proposal was that the Commission should have recommended that the normal law enforcement processes go forward.

That was the recommendation we had sought.

Had they not gone forward, naturally, we could not have said anything to you about that.

But our hope is that, and the point of the submission then was that you would have used your best offices to encourage the normal law enforcement processes to go forward, and that would not have required specific findings in specific cases.

THE CHAIRMAN: It would have required a report by us and it would, therefore, require representations by counsel as to whether there was conduct not authorized or provided for by law."

In order to understand this passage, it is necessary to reproduce pages 25685 to 25688, a copy of which is attached. A reading of those pages will show that there I was attempting to explain why, as the Civil Liberties Association had said, "the Commission has neither recommended a different course of action nor explained its omission to do so." The explanation boils down to this: Our terms of reference and the Inquiries Act require us to follow a certain procedure before we make a report. Only in a report can we make recommendations, including any recommendation in rspect of prosecution. We should not be expected to follow a procedure which does not comply with the law.

I also pointed out that

"As far as systematic techniques are concerned, they are in the public domain and the appropriate authorities have been at liberty to investigate them in detail and reach their decisions as to whether or not to prosecute."

Beyond that it would be improper for myself and my fellow Commissioners to comment publicly or privately as to whether there should be any prosecutions, except in a duly presented Report.

I trust that you will bring this correction to the attention of those who may have understood that the position of my fellow Commissioners and myself was as indicated—i.e. that we "would prefer any such action to await his report". In fact, we express no preference one way or another.

Yours very truly,

David McDonald
Chairman

TRANSCRIPT OF COMMISSION PROCEEDINGS

MR. ALAN BOROVOY: I think, Mr. Chairman, I was probably momentarily paralysed by the prospect of winning a million dollars and it may have clouded otherwise clear judgment . . .

The response I think would be this, that people presumptively should have a right to get lost if they so choose, and save and except for an imminent peril to life or limb and something of that kind, we would be concerned that this could erode the self-reporting mechanisms under the Income Tax Act, which in itself could lead to some pretty intrusive interference into people's lives.

THE CHAIRMAN: The last is a comment rather than a question.

I would like to refer to your Forward and in particular to the last two sentences of the third paragraph in which you say:

Despite scores of unlawful acts by the RCMP which were admitted as far back as October, 1977, not a single charge has been laid or disciplinary measure imposed. To our knowledge, the Commission has neither recommended a different course of action nor explained its omission to do so.

I would like to observe this:

The Government of Canada knows what evidence has been received in hearings before this Commission or recorded in documents received.

The Provinces have available all our public evidence and are at liberty to investigate further those matters, as was done in British Columbia concerning surreptitious entries in criminal investigations.

The law governing this Commission requires us to make recommendations in a report.

The law requires certain steps to be undertaken before we can make a report which is valid in law and we must obey the law.

The law requires that if our report is to include any report against a person, notice must be given to that person of the charge of misconduct.

That this raises difficult issues is demonstrated by the lengthy representation made to us by two counsel for the RCMP, for members of the RCMP, and more recently—that was in early March, and more recently by counsel for the Attorney General of Canada.

I emphasize the Attorney General of Canada and not as reported by a national agency, the Solicitor General.

We, unlike the Canadian Civil Liberties Association, cannot, until the procedure required by law is complied with, reach any conclusion of illegality as far as specific cases are concerned.

As far as systematic techniques are concerned, they are in the public domain and the appropriate authorities have been at liberty to investigate them in detail and reach their decisions as to whether or not to prosecute.

Now, I make those comments in an attempt to enable you to understand our process.

Everything I have said has been said from this chair in public on other occasions, but that does not necessarily mean, I realize, that you have known exactly what has been said in that regard.

All I have tried to do is emphasize that our procedure is governed by law and we are not at liberty, simply, to refer to any specific acts and specific situations as being unlawful.

Whereas others can do so in print or orally, they can say that the unlawfulness has been established by admissions and by evidence.

MR. ALAN BOROVOY: Mr. Chairman, the proposal we had made a couple of years ago did not contemplate such findings in specific cases.

I quite appreciate that problem.

Our proposal was that the Commission should have recommended that the normal law enforcement processes go forward.

That was the recommendation we had sought.

Had they not gone forward, naturally, we could not have said anything to you about that.

But our hope is that, and the point of the submission then was that you would have used your best offices to encourage the normal law enforcement processes to go forward, and that would not have required specific findings in specific cases.

THE CHAIRMAN: It would have required a report by us and it would, therefore, require representations by counsel as to whether there was conduct not authorized or provided for by law.

Thank you. We will adjourn now for fifteen minutes. Pardon me.

I have been advised by my fellow Commissioners there are no further questions, and since I have just completed my questions and comments, we can, therefore, adjourn for the day.

But before doing so, I would like to emphasize again, our gratitude to the Canadian Civil Liberties Association for the high standards of the written submission that has been given to this Commission and the oral submissions made today.

All three of us have said that and I need not say any more, I hope.

HOUSE OF COMMONS

Friday, October 10, 1980

The House met at 11 a.m.

• (1105)

ROUTINE PROCEEDINGS

[*English*]

THE CONSTITUTION

REPORTED STATEMENT OF PRIME MINISTER ON FREE MOVEMENT OF GOODS AND SERVICES—MOTION UNDER S.O. 43

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, I rise according to the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the fact that the Prime Minister (Mr. Trudeau) admitted in his television performance a week ago that his original constitutional proposals included the right of free movement of goods and services, and in view of the fact that such rights would declare as unconstitutional such policies as prejudicial freight rates and a quota system, which prevent large-scale western industrialization, I move, seconded by the hon. member for Fraser Valley West (Mr. Wenman):

That the Prime Minister at his news conference today or in a statement on motions explain why he wants to lock the country into today's industrial pattern and prevent natural and well-deserved industrialization of the west.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

RESCISSION OF RIGHT TO WORK PROVISIONS—MOTION UNDER S.O. 43

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, I rise under the provisions of Standing Order 43 to put a motion of urgent and pressing importance. In view of the mobility provisions described in section 6 of the government's proposed charter of rights which would guarantee the right to work to any Canadian citizen anywhere in Canada, and recognizing that such federal intervention would clearly frustrate the present power of provincial governments to enact provincial labour laws which guarantee and protect the right of free association accorded to trade unions, I therefore move, seconded by the hon. member for Prince George-Bulkley Valley (Mr. McCuish):

That the government be directed to rescind its proposed right-to-work legislation, which would clearly supersede the right of every province to pass provincial labour laws which are, in fact, designed to protect the interests of the labour force and labour unions operating within each province.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

• (1110)

ENTRENCHMENT OF RIGHTS OF "THREATENED SPECIES"—MOTION UNDER S.O. 43

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, I rise under the provisions of Standing Order 43. Whereas Canadians living in Ontario have been subjected to a twin onslaught of advertisements, one telling them to "preserve it, conserve it"—and presumably to vote Conservative—and the other a series of Trojan beavers, geese and clippership—and presumably to vote Liberal—I move, seconded by the hon. member for Winnipeg-Birds Hill (Mr. Blaikie):

That this House urge the entrenchment of the rights of two apparently threatened species, the non-Conservative Ontarian and the non-Liberal national symbol.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

PARLIAMENT HILL

DISPLAY OF REPLICA OF BOAT USED BY REFUGEES FROM SOUTHEAST ASIA—MOTION UNDER S.O. 43

Mr. Bob Wenman (Fraser Valley West): Madam Speaker, I rise pursuant to the provisions of Standing Order 43. In keeping with the spirit of Thanksgiving and recognizing Canada's tremendous contribution in alleviating human suffering in Southeast Asia, and in particular the willingness of the people of Canada to sponsor and give opportunity to 60,000 homeless refugees, I move, on behalf of the refugees still in transit camps awaiting passage to Canada, seconded by the hon. member for Laurier (Mr. Berger):

That the House of Commons accept for public display in some suitable location, such as the Library of Parliament, a beautiful hand-made replica of one of the many small boats that carried thousands of Vietnamese to freedom, a

replica made in a refugee camp and given as a gesture of gratitude to the people of Canada.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Madam Speaker: Hon. members have heard the motion. Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

CAPITAL PUNISHMENT

HOLDING OF REFERENDUM—MOTION UNDER S.O. 43

Mr. Doug Neil (Moose Jaw): Madam Speaker, I too rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the fact that the government, by virtue of its majority, intends forcing the referendum process on Canadians in its constitutional package, and in view of the fact that the government now has apparently adopted the principle of referenda, I move, seconded by the hon. member for Halton (Mr. Jelinek):

That the government give an undertaking that it will hold a referendum on capital punishment in order that the people of Canada may express their views on the subject.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

PENITENTIARIES

CALL FOR IMPLEMENTATION OF SUBCOMMITTEE REPORT—MOTION UNDER S.O. 43

Mr. Svend J. Robinson (Burnaby): Madam Speaker, I rise on a matter of urgent and pressing necessity pursuant to the provisions of Standing Order 43. In view of the fact that there has been an increasing number of serious incidents, including hostage-takings and deaths, in Canada's federal penitentiaries in recent months, culminating in the present unfortunate incident at Dorchester, and in view of the fact that the Liberal government has failed to implement many of the important recommendations of the unanimous report of the parliamentary subcommittee on penitentiaries which found a state of crisis to exist in Canada's penal system, I move, seconded by the hon. member for Skeena (Mr. Fulton):

That this House call upon the Solicitor General to implement as a priority all recommendations of the special subcommittee report on penitentiaries in Canada, and to immediately strike a special committee of this House to determine the reasons for the renewed atmosphere of crisis in Canada's federal prisons before further outbreaks of violence and possible deaths occur.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

RAILWAYS

REJECTION OF APPLICATIONS TO ABANDON RAIL LINES—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Madam Speaker, I rise on a matter of urgent and pressing necessity under Standing Order 43. Whereas the Canadian Transport Commission rejected an application to abandon the rail line between East Coulee and Rosedale and between Kneehill and Carbon in 1979, and whereas these continual applications to abandon these lines by the CNR and CPR are driving potential industry from these areas, I move, seconded by the hon. member for Lethbridge-Foothills (Mr. Thacker):

That once an application to abandon a rail line is rejected, no further application be entertained for at least five years, and probably ten years.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

BILINGUALISM

REQUEST FOR NEGOTIATION OF NEW FUNDING AGREEMENT—MOTION UNDER S.O. 43

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. I apologize for not taking time to raise this matter with the House leaders of the two other parties prior to this.

Considering that all members of this House endorse the concept of bilingualism and support its continued development, I am certain that we all wish to do what we can to ensure that funding for second language education be maintained, if not expanded. This type of education is the keynote of bilingualism in Canada. Considering the historic moment we are experiencing and considering that federal funding assistance for minority language and second language education programs has been reduced from $200 million last year to $170 million this year, I move, seconded by the hon. member for New Westminster-Coquitlam (Miss Jewett):

● (1115)

That this House request the Secretary of State to negotiate a new funding agreement which would at least hold federal funding assistance to last year's level.

Madam Speaker: Presentation of such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

AIR SAFETY

UPDATING OF SAFETY PROCEDURES AT AIRPORTS—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, I rise under the provisions of Standing Order 43. Given the recent statements made at the Dubin inquiry into air safety, which stated that the federal government is to blame for most safety problems at airports and that new commercial pilots are not receiving adequate training to be considered safe, I move, seconded by the hon. member for Yukon (Mr. Nielsen):

That this House instruct the Minister of Transport to make an immediate statement on motions as to what steps he will be taking to ensure that safety procedures will be updated and to give immediately a firm commitment to the Canadian people and Parliament regarding what measures he will be taking to ensure the safety of commercial and private air travel in Canada.

Madam Speaker: Presentation of this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE BUDGET

INQUIRY AS TO DATE OF PRESENTATION

Hon. John C. Crosbie (St. John's West): My question is for the Minister of Finance, Madam Speaker. There have been a number of forecasts, including the minister's own, the Conference Board in Canada and so on, which have given us gloomy forecasts. I refer the minister to the forecast of the Toronto-Dominion Bank. The bank forecasts a 1 per cent decline in real GNP for this year with very slow recovery next year, that the CPI will be up 10.3 per cent next year, while the Conference Board forecast 10.5 per cent. Unemployment next year will average 8.4 per cent and real business investment is going to go down from a 9.4 per cent real increase last year to 5.5 per cent this year, and decline again to only 3 per cent in 1981.

In view of these forecasts, could the minister give the House a firm date for his budget? Is it October 23? Will the minister bring in a budget which has the fiscal solutions promised by him and his party last December and January, and, in particular, one that cuts taxes and stimulates the growth of the Canadian economy?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I can assure the hon. member that when the budget comes forward it will implement the pledges made by the leader of the Liberal party on fiscal matters in the last election campaign.

In answer to the other part of the question as to the date of the budget, I have not determined the date but I want to tell the hon. member that it will not be October 23.

Mr. Crosbie: Madam Speaker, this is the most timid Minister of Finance in our history. If the Prime Minister could be said to be the Lone Ranger, the minister is certainly Tonto.

Some hon. Members: Oh, oh!

Mr. Nielsen: Get him up, Scout!

Mr. Crosbie: "Kemo Sabe". The Minister of Industry, Trade and Commerce spoke to the Chamber of Commerce in Quebec City on September 25. He warned them that it would be "unwise to expect too much too soon by way of economic recovery". He has no faith in his Minister of Finance. He said this: "Circumstances permit no magical fiscal solutions to the cyclical economic downturn", such as a stimulative budget. Does the Minister of Finance agree with his lugubrious colleague, the Minister of Industry, Trade and Commerce?

Mr. MacEachen: Madam Speaker, if the hon. member wants me to agree that there is no quick solution to the current economic difficulties and that there is no solution solely in injecting a larger deficit into the economy, if that is the burden of the question I certainly agree, Madam Speaker, with the Minister of Industry, Trade and Commerce.

Mr. Crosbie: Madam Speaker, if the minister agrees with his colleague the Minister of Industry, Trade and Commerce, and if he agreed with his colleague the Minister of Industry, Trade and Commerce last December, when he said that there were quick solutions, that the economy could be stimulated and that there were magical fiscal solutions, what has caused this reversal, this turnaround, this spinning of the last eight months? Has the minister just come to the realization that there is a problem? Why is he not prepared now to offer the solutions which he offered last fall?

● (1120)

Mr. MacEachen: The hon. gentleman is building up in his own mind a series of propositions which he is attempting to put forward as ones that I have in the past endorsed as a way of improving the economic situation. If he looks back, he will find in the Liberal platform during the last campaign that the promises made were carefully thought out, and they will be

implemented in the budget. I do not find myself in the position the hon. member found himself in when he was driven in his budget to implement incredible proposals simply because they had been put into the Tory election platform. I am not in that position.

* * *

FINANCE

EXCHANGE RATE POLICY—EFFECT ON MANUFACTURING INDUSTRY

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, I too wish to direct my question to the Minister of Finance. It is further to some of the projections or forecasts the Toronto-Dominion Bank has made. They are projecting that the balance of payments deficit for Canada in the next two years will grow from $5.8 billion last year to $6.7 billion this year and to $7.9 billion in 1981.

My question to the minister is this. On the assumption that the energy policy, which we hope to receive from his colleague shortly, does not poison the atmosphere of investment relations with other countries and that the inflow of capital that is required for the huge energy projects that are needed by this country is forthcoming, will the minister ensure that the conduct of Canada's exchange rate policy will not undermine the competitive position of the very important manufacturing industry in this country?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): As the hon. member knows, Madam Speaker, the competitive position at present of the Canadian manufacturing industry is quite strong. Only this week I had a meeting with representatives of the Canadian Manufacturers' Association. They assured me of the basic strength of the Canadian manufacturing sector and advised me not to take actions which would disturb that particular advantage of the manufacturing sector. I will certainly keep that advice in mind and not do things that would disturb the future potential of that particular and important sector of the Canadian economy.

Mr. Wilson: Madam Speaker, I am tempted to ask whether the minister is proposing an advertising program to tell the Canadian people that his policy is the cure-all for the manufacturing industry in this country, but I will not ask him that. We had enough of that yesterday.

The major problem with the Canadian balance of payments is the $17 billion manufacturing deficit this year. We have to be doing things in this country which will improve that deficit, not just hold the line where it is now. Will the minister give the industry a clear signal today or in his budget which will give them the confidence in their investment decisions and enable them to make decisions that will provide the jobs and the long-term investment program which will substantiate the ongoing strength of this industry, particularly at a time when we are looking at an unemployment level of some one million people this winter?

Mr. MacEachen: Yes, Madam Speaker, I will attempt to give that signal, not today but in the budget.

* * *

ENERGY

PETROLEUM MONITORING AGENCY—REPORTED STATEMENT OF CHAIRMAN

Mr. Edward Broadbent (Oshawa): Madam Speaker, I have a question to arouse from his interest in a document the attention of the Minister of Energy, Mines and Resources. The Petroleum Monitoring Agency established by the government, as the minister knows, was set up, among other things, to monitor prices and profits of the petroleum industry and report back to the public and to the government. Today Mr. Harold Renouf, chairman of that agency, is reported to have said the following:

● (1125)

I believe the industry will be better served if we are successful in clarifying to the consumer . . . the need for higher domestic oil and gas prices.

Does the minister not agree that this statement reveals in advance a completely unacceptable, biased attitude on the part of the chairman who is supposed to be monitoring the petroleum industry and its pricing policies?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I have had an opportunity of reading the speech made by Mr. Renouf and, frankly, I find nothing objectionable at all in what he has said.

Mr. Broadbent: That is what I was afraid of.

Mr. Lalonde: He has said what I believe all parties and all governments in this country have recognized, that the price of oil and gas will have to increase in the course of this decade. I do not think anybody in this country who has sense challenges this view.

What the monitoring agency is doing, as mentioned by Mr. Renouf, is monitoring very closely the performance of the industry in many areas; the area of profitability, the area of cash flow, research and development effort, reinvestment behaviour, cost of exploration, etc. These features are going to be examined very, very carefully and very closely. This will all be made public and I hope it will help all governments to establish adequate and proper policies in terms of taxation and incentives. Even if the price of oil and gas were to go up, as I am sure they will, and as we all recognize, that does not mean that automatically the increases are going to go overwhelmingly, or in the largest share, to the companies themselves. They may go to the governments of the producing provinces or to the federal government. That is why I say there is nothing objectionable at all in what Mr. Renouf has said.

Mr. Broadbent: Madam Speaker, surely the minister will acknowledge that he has not addressed the issue at all. It is one thing for a minister of the Crown or members on this side

of the House to argue for or against higher energy prices. No one is arguing against their right or responsibility to do that. My question is, does he think that a man who is appointed chairman of a commission to monitor the industry in terms of its pricing and profit policies should be out advocating higher prices and profits, especially at a time when the big five in the industry had increases in their profits of 86 per cent in the past year?

[*Translation*]

Mr. Lalonde: Madam Speaker, the hon. member for Oshawa is asking me to require the chairman of that commission to live in a literally fictitious world. Mr. Renouf is merely being realistic when he notes that the price of oil products will have to go up. One does not have to be a wizard to know that, reality is there for everyone to see. In his speech Mr. Renouf did not indicate that he favours higher prices, he simply and realistically noted, recognizing government policy and the policy of all governments in the world at present, that the prices of oil products will have to be raised, that it is important that the public understand and know exactly what is going on, who will profit from those increases and who will incur the costs. Such is Mr. Renouf's task in the next few years.

Mr. Broadbent: Madam Speaker, the reply is not better in French. It is the same in French as in English.

• (1130)

[*English*]

Since we have it in his own words that he supports a biased chairman in advance, would the minister now renounce his campaign rhetoric in which he condemned the oil industry for charging too much and in which he said the Liberals would deal with exploding profits? Will he acknowledge either that that was hypocrisy, or will he change the terms of reference of this agency and give it the authority to roll back unfair price increases?

Mr. Lalonde: Madam Speaker, I am tempted to try to answer the hon. member in Latin to see whether he will understand.

Mr. Epp: Go ahead. Maybe you will make some sense.

Mr. Lalonde: Surely we should see this as proof of consistency that the statement is the same in French as it is in English.

With respect to the substance of the hon. member's question, again I challenge his interpretation of any bias in the statement made by Mr. Renouf, who is an outstanding Canadian, has chaired the Anti-Inflation Board in an outstanding way and who is performing his duty under the Inquiries Act in quite an honest and fair way. I suggest to the hon. member for Oshawa that his is not a fair statement to make about Mr. Renouf.

With respect to government policy, it is well known. We stated it during the election campaign and have repreated it consistently since then; and I hope that when we come up with our energy program the hon. member's party will be able to support that program as being one which is good for Canadians at the present time.

GASOHOL—INQUIRY WHETHER CONSIDERATION GIVEN TO REMOVAL OF EXCISE TAX

Mr. Charles Mayer (Portage-Marquette): Madam Speaker, I have a question for the same minister, and it has to do with our well-known lack of capacity to produce liquid portable fuels in the country. I think the minister would agree that we should be encouraging the production of renewable energy, and I wonder if the minister would consider removing the 7 cents a gallon excise tax on gasohol as a measure to increase the production of renewable energy.

I also point out to the minister that, contrary to some opinions held in the country, the production of ethyl alcohol actually contributes to the total food supply and does not subtract from it. I hope the minister takes that into consideration when he answers the question.

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I would like to say how much I appreciate the hon. member's interest in renewable resources. I think this is indeed a very important area. The production of renewable resources will need to be encouraged in the next decade and, as the hon. member knows, there is currently a parliamentary task force which is examining these various issues.

The specific question raised by the hon. member would more properly be decided by the Minister of Finance in a budget decision, and I would not want to comment on it further. I am sure the Minister of Finance has heard the hon. member's representation, and I wish to assure the hon. member that his representation will be considered.

* * *

THE BUDGET

INQUIRY WHETHER EXCISE TAX ON GASOHOL WILL BE REMOVED

Mr. Charles Mayer (Portage-Marquette): Madam Speaker, I have a supplementary question for the Minister of Finance. Would the Minister of Finance take into consideration the exchange which has just gone on, and will he take it upon himself in the budget to remove the seven cents a gallon excise tax on gasohol so that we may encourage production of liquid portable fuels as a means of making the country truly self-sufficient in energy?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I will consider the hon. member's representations.

Oral Questions

AIRPORTS

CALGARY INTERNATIONAL—REPLACEMENT OF CONTROL TOWER

Mr. John Kushner (Calgary East): Madam Speaker, I wish to direct a question to the Minister of Transport of which he was given notice. About two years ago a multimillion dollar airport terminal was built in Calgary. This modern facility was built, if you can believe it, without an air traffic control tower. The existing control tower was built in 1968 as a temporary facility designed to last five to six years. It is now 12 years old. This tower, a temporary arrangement, was built to serve, but it has done so to no one's satisfaction. As a result, employee morale has fallen to the lowest of lows. Why was this so-called temporary facility not replaced when the new airport terminal was built, and when will it be replaced?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, it is so nice to be able to be pleasant. The problem was recognized and contracts were allocated on October 2. Work was begun on October 6. The price is $284,000.

Mr. Kushner: Madam Speaker, I hope I am not being unreasonable. I appreciate that the minister has inherited this problem, but what I was referring to was not to the repair of the tower. My question was when the new tower will be built. I know there are tenders out to repair the tower now, but when will a new one be built?

Mr. Pepin: Madam Speaker, as I said, the problem was recognized. Working conditions were not good enough and the department is moving now in the way I have indicated. I think my hon. friend should not push his luck too much on a single day.

Some hon. Members: Oh, oh.

Mr. Nielsen: I thought you were nice all the time.

* * *

ENERGY

INQUIRY WHETHER GOVERNMENT SUPPORTS ARCTIC PILOT PROJECT

Mr. Peter Ittinuar (Nunatsiaq): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources. I am tempted to ask him in Inuktitut, but his interests do not go that far.

Mr. Lalonde: Not my interest, my knowledge.

Mr. Ittinuar: My question concerns government advertising on energy and in particular on Arctic gas reserves and the Arctic pilot project. If government ads are designed to reflect current government policy, as was stated in the House yesterday, can we conclude that the Arctic pilot project is supported by this government?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, it is not a lack of interest in Inuktitut; it is the lack of knowledge on my part that I regret.

Mr. Nielsen: So what's new?

Mr. Lalonde: With respect to the hon. member's question, the hon. member knows that the Arctic pilot project is sponsored by Petro-Canada and a group of other companies and that the project is before the National Energy Board. There will be hearings. The normal process will be followed. It is one project among others, the others including the possibility of a polar gas pipeline. All these projects will be examined by the appropriate government authorities before they are approved or rejected by the cabinet.

In the meantime, these are certainly encouraging developments when we see the large additional reserves of natural gas which have been found by the petroleum industry in the Arctic, and we hope also additional reserves of oil. The government is of course supportive of further exploration and further development of those resources in the north, to the benefit not only of other Canadians but also the residents of the Northwest Territories.

Mr. Ittinuar: Madam Speaker, I cannot see how the government can reconcile its advertising with the environmental assessment review process and the upcoming National Energy Board hearing as well as the views of the northern peoples, who wish that these hearings would be conducted in earnest and without biased and supportive views from the government.

Mr. Lalonde: Madam Speaker, I think I have indicated that while the government indeed supports in principle exploration and development of resources in the Yukon and Northwest Territories, we want that process to take place having full respect for all the regulatory authorities which exist at the present time, whether they be the Department of the Environment or the National Energy Board. However, once we have said that, we say that we want all these developments to take place, but within the existing requirements which the various pieces of legislation passed by this Parliament imply. I think that is pretty simply to understand.

* * *

● (1140)

BANKRUPTCIES

ASTRA TRUST—RE-MOR—INQUIRY WHETHER CIRCUMSTANCES WILL BE EXAMINED

Mr. Bill Kempling (Burlington): Madam Speaker, I have a question for the Minister of Finance. The minister will be aware of the bankruptcy of Astra Trust and its real estate affiliate, Re-Mor. Does he plan an inquiry into the circumstances surrounding the bankruptcy in view of the substantial losses sustained by innocent investors and the allegations of fraud against the officers of Astra Trust and Re-Mor?

[*Translation*]

Hon. Pierre Bussières (Minister of State, Finance): Madam Speaker, I am aware of the situation. I would like to remind the hon. member that Re-Mor is a provincially chartered corporation which does not therefore come under federal jurisdiction. Reimbursing procedures under federal law are under way for those people who had invested in Astra corporation. As far as Re-Mor is concerned, the member must understand that from a legal standpoint we are dealing with a very complex issue and that with regard to criminal procedures the government of Ontario is doing its duty in view of the circumstances.

[*English*]

Mr. Kempling: Madam Speaker, I am aware that Re-Mor is under the control of the provincial government, but bankruptcy is a matter under the control of the federal government. The Re-Mor real estate company, which is an affiliate of Astra Trust, obtained a mortgage broker's licence from the government of Ontario after finance officials in the minister's department ascertained that Astra Trust was in financial trouble. Can the minister advise the House on the quality of communications between the officials of the government of Ontario and his department, because it is the opinion of those who have studied the matter that, had the communications been better, the losses suffered by the depositors could have been avoided.

[*Translation*]

Mr. Bussières: Madam Speaker, the hon. member is making very serious allegations. The information which the Superintendent of Insurance has provided me concerning this fully contradicts the hon. member's allegations.

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UNEMPLOYMENT INSURANCE

DELIVERY OF CHEQUES TO RECIPIENTS

Mr. André Maltais (Manicouagan): Because the Minister of Employment and Immigration is absent, Madam Speaker, I shall direct my question to his parliamentary secretary. My question deals with the problem unemployment insurance recipients are facing following the various work stoppages which have occurred both last week and this week within our public service. I should like to know what special steps the department has taken to deliver the cheques to unemployment insurance recipients. What are these steps and when will the situation return to normal, because people in the various ridings have suffered over the past two weeks due to delays resulting from work stoppages within our public service?

Mr. Dennis Dawson (Parliamentary Secretary to Minister of Employment and Immigration): Madam Speaker, I should like to assure all hon. members that the situation is back to normal everywhere in Canada except Quebec, that the cheques will be delivered directly by mail, as provided for under our regulations, and that there is no backlog.

As far as the province of Quebec is concerned, because of the illegal work stoppages which have occurred over the past two weeks, there are some delays, but I can assure the hon. member that several thousands of cheques have been printed this week. This was not a problem of cheque distribution, but of cheque printing. The cheques were printed yesterday and today, and employment and immigration staff will be working this weekend to make up for lost time.

* * *

[*English*]

ABORTIONS

BADGLEY REPORT—INQUIRY AS TO ACTION TO IMPLEMENT

Mr. Svend J. Robinson (Burnaby): Madam Speaker, my question is for the Minister of Justice. Within the last month in British Columbia, the boards of two major hospitals have done away completely with their therapeutic abortion committees, seriously reducing access to abortions—

Some hon. Members: Hear, hear!

Mr. Robinson (Burnaby): —where required for women in those communities. In view of the fact that the Badgley report, which was commissioned by a previous Liberal government, has recognized this as being a major weakness in existing legislation, and in view of the fact that the situation is so serious that doctors have threatened to remove their services entirely from at least one of these hospitals, what action does the government intend to take to implement the recommendations of the Badgley commission report and put an end to this threat to health care in our communities?

[*Translation*]

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, any action would be untimely at this point. We have no intention of introducing any legislation in Parliament to amend the Criminal Code with regard to abortion.

[*English*]

CUTBACKS IN FUNDING TO PLANNED PARENTHOOD FEDERATION

Mr. Svend J. Robinson (Burnaby): Madam Speaker, this makes a mockery of any suggestion that accessibility to abortion is free and equitable in this country, and I hope sincerely that the Minister of Justice will bring in the changes that were recommended.

My supplementary to the Minister of National Health and Welfare is as follows. The federal government has cut back substantially on its funding to the Planned Parenthood Federation of Canada which is one of the leading proponents of safe, effective, contraceptive and sex education. Both recommenda-

tions in this regard were strongly supported in the Badgley report. My question is this: why has the government chosen to cut back on funding to these important organizations at a time when over 60,000 abortions were performed in Canada, and what action does the government intend to take to ensure that these vital services, which will reduce the number of abortions in Canada, will be restored at the earliest possible time?

Some hon. Members: Hear, hear!

[*Translation*]

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, the hon. member's information is not accurate. Unfortunately I do not have the exact figures of the subsidy to the Planned Parenthood Federation of Canada.

For several years now, discussions with the federation following the federal-provincial conference of social security ministers have been aimed at ensuring that the provinces finance the local family planning services across Canada while limiting our role to the national secretariats of those associations.

As a consequence, the money we contribute to the local family planning services is now channelled through the provinces. If the provinces fail to do what is expected of them and do not subsidize those associations adequately, then it is up to hon. members who know what the federal role and responsibilities are to do everything possible to make sure that the money goes where it should.

* * *

[*English*]

AIR TRANSPORT

INQUIRY WHETHER DECISION MADE RESPECTING SALE OF NORDAIR

Mr. J. R. Ellis (Prince Edward-Hastings): Madam Speaker, my question is for the Minister of Transport whom I have always found to be friendly, if not too swift to act sometimes. Can the minister tell me whether he is any closer now to a decision on the Nordair question than he was some three months ago?

Hon. Jean-Luc Pepin (Minister of Transport): Yes, Madam Speaker, but there is a question of temperament here. My feeling is that one should not, in the process of attempting to solve difficulties, create others that would be worse than the ones one is trying to solve. That is my philosophy and it is in my temperament to take this approach.

Progress is being made in the Nordair issue and the problem will be solved, but before we get there, there are a number of accommodations that have to come from the potential owners, the potential executives of the merged company and also the labour unions. This is being worked on now and I hope that one of these days before too long I will be in a position to announce success.

[*Translation*]

SALE OF NORDAIR—GUARANTEES OFFERED RESPECTING INTERESTS OF QUEBEC

Hon. Roch La Salle (Joliette): Madam Speaker, my supplementary question is for the Minister of Transport. During our short stay in power, several of his Liberal colleagues made representations to me to ensure that the sale of Nordair would at least lead to a majority of shares for Quebec. I suppose that the minister has received similar representations from his colleagues. Can he tell the House today what type of guarantee he can give that a majority of these shares would be reserved for Quebec?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I can assure my friend from Joliette that I have received the same representations, probably in the same form as the ones he got used to. The question he raises is part of the problem, and that is what we are trying hard to settle at the moment.

* * *

[*English*]

THE CONSTITUTION

REPORTED STATEMENT OF PRIME MINISTER RESPECTING PARLIAMENTARY AND PRESIDENTIAL SYSTEMS OF GOVERNMENT

Mr. J. P. Nowlan (Annapolis Valley-Hants): Madam Speaker, my question is directed to the Right Hon. Prime Minister. Yesterday there was quite a discussion in the House about the art of communication, and I should like the right hon. gentleman to communicate to the House, and thus to the country, if the presidential style of government is still his personal preference over the parliamentary form of government we have at present? This is what he told students at the university of Montreal in a most frank and relaxed question and answer period three days after he resigned when he said:

—but if I'd said it before resigning people would say, "Oh, now he wants to be President Trudeau,"—

Then he said:

There's no question of that any more.

● (1150)

Right Hon. P. E. Trudeau (Prime Minister): Yes, Madam Speaker, I can confirm that there is no question of that now.

Mr. Nowlan: I have a supplementary question, Madam Speaker. I will just read from the articles which appeared in several papers on November 24, the day after this very frank discussion the present Prime Minister had. He told the students:

—that a presidential system of government like that of France might be best for Canada.

"I can say that now, but if I'd said it before resigning people would say, 'Oh, now he wants to be President Trudeau' "—

"There's no question of that any more."

My supplementary question is in a serious vein. We are debating a resolution which gives to a constitution the very heart and soul of the country. In the last election campaign there was no mandate from the Canadian people because the Prime Minister, the then leader of the opposition, was most silent on constitutions or patriation in 1980. This is the people's constitution, not the constitution of the Prime Minister or the premiers.

Since it could fundamentally change the form of government, would the Prime Minister be prepared depending on the form of the resolution finally reported out of the House, to use the referendum procedure in the bill as a dry run to the Canadian people before he goes to London?

Mr. Trudeau: Madam Speaker, I find it somewhat paradoxical that the hon. member and his party seem to be against the referendum procedure in the proposed section 42 which, after all, is a deadlock breaking mechanism on the one hand—

Mr. Clark: No, it is not.

Mr. Trudeau: —and on the other hand—

Mr. Nielsen: It is a hammerlock mechanism.

Mr. Trudeau: —they are now advocating, or this member in particular is advocating, a referendum which obviously is something that—

Mr. Crosbie: Thank you, Mr. President.

An hon. Member: He was not advocating that. He was asking you.

Mr. Trudeau: No, he was advocating that. My answer is that I wish they would get their act together, as usual.

* * *

ENERGY

NATURAL GAS—REPORTED STATEMENT BY CHAIRMAN OF NORCEN ENERGY RESOURCES RESPECTING EXPORTS TO JAPAN

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources and I will ask it in Scottish. Yesterday, Mr. Edmund Bovey, the chairman of Norcen Energy Resources, stated that the federal government had authorized him, as energy representative on the Canada-Japan committee, to raise the possibility of liquefied natural gas exports to Japan.

Why is this government, after selling out our natural gas to the United States through the pre-build of the Alaska pipeline, now about to embark upon a policy of further sellouts, that is, of natural gas to Japan? Can the minister confirm or deny the statement made by Mr. Bovey?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, it appears that Scottish is a much easier language to understand than I thought. For a moment I thought I would have to refer the question to the Minister of Finance, but I think I can handle this one.

Some hon. Members: Oh, oh!

Mr. Lalonde: As far as the specific question raised by the hon. member is concerned, gas liquefaction is just one other process of handling gas. The question of additional gas exports is purely an academic one at the present time. If there was any project dealing with further gas exports, it would have to be submitted to the National Energy Board in the normal way. However, I would suggest to the hon. member that if we have an opportunity to export more gas, since our reserves are indeed expanding at a very great rate and there is a surplus of natural gas in Canada, I would think Canada should be ready to consider whether it is not more advantageous to our country to have more customers for our gas rather than being dependent on a single customer; and second, whether it would not be good for Canada, and British Columbia in particular, to have further processing of its gas before expediting it abroad.

It seems to me this is a very fair and reasonable question to be raised. If we are to assume that there may be further exports, I think we should examine whether there should not be further processing and more customers for Canada, rather than the single one on which we are dependent, as the hon. member knows.

Mr. Waddell: Madam Speaker, it is important that the minister makes the policy very clear because foreign countries are now seeing us as an easy mark for exports.

An hon. Member: Oh, oh!

Mr. Waddell: No pun intended. This summer *The Wall Street Journal* reported that Japanese interests had lent Dome Petroleum $400 million for investment in Beaufort Sea oil and gas exploration in Canada's Arctic. In return they will get 25 per cent of the share of oil and gas production.

Did the minister make it very clear to Dome, which is a company that really survives on Canadian tax breaks—it was built up that way—and did he make it clear to the Japanese that in fact there is no oil for export up there, and that if it is found, that oil will not be exported? Will the minister stand up in the House and make it quite clear that he will not sell out our oil when it is found in the Beaufort Sea and is ready to go to market?

Mr. Lalonde: Madam Speaker, indeed I had the opportunity of meeting several times with spokesmen for Dome Petroleum and also with ministers and senior officials from Japan. In all instances I indicated quite clearly that I could not foresee the day when Canada would have such a surplus of oil that we could export it abroad. This was made quite clear to all the parties concerned, and that is the policy of this government at the present time.

The rule that would have to be applied is that if in decades to come we were to find reserves of the Saudi Arabia style or type, then obviously it is a question Canada would have to

decide at that time. We have no indication whatever at the present time that we can rely upon such reserves. If in decades to come this were to be the case, obviously the governments of the day would have to make that decision.

Mr. Crosbie: Sit down.

Mr. Lalonde: At the present time the Japanese have indeed entered into this agreement with Dome. It provides for a share of the production, but it does not authorize the Japanese to take it outside of Canada.

Mr. Clark: Filibuster.

Mr. Lalonde: They would get that share, but it would be subjected to all the requirements of the National Energy Board and they would be obliged to sell it inside Canada under the present rules.

* * *

THE CONSTITUTION

GRANTS TO NATIVE ORGANIZATIONS TO ASSIST IN PARTICIPATION IN RENEWAL

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, my question is for the Minister of Indian Affairs and Northern Development. It concerns the significant amounts of money granted to native organizations throughout the country—the Indians, the Inuit and the non-status Indians—to research and to establish their position re self-government and the relationship between themselves and their trustee, the federal minister of Indian affairs, in connection with constitutional renewal. Can the minister tell the House whether a timetable was attached to these grants to ensure that the position of the native people in our country is known before very serious changes are undertaken in connection with our constitution, recognizing, of course, the very special rights of Indian people in our constitution?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, with regard to the grants to native peoples in order to prepare their position on the constitution, there is no time limit in that sense. The money is available to them. It is on a fiscal year basis. They are in receipt of the money. They are utilizing it during this fiscal year. What the situation may be next year will depend upon their submissions, their needs and their analysis by the government.

INPUT FROM NATIVE GROUPS—GOVERNMENT POSITION

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, my supplementary question must be directed to the Prime Minister, particularly having regard to the rather tight schedule given to Parliament and to other partners in confederation to make fundamental and real changes to our constitution in the context of renewed federalism. The Minister of Indian Affairs and Northern Development has now told us that the Indians have been given more money to study their position, their relationship with Canada as a nation and their relationship with Her Majesty the Queen. What sense is there in carrying on a process that might take years if it is the intention of the Prime Minister to make fundamental changes to coincide with his own time frame, which is July 1 of next year? Will Indians have some input in the process of constitutional change, or is it just going to be another hand-out to keep them appeased, to have them travel around the country enjoying themselves while the Prime Minister is going ahead to make these fundamental changes?

● (1200)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I think that last part of the question was something of a slur on the Indian population inferring that they are using funds supplied so they can research their rights to travel around the country and have a good time. I do not think this shows that the hon. member is very serious in asking the question.

As far as our government's position is concerned, we have stated it very many times: we want the Indians to be involved in the constitutional process. I indicated—

An hon. Member: When? How?

Mr. Trudeau: They ask when and how, Madam Speaker. This week and next week officials and the minister will be involved in discussing this very subject with the Indians. I met the leaders of the Inuit and Indian people several months ago and I indicated that any changes directly affecting them would only be made after discussion with them. I have given the undertaking, which I am prepared to repeat, that as soon as we get the constitution home we will be prepared to consider other phases of the constitutional debate and to put the item of native rights on the agenda right then and there. I do not know if the Indians themselves will be prepared at that time to indicate in a final way what they would like to see the constitution say in respect to them, but certainly the minister and his officials are attempting to reach conclusions on that.

* * *

[*Translation*]

TRANSPORT

VIA RAIL—REDUCTION OF SERVICE BETWEEN OTTAWA AND MONTREAL

Mr. David Berger (Laurier): Madam Speaker, my question is for the Minister of Transport. For at least a few years now there have been two Via Rail trains departing from Ottawa to Montreal daily, late in the afternoon, and these trains have always been very well patronized. It was not uncommon to see passengers standing up. On October 1, Via Rail suppressed these two departures to replace them with one departure at 1730. Could the minister explain to us the reasons for this service reduction?

Hon. Jean-Luc Pepin (Minister of Transport): No, Madam Speaker. Generally speaking, I think Via Rail, the Canadian Transport Commission and the Department of Transport are courageously trying at the present time to offer a better rail transport system for passengers. And this obviously requires adjustments. My hon. friend says a train has been suppressed from Ottawa to Montreal. I regret passengers being inconvenienced by this fact, but one must realize that the ticket from Ottawa to Montreal costs the Department of Transport twice as much as the price charged to the passenger himself. I say this simply to demonstrate that a rationalization must be effected, that this will create in certain regions difficulties they have to cope with and which we have to deal with ourselves.

* * *

[*English*]

PRIVILEGE

MR. BROADBENT—PUBLICLY FINANCED POLLS

Mr. Edward Broadbent (Oshawa): Madam Speaker, I rise on a question of privilege which I brought to your attention yesterday on the important subject of polling, something which has been indulged in by this government and by a number of other governments for a considerable period of time. The issue is not whether polling of itself is justified but whether the government, having conducted the polls, has made the proper use of the information it has obtained and, related to that but not essentiel to the argument, the public's interest is also involved in the limits to spending on the question of polling itself. But that is a subsidiary point that I want to make.

I do not usually quote *The Globe and Mail* as it is not well known as supportive of social democracy in Canada, but every now and then even *The Globe and Mail* has something to say that is right. In today's paper the case is well made in one sentence about the issue which is at stake on the question of this government's use of polls. In an editorial it says:

> In a democracy the floor is supposed to be equally open to all debaters.

I do not agree with much more than that in *The Globe and Mail*, but with that sentence I am in fundamental agreement. Since last spring this government has been pursued on the question of polls by members of my party. We raised questions in April and subsequent to that. In July I wrote the Prime Minister, (Mr. Trudeau) asking for clarification of the government's position and an outline of the policy the government would pursue. No adequate answer was received. In fact the answer which I received from the Prime Minister, and which in essence was argued in a related question of privilege yesterday in the House, is that the current government, a partisan government—as all governments are by definition—will judge itself whether polling information is to be made available to all members of the House of Commons and therefore, indirectly, to the people of Canada. For my party this principle is completely unacceptable.

If the people of Canada are going to be financing polling, in a democracy, then all the people, through the House of Commons, have a right to have access to the information provided to the government in those polls.

Some hon. Members: Hear, hear!

Mr. Broadbent: The issue then is not one of legitimacy of the government conducting the polls or not. That is a spurious debating point raised by the Prime Minister who specializes in that kind of activity. The government is entirely right to do some polling if, for example, it has a program in the health field and needs to find out something about its efficacy. It is entirely legitimate from time to time to conduct a survey to find out if the people of Canada are getting a service which ought to be provided by legislation approved by Parliament. There is no doubt that the people in my party accept the necessity of polling, it is a legitimate, important access to relevant information in a modern age. But the question that goes to the root of democratic responsibility is: should such information be kept in the exclusive hands of the government of the day? That is the question which has to be answered.

Our view on this side is very clear. It is fundamentally wrong for the government of the day to obtain information on the one hand but then judge on its own whether or not such information should be made available. That is incontestably a partisan decision.

Certain information can be used to the political advantage of the government. It would be very good to reveal some information, and the government has indicated it would be more than willing from time to time to give the members of the House of Commons and the people of Canada such information, when it is to its advantage. Conversely, look at the information that would come in which would show that programs are not working and are shoddy. It would not be advantageous to the government for members on this side of the House to know that, in a partisan sense, but it would be in the public's interest to know.

We have seen unfortunate experiences in other jurisdictions where polling has been very clearly demonstrated to have been done in one week or one month, kept secret from opposition parties, then used as a method for establishing government policy in subsequent weeks or months. Such a situation raises the spectre of the use of public funds by a political party for its political campaigning, and this has no legitimate basis in a democratic government.

• (1210)

Therefore, I would like to come quickly to the appropriate use of polling and make very specific suggestions which I think would obviate a question of privilege, if the government agreed to them. They are suggestions which should be followed in a democracy. Because they have not been followed, the equal right of all members to have access to all information important to a debate, financed by the people of Canada, is being denied us.

We would suggest the following: that each minister be responsible for ensuring that all contracts for public opinion polling by the minister or agent of the minister be listed after

approval is given in the first issue of *The Canada Gazette*; secondly, the list being published in *The Canada Gazette* should include the subject matter of the poll, the name of the firm awarded the contract, the amount of the contract and the dates set out in the contract for receipt of the completed survey results by the minister or agent of the minister, and, finally, all polls listed in *The Canada Gazette* should automatically be tabled by the minister concerned on the next sitting day after the date of receipt set out in *The Gazette*.

This, in other words, would put all members in this House on an equal basis. Opposition members, government members and cabinet members alike would have the same data which is paid for by the people of Canada. That is the question of privilege. If you find, Madam Speaker, that I do have a case of privilege, I would be prepared to move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the question of the right of members of Parliament to information obtained by the government to polls financed by public funds be referred to the Standing Committee on Privileges and Elections for consideration and report.

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I would have been pleased to defer taking the floor to allow my colleague, the Minister of Justice (Mr. Chrétien), but I will proceed for the moment to speak largely in support of the proposal and the suggestion which have been made by the Leader of the News Democratic Party (Mr. Broadbent) regarding the importance of having this question considered, and the policy developed, by Parliament. I agree with the Leader of the New Democratic Party that that process may well be made unnecessary if the government is prepared to accept the proposals which have been made by the Leader of the New Democratic Party.

I would point out that this matter has been alluded to in debate recently in this House by, I believe, one of the members from the New Democratic Party, who made the point that the practice of polling has been carried out by New Democratic Party governments in Saskatchewan, by Progressive Conservative governments across the country, including the period I had the honour to lead the Government of Canada, and by Liberal governments.

When we were the Government of Canada we wrestled with the question of whether or not to publish polls which had been carried out by our government. Our decision was that it would be appropriate and proper for those polls to be published. As I indicated yesterday, in the period of time we were the Government of Canada, three public opinion polls were commissioned. One poll had to do with federal-provincial relations, another with energy, and another with multiculturalism.

The poll having to do with energy was the subject of a request by a member of Parliament, who asked that it be published. That request was acceeded to and the poll was made available. In addition, and far more important, we had issued instructions to officials of the Government of Canada in all relevant departments that, in keeping with the freedom of information bill which we introduced—a bill which, I would remind the House, went much further in protecting the public right to information than the bill which has been introduced by the present Liberal government—the practice should be followed of responding positively to any request to publish any poll. That is to say, if a poll was conducted by the Government of Canada and if there was a request to have it published, it should be published.

What is being proposed today by the Leader of the New Democratic Party is that we go a step further. Speaking on behalf of my party, I have no objection at all to the provision that there be no waiting for a request, that there be an automatic triggering so that public opinion sampling carried out in the name of the people of Canada could be available directly to the representatives of the people of Canada assembled in this Parliament.

I might add that certainly if agreement is reached, the Minister of Justice and the Prime Minister (Mr. Trudeau) need have no question that we would be prepared to have published today the two polls which were conducted during the tenure of the Progressive Conservative government that have not yet been made public.

[*Translation*]

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, first of all I believe that on the substance of the matter there is no question of privilege. It is purely a matter of government housekeeping policy, and whether polls are taken or not, it is a well known practice that is recognized throughout the world. I think questions can be asked in the House but the privileges of members are not at all affected here and I think the motion of the Leader of the New Democratic Party (Mr. Broadbent) is frivolous and is quite simply much more intended to raise a matter for debate than a question of privilege. In any case, Madam Speaker,—

[*English*]

For example, since March, 1979, there were 141 polls taken by different departments. This includes polls in which there was one question asked by a particular department interested in a specialized field and wishing to collect information from the different organizations and companies in that field. For the amount of $1,000, $2,000 or $3,000, these departments obtain their information on one precise question. These questions may be related to postal services, transportation services, energy and so on.

The government decided to check with every department to determine how many polls were completed since the beginning of 1979. We obtained the figure of 141. That does not mean that they were all necessarily all-encompassing polls. In some cases the poll consisted of one question by one department and cost $1,000 or $2,000. Now that we have collected these polls, we are prepared to release all of them except for 12. One hundred and twenty-nine polls will be released. The other polls have not been completed, or are currently being used. When these polls are no longer being used they will be made public.

For example, some of the most controversial polls taken were instigated by the Canadian Unity Information Office

which comes under my responsibility. One poll was conducted in this area by the previous administration. I am glad to have the permission of the Leader of the Opposition (Mr. Clark) to publish the polls of that administration. We obtained from these polls some very useful information on questions related to certain problems in Quebec at the time of the referendum, and we used them to develop strategy. At the time of the referendum other polls were conducted to determine if attitudes had changed.

These polls will be made public, but I do not know when. Some of the polls will be ready next Wednesday and the others one week following. The document is very complicated and thick, and I do not think that it would be advisable to make one for everybody because it would amount to stacks of papers. We want to assure the House that if some members or some people want them, they will be available. We will make the results available to the House very quickly from the Canadian Unity Information Services.

• (1220)

Some results will not be available at this time because that is the rule. I understand the situation in the bill on information is that if there is a request for information, a certain period of time will be required, perhaps a couple of months, in which to make that information available and so on.

I do think, however, that sometimes questions are asked in a context that is only for the purpose of getting some information from the government. When the situation does not call for any further confidentiality, we will then make the information available. I think that any normal administrator will understand that there could be questions in specific areas where at a certain time it is not in the interests of the House or the public to make the information public.

An hon. Member: For example?

Mr. Chrétien: If I had been caught in that situation during the referendum, there would have been a problem. The hon. Leader of the Opposition and his party commissioned a survey that cost about $100,000 in December, when it was done. I got six surveys for the same price later on—I probably made a better deal! There is no question, however, that it would not have been useful or in the public interest to make them available at that time. I had the responsibility, and I was very well supported by all members of the House, of making sure that the case for Canada, from the federal point of view, was put to the Quebec people in the most effective way. At that time I felt it was very important that I use the poll made by the Leader of the Opposition and his party in December, so I used it. In that respect—

Mr. Clark: A point of order, Madam Speaker.

Madam Speaker: The Right Hon. Leader of the Opposition on a point of order.

Mr. Clark: It is a very simple point of order, Madam Speaker. The Minister of Justice (Mr. Chrétien) is slipping into a usage which did not prevail, at least in our day. He referred to me and my party as having commissioned the polls. That is not the case; they were commissioned by the Government of Canada, of which I was then the leader. I am sure it was simply a slip of the tongue, but an important one.

Mr. Chrétien: Madam Speaker, it is very clear that the right hon. member was the Leader of the Government at that time. I will refer to the Progressive Conservative government of last year, which commissioned the poll. I have used it effectively so I am glad they did it. I do not blame them for that, because it has been very useful.

Of the 141 polls, some consisted of only one question, asked by one department in one set of circumstances. We will make them available as soon as possible. The ones which come directly under my jurisdiction—which are some of the most controversial and which were done by the Canadian Unity Information office—some of these will be available next Wednesday or perhaps the Monday following even sooner, if possible. We will not give the whole package to everybody, but anyone who wants to check them can go to the office and do so. It would be extremely costly to make those stacks of documents available to everybody. There are three done under the direction of the Canadian Unity Information office, that we commissioned in the last few months. Questions are related to energy, to the present debate, and so on. I think we still need them in order to elaborate on policies, but we will make them available as soon as possible.

Perhaps it would be advisable to develop a rule in the near future. I do think, however, that there is absolutely no question of privilege. If hon. members are not satisfied with the answers they receive in the House whenever the government spends money, then there is a rule that a committee will scrutinize all government spending. The ministers appear at the estimates committees and questions can be put to them then. I think, with due respect, Madam Speaker, there is absolutely no question of privilege. If the Leader of the New Democratic Party (Mr. Broadbent) or the Leader of the Opposition wants to debate the policy on polls, it can be done in other forums, such as when the estimates of every department are debated.

Mr. Broadbent: On a point of order, Madam Speaker, I wonder if the minister would answer a question. He referred to 141 polls that have been done, a good number of which he was going to make available, and 12 of which he was going to keep private and confidential.

Mr. Chrétien: For the time being.

Mr. Broadbent: I want to make it clear that we do not agree with that. We would like to know the subject matter of the 12 polls that he is going to keep private.

Mr. Chrétien: Madam Speaker, I do not have the details at this time. One is based on the question of energy. It was requested in order to be able to develop the energy policy that will be made public soon. It could be that if it were released at this time, the substance of it would make the policy public. It

may be that when we put a question to the people in order to get their views, the answer could reveal a policy. As we all know, the policy has to be revealed in the House of Commons first—

Mr. Broadbent: That is precisely the point.

Mr. Chrétien: —and not in a sneaky way. The hon. member asked for an example. Other questions were put on other matters, and I do not have them here but they will be made available as soon as possible. If the hon. member feels that as soon as a department receives the result of a poll it should be tabled in the House, then he can ask for it, but I do not think that is very sensible. I do not think that is done anywhere. If we are serious about this and not doing it only for the fun of it, it should have some aim and some objective. The result should be analysed by the government before it is made public.

Mr. Broadbent: Why not by the opposition as well?

Mr. Chrétien: We accept the rule that in the future, when we commission polls and the results have been used for the elaboration of policy, then we will make them public.

Mr. Dick: Madam Speaker, a point of order—

Mr. Epp: A point of order, Madam Speaker.

Madam Speaker: The hon. member for Provencher (Mr. Epp).

Hon. Jake Epp (Provencher): Madam Speaker, I should like to speak on this point of privilege that has been raised by the hon. member for Oshawa (Mr. Broadbent).

An hon. Member: That is not a point of order.

Madam Speaker: Order, please. I was just about to recognize the hon. member as I thought he wanted to speak on the question of privilege. Is the hon. member rising on the question of privilege or on a point of order?

Mr. Epp: The question of privilege, Madam Speaker.

Madam Speaker: Before I recognize the hon. member, I want to tell the House that I have a bit of a problem with this question of privilege. First of all, it is very close to the one discussed yesterday in the House and which I took under advisement. Second, it seems to have been used to introduce a substantive motion that might be worth while discussing. That type of motion may come into another procedure and I shall want to examine the matter further.

From the interventions that I have heard until now, I do not see that we have broken any of the rules or practices of this House. It is not clear to me yet that there is a question of privilege. I would therefore ask future speakers to focus on the reasons for the question of privilege. That would be very helpful to the Chair.

Mr. Epp: Thank you, Madam Speaker. I am going to relate how I believe the privileges of this House and of every member are affected by the use of polls.

First of all, I support the position taken by the hon. member for Oshawa regarding polls and their use. We have to keep in mind that these polls are conducted through the use of public funds.

Second, the Minister of Justice (Mr. Chrétien) said that these polls, these publicly funded polls, are used "to develop a strategy"—

Mr. Chrétien: And policy.

Mr. Epp: Then he went on to say that the questions used in the polls are for the purpose of gaining certain information which the government wants. But to gain certain information for what purpose?

Mr. Nielsen: For designing advertising.

Mr. Epp: To design advertising. To design policies and strategy?

Mr. Broadbent: For the government.

Mr. Epp: For the government—that is the point—and at public expense. If it is done at public expense, then that information should be available to every member of the House and to the public generally.

I do not want to get into the substantive motion of yesterday relating to advertising, but the point is that the polls are used, first of all, to find out what the public is thinking and then to design an advertising package so that the public can be manipulated and moved toward a policy that the government has already established.

Some hon. Members: Right on.

Mr. Epp: That is what the government is trying to do, Madam Speaker.

Mr. Chrétien: On a question of privilege, Madam Speaker—

• (1230)

Madam Speaker: Order, please. The Minister of Justice (Mr. Chrétien) cannot rise on a question of privilege when there is already one on the floor, which I am hearing. The hon. member for Provencher.

Mr. Epp: As I said, Madam Speaker, I will not get into the advertising matter. We have seen enough advertising now related to the polling data which the government had received earlier. Just yesterday that point was debated in this House. When members got back to their offices last night they had additional advertising information, related again to polling information which the government received earlier. This speaker's kit is based on certain polling data which the government had received, in trying to move the public to a government position that has not even been concluded in this House.

That is the point of privilege, that my privileges as a member here are being thwarted by manipulation through the use of public money, polls and advertising which are all connected as this government operates on the constitutional question. My privileges are being violated. Therefore, not only should the minister release the polls, which he said he would do at his convenience, selectively, but also information based on that polling which is misleading and wrong, should be stopped.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, very briefly because I consider we have lost a lot of time in the House in the past two days, I would like to ask you if, in light of your many deliberations, you might ponder this case to establish whether the opinions of government technocrats—who are paid out of public funds—give the government should be released and made public to opposition parties. The analogy is there, and I think you should seriously ask yourself the question and I respectfully submit there is no question of privilege here. It is a matter of policy that is debatable, of course, but that does not interfere at all with the rights of members of this House. If the result of the advice given by senior technocrats or the results of polls taken from time to time lead to certain policies, certain bills, then, Madam Speaker, members of this House have the liberty and opportunity to criticize government policies. Having said that, I respectfully submit there is no question of privilege here and it is about time Parliament took its responsibilities and dealt with the urgent and serious matters that are before it.

[*English*]

Hon. Erik Nielsen (Yukon): Very briefly, Madam Speaker, the advertising which my hon. friend the hon. member for Provencher (Mr. Epp) was speaking about is in a speaker's kit which reached members' offices last night. It is not only wrong, but almost contemptuous. Not only has this House not completed debate on the subject, but Your Honour has not yet ruled as to whether or not there is a question of privilege in the matters raised yesterday and in the matters raised today.

There is a definite link between the results of the poll and the advertising that comes out. The Minister of State for Multiculturalism (Mr. Fleming) said yesterday that the government had not gone into details, it had not gone into specifics in its advertising campaign and that the advertising campaign had ceased—not that that makes any difference, and we made that point yesterday with respect to the privilege. But obviously it has not ceased because we are still being bombarded with one position, that of the Liberal government, in this debate on the constitution. Fundamentally that is wrong and fundamentally that is an abuse of the privileges of every member in this House and, indeed, an erosion of the institution. The least the government can do is to direct the Minister of State for Multiculturalism to freeze the distribution of this advertising until the Chair has made a decision on the question as to whether or not there is privilege, because that, Madam Speaker, is contemptuous of your office.

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, I shall endeavour to be brief. It seems to me that the responses of both the Minister of Justice (Mr. Chrétien) and of the President of the Privy Council (Mr. Pinard) underline the urgency of this matter. They also underline the failure on that side of the House to understand the issue.

The basis laid down by my leader in raising a question of privilege is that this place is supposed to have a certain element of equality about it in so far as debate and dealing with issues are concerned. But the moment the government starts to use taxpayers' funds, whether for the matter we were talking about yesterday or for the conducting of polls, and then says the information obtained is theirs only and not available to the other side is a denial of the rights of both sides of the House of Commons.

One of the interesting sentences in citation 1 in Beauchesne's third edition, found at page 4, is as follows:

> In a close contest when the House is considering a highly controversial measure, the positions of parties are equalized: the government side may rely on its majority but the opposition is strengthened by the rules of procedure which both are bound to observe and which the Speaker must enforce.

It is understood that when the vote comes and decisions are to be made, the government has its majority and it can use it. But in a situation where we are debating matters and considering things, there is supposed to be equality, and if the Speaker leans any way, the Speaker should lean in favour of the opposition so that that equality is established. But when the Minister of Justice stands up and says that he has listened to all of the arguments and he is going to table most of the polls, but the important ones he will hold back for now because he is going to use them for making policy, we suggest that is a denial of the principle of equality on the floor of the House of Commons and it is an abuse of public funds.

Now that I am on my feet, may I interject in what I am saying to suggest that most of us in this place have a birthday every year, and although it would not be appropriate to note them all, when the government House leader has reached that age of relative wisdom, the age of 40, I think we would all like to wish him many happy returns.

Some hon. Members: Hear, hear!

Mr. Knowles: As I said in my friendly way, it is an age of relative wisdom because here on his fortieth birthday, the President of the Privy Council stands up and says it is the same thing for the government to have its paid public servants, who are sworn to certain oaths of secrecy, and so on, give them information which they may not make public, as when the government spends public money to hire private firms outside to conduct polls. I hope that by the time my friend is 50 his wisdom will be much greater than it is on this his fortieth birthday.

It seems to me that the issues we have been discussing the last few days are extremely important. I plead with you again,

Madam Speaker. We are not asking you to rule that there has been wrong doing or abuse, or what have you, but, I am asking you to consider the proposition that there is enough question about what the government is doing to the rights and privileges of Parliament for the issue to be referred to the appropriate committee, and that is why the leader of this party has raised this question of privilege today.

Mr. Paul Dick (Lanark-Renfrew-Carleton): Madam Speaker, I will be very brief in what I have to say. There may be, at some stage or other, some confusion in the use of the word government. Some people use the word government meaning the bureaucracy—the public service at the federal level—and some mean that it is all members of Parliament or the parliamentary institution itself. In this discussion today, obviously the word government in the most restrictive sense means the political party which happens to have the executive among its benches who direct the spending of the money and see the results.

● (1240)

I feel quite strongly, and I want to emphasize, as other members have emphasized, that members of Parliament, and that is what they are, who happen to be cabinet ministers, an accident of choice by the Prime Minister or perhaps of wisdom, are receiving through the use of public funds, information which other members of Parliament are not getting. They are, therefore, at an advantage over us. That is not equal or fair.

I can understand that there may be sensitive polls which they may want to withhold for a period of time, possibly for reasons of national security. It might be in the middle of negotiating federal-provincial relations. If there are such polls—

Mr. Nielsen: They should pay for them.

Mr. Dick: Some suggestion has been made that they might pay for them. It may be in the national interest. I will let other speakers speak for themselves. At the very least, they might undertake to communicate those results to the leaders of other parties in the House. Those 12 polls which they may not want to publicize right now would be known to everyone on all sides of the House and we would be on equal footing. That might be a way around those 12 polls if they are going to be withheld. It may not be the best way, but it may be satisfactory. I look forward to the tabling of the other 141 polls.

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, I will be very brief. What concerns me is the precedent which the government is establishing with regard to the use of polls. For example, if it takes a poll regarding a particular issue and it finds a certain response in the public that it is concerned about, it can then, as was discussed yesterday, engage in an advertising campaign that can be addressed to meet that condition it has found in its polling. Let me illustrate.

In the speaker's guide which has just been given to us it says:

> With a charter of rights and freedoms entrenched in the constitution, it would be beyond the power of Parliament or any provincial legislature acting alone to tamper with it.

That is a subject of debate in this House. The government can take a poll to see what the reaction is in the country. If it finds a result it does not particularly agree with or like, it can engage in an advertising campaign—witness the speaker's manual—to see whether it can manipulate public opinion, which in effect makes the work of this House ineffectual. It is doing an end run around the work in this House. That is why the use of polls becomes so devious, destructive, and really affects the members of the House and the work they do here.

Because of this very controversial statement, about which all of us disagree, the debate is going on. We fundamentally are in disagreement with the whole monitoring process in the constitution. Because we are in disagreement, we are debating it. Yet the government can use those polls and use an advertising campaign in conjunction with those polls to change the attitude of the public rather than allow Parliament full and free debate and let the public understand what is going on in this House.

Madam Speaker: If there had been a speaker on the government side of the House, I would have heard him. I feel that the last speakers more or less brought forth the same argument. I will now cut off the debate and take this question of privilege under advisement. It is very close to the one that was discussed yesterday. In examining this, I might look at them together. I will look at them, especially the second one, in light of the precedents, because the arguments brought forward do not relate very closely to the question of privilege. However, I will take it under advisement.

MR. NIELSEN—STATEMENT MADE BY MINISTER OF NATIONAL HEALTH AND WELFARE

Hon. Erik Nielsen (Yukon): Madam Speaker, I rise on a question of privilege. I am glad to see the Minister of National Health and Welfare (Miss Bégin) in her seat. The question of privilege I have to raise arises as a result of an exchange between the minister and myself yesterday where the minister, at page 3528 of *Hansard*, used these words. Referring to myself, she said:

> He is misleading the House right now.

It has long been our practice to avoid the use of such terms in the House, or to qualify them. Certainly it is open to the minister to make a qualification such as "inadvertently misleading" or "unintentionally misleading," which is often done in debate.

May I refer the Chair to page 108 of Beauchesne's fifth edition, the bottom of the page, where the term "mislead" is set out under subsection (2) of 319 of Beauchesne. It states:

> Since 1958, it has been ruled unparliamentary to use the following expressions:

That appears on page 105. There follows a list of those expressions. At page 108 the term "mislead" is included as being one of those expressions which is unparliamentary and the reference is to the debate of January 18, 1958 at page 3346. Again at page 109 references to "deliberately misleading", "deliberately misled" and "wilfully misled" are included as unparliamentary. As well, I might point out there is the expression "attempting to misrepresent". Even an attempt is unparliamentary as a reference. At page 112 of Beauchesne, about two thirds of the way down the page, again the term "mislead" is mentioned as being unparliamentary and also, specifically on point, the term "misleading" is ruled as being unparliamentary in our *Debates* of April 12, 1960, page 3175. In our *Debates* of March 7, 1974, at page 257, again "misled" has been held to be unparliamentary.

There seems to be ample evidence in our practices and procedures where that term is unparliamentary. I repeat the term used by the minister, quoting from page 3528 of yesterday's *Hansard*:

He is misleading the House right now.

I have no objection if the minister wishes to add the word "unintentional" or "inadvertently". Perhaps in the heat of debate it was the minister's own inadvertence or lack of intention to use that kind of term without qualification. I ask her either to withdraw it or qualify it as I have suggested.

[*Translation*]

Madam Speaker: The hon. member is correct. In 1958, the word "mislead" was indeed considered out of order. However, in more recent practice in the House of Commons, it has been allowed provided it was not qualified by the words "intentionally" or "deliberately".

This practice has prevailed in the House in recent years so that, though I do not know exactly what the tenor of the intervention of the Minister of Health and Welfare (Miss Bégin) will be, in order to respect more recent usage in the House, perhaps she could qualify the term "mislead" that she used yesterday, as she feels she should. The Minister of National Health and Welfare has the floor.

[*English*]

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, as a lay person who does not have the benefit of legal training, even after eight years as a member of Parliament in this House, I am still appalled at the subtleties of the game of parliamentary debate. The facts are more simple than that, thank God.

When I left the House of Commons after yesterday's question period, a reporter showed me a document. It appeared to be a memo to cabinet and spoke of an immunization program costing $6 million. That does not come from our government, so I do not quite know the parameters of the game being played here in accusing us of having cut programs for children. This was not in our programs because it does not fall under federal jurisdiction. It is not for me to comment on views regarding confidential documents expressed by anybody in this House.

• (1250)

If it is better rhetoric to say "inadvertently misleading the House", of course I will add that adverb with great pleasure.

Mr. Nielsen: Madam Speaker, do I clearly understand the Chair's ruling here that it is now parliamentary to use the term "misleading" or "misled" without qualification?

Madam Speaker: It is my understanding that you are quite right, that in Beauchesne's 1958 edition the term "misled" was listed as unparliamentary.

Mr. Nielsen: In 1974, page 109.

Madam Speaker: In 1974?

Mr. Nielsen: If it pleases the Chair, at page 112 in our debates of March 7, 1974, page 257, the term "misled".

Madam Speaker: That is what I was suggesting to the hon. member, that before that the term was considered to be unparliamentary, but in more recent practices of the House it has been admitted as long as it is qualified. It seems to me that if a member rises, as the hon. minister has done now, adding, as she has, "inadvertently" to the term "misled", this should satisfy the hon. member.

Mr. Nielsen: Indeed it does, and I thank the minister for that.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 412 to 423 inclusively, 1,336 and 1,499.

I ask, Madam Speaker, that the remaining questions be allowed to stand.

[*Text*]

INFANT MORTALITY RATES

Questions Nos. 412 to 423 incl.—**Mr. Orlikow:**

No. 412

1. For the years (a) 1976-77 (b) 1977-78 (c) 1978-79 (i) what were the three major causes of death (ii) what was the death rate per 1,000 live births from each cause of death in the province of Manitoba of status Indian children?

2. For the same years, what were the comparative figures for the rest of the population in the province?

Order Paper Questions

No. 413

1. For the years (a) 1976-77 (b) 1977-78 (c) 1978-79 (i) what were the three major causes of death (ii) what was the death rate per 1,000 live births from each cause of death in the province of British Columbia of status Indian children?

2. For the same years, what were the comparative figures for the rest of the population in the province?

No. 414

1. For the years (a) 1976-77 (b) 1977-78 (c) 1978-79 (i) what were the three major causes of death (ii) what was the death rate per 1,000 live births from each cause of death in the province of Alberta of status Indian children?

2. For the same years, what were the comparative figures for the rest of the population in the province?

No. 415

1. For the years (a) 1976-77 (b) 1977-78 (c) 1978-79 (i) what were the three major causes of death (ii) what was the death rate per 1,000 live births from each cause of death in the Northwest Territories of status Indian children?

2. For the same years, what were the comparative figures for the rest of the population in the territories?

No. 416

1. For the years (a) 1976-77 (b) 1977-78 (c) 1978-79 (i) what were the three major causes of death (ii) what was the death rate per 1,000 live births from each cause of death in the Yukon Territory of Status Indian children?

2. For the same years, what were the comparative figures for the rest of the population in the territory?

No. 417

1. For the years (a) 1976-77 (b) 1977-78 (c) 1978-79 (i) what were the three major causes of death (ii) what was the death rate per 1,000 live births from each cause of death in the province of Ontario of status Indian children?

2. For the same years, what were the comparative figures for the rest of the population in the province?

No. 418

1. For the years (a) 1976-77 (b) 1977-78 (c) 1978-79 (i) what were the three major causes of death (ii) what was the death rate per 1,000 live births from each cause of death in the province of Quebec of status Indian children?

2. For the same years, what were the comparative figures for the rest of the population in the province?

No. 419

1. For the years (a) 1976-77 (b) 1977-78 (c) 1978-79 (i) what were the three major causes of death (ii) what was the death rate per 1,000 live births from each cause of death in the province of Newfoundland of status Indian children?

2. For the same years, what were the comparative figures for the rest of the population in the province?

No. 420

1. For the years (a) 1976-77 (b) 1977-78 (c) 1978-79 (i) what were the three major causes of death (ii) what was the death rate per 1,000 live births from each cause of death in the province of New Brunswick of status Indian children?

2. For the same years, what were the comparative figures for the rest of the population in the province?

No. 421

1. For the years (a) 1976-77 (b) 1977-78 (c) 1978-79 (i) what were the three major causes of death (ii) what was the death rate per 1,000 live births from each cause of death in the province of Nova Scotia of status Indian children?

2. For the same years, what were the comparative figures for the rest of the population in the province?

No. 422

1. For the years (a) 1976-77 (b) 1977-78 (c) 1978-79 (i) what were the three major causes of death (ii) what was the death rate per 1,000 live births from each cause of death in the province of Saskatchewan of status Indian children?

2. For the same years, what were the comparative figures for the rest of the population in the province?

No. 423

1. For the years (a) 1976-77 (b) 1977-78 (c) 1978-79 (i) what were the three major causes of death (ii) what was the death rate per 1,000 live births from each cause of death in the province of Prince Edward Island of status Indian children?

2. For the same years, what were the comparative figures for the rest of the population in the province?

Hon. Monique Bégin (Minister of Health and Welfare): See the tables below for relevant statistical breakdown on a provincial and territorial basis, with the exception of the Atlantic region where information for registered Indians is not available by province. A Canada-wide table is also provided.

Note: Infant mortality rates include deaths from time of birth to age one year. "All causes" is defined as those mentioned on each chart and all other causes of death.

Infant Mortality—1976, 1977, 1978
Indian* and Canadian** Populations—Major Causes and Rates

Question No. 412

Region	1976		1977		1978	
Population	Cause	Rate	Cause	Rate	Cause	Rate
Manitoba						
Indian	Certain perinatal causes	8.01	Certain perinatal causes	11.38	Certain perinatal causes	9.78
	Infective, parasitic diseases	7.12	Respiratory diseases	7.11	Ill-defined conditions	5.59
	Respiratory diseases	5.34	Infective, parasitic diseases	4.27	Congenital anomalies	5.59
	All causes	30.25	All causes	34.9	All causes	26.55
All other children in Manitoba	Certain perinatal causes	7.41	Certain perinatal causes	7.86	Certain perinatal causes	6.77
	Congenital anomalies	2.69	Congenital anomalies	2.88	Congenital anomalies	2.74
	Ill-defined conditions	1.85	Ill-defined conditions	2.16	Ill-defined conditions	1.40
	All causes	15.60	All causes	16.62	All causes	13.70

*Source: Medical services branch—Annual report
**Source: Statistics Canada—Vital statistics: volume III—deaths 1976, 1977, 1978

Infant Mortality—1976, 1977, 1978
Indian* and Canadian** Populations—Major Causes and Rates

Question No. 413

Region / Population	1976 Cause	1976 Rate	1977 Cause	1977 Rate	1978 Cause	1978 Rate
British Columbia						
Indian	Certain perinatal causes	15.13	Certain perinatal causes	11.66	Certain perinatal causes	7.85
	Ill-defined conditions	9.55	Ill-defined conditions	10.10	Respiratory diseases	7.85
	Respiratory diseases	4.78	Respiratory diseases	4.66	Ill-defined conditions	4.71
	All causes	40.61	All causes	41.18	All causes	28.25
All other children in British Columbia	Certain perinatal causes	6.39	Certain perinatal causes	6.04	Certain perinatal causes	4.94
	Congenital anomalies	3.24	Congenital anomalies	3.62	Congenital anomalies	3.22
	Ill-defined conditions	1.87	Ill-defined conditions	2.01	Ill-defined conditions	1.61
	All causes	13.81	All causes	14.81	All causes	12.70

*Source: Medical services branch—Annual report
**Source: Statistics Canada—Vital statistics: volume III—deaths 1976, 1977, 1978

Infant Mortality—1976, 1977, 1978
Indian* and Canadian** Populations—Major Causes and Rates

Question No. 414

Region / Population	1976 Cause	1976 Rate	1977 Cause	1977 Rate	1978 Cause	1978 Rate
Alberta						
Indian	Certain perinatal causes	6.69	Certain perinatal causes	6.53	Certain perinatal causes	7.36
	Respiratory diseases	4.18	Ill-defined conditions	6.53	Congenital anomalies	4.09
	Ill-defined conditions	3.35	Accidents, violence	2.45	Ill-defined conditions	2.45
	All causes	25.94	All causes	21.21	All causes	19.62
All other children in Alberta	Certain perinatal causes	6.77	Certain perinatal causes	4.92	Certain perinatal causes	3.81
	Congenital anomalies	2.60	Congenital anomalies	2.52	Congenital anomalies	3.13
	Ill-defined conditions	2.15	Ill-defined conditions	2.08	Ill-defined conditions	2.48
	All causes	14.25	All causes	11.21	All causes	11.40

*Source: Medical services branch—Annual report
**Source: Statistics Canada—Vital statistics: volume III—deaths 1976, 1977, 1978

Infant Mortality—1976, 1977, 1978
Indian* and Canadian** Populations—Major Causes and Rates

Question No. 415

Region / Population	1976 Cause	1976 Rate	1977 Cause	1977 Rate	1978 Cause	1978 Rate
Northwest Territories						
Indian	Certain perinatal causes	16.04	Certain perinatal causes	26.18	Certain perinatal causes	11.49
	Ill-defined conditions	16.04	Respiratory diseases	15.71	Congenital anomalies	11.49
	Respiratory diseases	10.70	Ill-defined conditions	5.24	Ill-defined conditions	5.75
	All causes	58.82	All causes	57.59	All causes	40.22
All other children in Northwest Territories	Certain perinatal causes	12.68	Certain perinatal causes	13.46	Certain perinatal causes	10.80
	Respiratory diseases	9.30	Respiratory diseases	5.05	Ill-defined conditions	6.65
	Ill-defined conditions	4.23	Congenital anomalies	3.36	Congenital anomalies	2.49
	All causes	34.66	All causes	29.44	All causes	23.30

*Source: Medical services branch—Annual report
**Source: Statistics Canada—Vital statistics: volume III—deaths 1976, 1977, 1978

Order Paper Questions

Infant Mortality—1976, 1977, 1978
Indian* and Canadian** Populations—Major Causes and Rates

Question No. 416

Region Population	1976 Cause	Rate	1977 Cause	Rate	1978 Cause	Rate
Yukon						
Indian	Certain perinatal causes	32.79	Respiratory diseases	31.75		
	Respiratory diseases	16.39	Accidents, violence	15.87		
	All causes	49.18	All causes	47.62	All causes	0.00
All other children in Yukon	Certain perinatal causes	11.16	Certain perinatal causes	7.04	Certain perinatal causes	4.47
	Respiratory diseases	4.46	Respiratory diseases	7.04	Congenital anomalies	4.47
	Ill-defined conditions	4.46			Ill-defined conditions	2.24
	All causes	22.31	All causes	14.09	All causes	12.50

*Source: Medical services branch—Annual report
**Source: Statistics Canada—Vital statistics: volume III—deaths 1976, 1977, 1978

Infant Mortality—1976, 1977, 1978
Indian* and Canadian** Populations—Major Causes and Rates

Question No. 417

Region Population	1976 Cause	Rate	1977 Cause	Rate	1978 Cause	Rate
Ontario						
Indian	Certain perinatal causes	13.38	Accidents, violence	8.98	Certain perinatal causes	8.89
	Respiratory diseases	4.78	Respiratory diseases	4.49	Accidents, violence	3.56
	Congenital anomalies	4.78	Certain perinatal causes	4.49	Congenital anomalies	3.56
	All causes	26.77	All causes	26.95	All causes	24.00
All other children in Ontario	Certain perinatal causes	5.86	Certain perinatal causes	5.12	Certain perinatal causes	4.85
	Congenital anomalies	2.91	Congenital anomalies	2.58	Congenital anomalies	2.96
	Ill-defined conditions	1.57	Ill-defined conditions	1.64	Ill-defined conditions	1.66
	All causes	12.35	All causes	11.27	All causes	11.30

*Source: Medical services branch—Annual report
**Source: Statistics Canada—Vital statistics: volume III—deaths 1976, 1977, 1978

Infant Mortality—1976, 1977, 1978
Indian* and Canadian** Populations—Major Causes and Rates

Question No. 418

Region Population	1976 Cause	Rate	1977 Cause	Rate	1978 Cause	Rate
Quebec***						
Indian	Certain perinatal causes	13.39	Certain perinatal causes	7.41	Respiratory diseases	7.54
	Respiratory diseases	6.69	Ill-defined conditions	7.41	Ill-defined conditions	5.03
	Congenital anomalies	4.02	Respiratory diseases	4.94	Certain perinatal causes	5.03
	All causes	34.87	All causes	34.57	All causes	30.15
All other children in Quebec	Certain perinatal causes	5.65	Certain perinatal causes	5.52	Certain perinatal causes	5.08
	Congenital anomalies	3.31	Congenital anomalies	3.67	Congenital anomalies	3.81
	Respiratory diseases	0.80	Respiratory diseases	0.85	Ill-defined conditions	0.73
	All causes	11.79	All causes	12.38	All causes	11.90

*Source: Medical services branch— annual report
**Source: Statistics Canada—Vital statistics: volume III—deaths 1976, 1977, 1978

Infant Mortality—1976, 1977, 1978
Indian* and Canadian** Populations—Major Causes and Rates

Questions Nos. 419, 420, 421, 423

Region Population	1976 Cause	Rate	1977 Cause	Rate	1978 Cause	Rate
Atlantic						
Indian	Ill-defined conditions	11.83	Ill-defined conditions	5.43	Ill-defined conditions	4.90
	Congenital anomalies	5.92	Congenital anomalies	5.43	Congenital anomalies	4.90
	Accidents, violence	5.92				
	All causes	23.67	All causes	10.86	All causes	9.80

Infant Mortality—1976, 1977, 1978
Indian* and Canadian** Populations—Major Causes and Rates

Questions Nos. 419, 420, 421, 423

Region Population	1976 Cause	Rate	1977 Cause	Rate	1978 Cause	Rate
All Other Children in Nfld.	Certain perinatal causes	7.66	Certain perinatal causes	3.67	Certain perinatal causes	6.93
	Congenital anomalies	3.54	Congenital anomalies	3.28	Congenital anomalies	3.15
	Respiratory diseases	1.34	Ill-defined conditions	0.91	Ill-defined conditions	0.94
	All causes	15.61	All causes	9.75	All causes	12.20
P.E.I.	Certain perinatal causes	8.76	Certain perinatal causes	7.62	Certain perinatal causes	1.51
	Congenital anomalies	2.58	Congenital anomalies	5.08	Congenital anomalies	3.53
	Ill-defined conditions	2.06	Ill-defined conditions	3.05	Ill-defined conditions	1.51
	All causes	14.43	All causes	18.79	All causes	7.60
N.S.	Certain perinatal causes	4.76	Certain perinatal causes	4.21	Certain perinatal causes	5.42
	Congenital anomalies	4.68	Congenital anomalies	3.81	Congenital anomalies	3.51
	Ill-defined conditions	2.11	Ill-defined conditions	2.27	Ill-defined conditions	1.75
	All causes	13.81	All causes	11.59	All causes	11.90
N.B.	Certain perinatal causes	5.93	Certain perinatal causes	5.21	Certain perinatal causes	4.82
	Congenital anomalies	3.47	Congenital anomalies	3.91	Congenital anomalies	3.52
	Ill-defined conditions	2.03	Ill-defined conditions	2.35	Ill-defined conditions	1.58
	All causes	13.21	All causes	13.38	All causes	11.80

*Source: Medical services branch—Annual report
**Source: Statistics Canada—Vital Statistics: volume III—deaths 1976, 1977, 1978

Infant Mortality—1976, 1977, 1978
Indian* and Canadian** Populations—Major Causes and Rates

Question No. 422

Region Population	1976 Cause	Rate	1977 Cause	Rate	1978 Cause	Rate
Saskatchewan Indian	Respiratory diseases	9.59	Certain perinatal causes	9.58	Certain perinatal causes	8.06
	Infective, parasitic diseases	6.39	Congenital anomalies	8,84	Respiratory diseases	8.06
	Certain perinatal causes	5.60	Respiratory diseases	6.63	Congenital anomalies	5.87
	All causes	31.18	All causes	39.79	All causes	33.72
All other children in Saskatchewan	Certain perinatal causes	6.07	Certain perinatal causes	6.24	Certain perinatal causes	6.34
	Congenital anomalies	3.07	Congenital anomalies	2.79	Congenital anomalies	3.02
	Respiratory diseases	1.94	Ill-defined conditions	2.24	Ill-defined conditions	1.75
	All causes	14.34	All causes	15.09	All causes	14.30

*Source: Medical services branch—Annual report
**Source: Statistics Canada—Vital Statistics: volume III—deaths 1976, 1977, 1978

Infant Mortality—1976, 1977, 1978
Indian* and Canadian** Populations—Major Causes and Rates

Question No. 412 to 423

Region Population	1976 Cause	Rate	1977 Cause	Rate	1978 Cause	Rate
Total Indian	Certain perinatal causes	10.23	Certain perinatal causes	10.09	Certain perinatal causes	8.01
	Respiratory diseases	5.97	Respiratory diseases	6.36	Congenital anomalies	5.39
	Ill-defined conditions	4.97	Ill-defined conditions	4.83	Respiratory diseases	4.28
	All causes	32.36	All causes	36.78	All causes	26.52
All other children	Certain perinatal causes	6.08	Certain perinatal causes	5.45	Certain perinatal causes	5.05
	Congenital anomalies	3.11	Congenital anomalies	3.11	Congenital anomalies	3.27
	Ill-defined conditions	1.44	Ill-defined conditions	1.52	Ill-defined conditions	1.48
	All causes	13.03	All causes	12.46	All causes	12.00

*Source: Medical services branch—Annual report
**Source: Statistics Canada—Vital statistics: volume III—deaths 1976, 1977, 1978

Order Paper Questions

NATIONAL REVENUE—TAXATION—HALIFAX DISTRICT OFFICE

Question No. 1,336—**Mr. MacKay:**

1. How many Department of National Revenue (Taxation) field personnel are employed by the Halifax district office in the category of (a) basic file auditor (b) senior business file auditor (c) business file auditor (d) field auditor (e) special investigator (f) senior basic file investigators?

2. (a) What is the average meal, travel and incidental allowances provided such field personnel on a daily and weekly basis (b) what accounting procedure is used to verify the allowances (c) are the allowances taxable?

Hon. William Rompkey (Minister of National Revenue):

1. (a) 3
   (b) 6
   (c) 11
   (d) 19
   (e) 11
   (f) 0

2. (a) Allowances for employees when travelling:

   Meals (per diem)—Up to $19.25

   Incidental expense (per diem)—$4.60

   Travel rates for authorized official use of private cars (Nova Scotia)

   First 4,000 miles—25 cents per mile

   Next 4,000 miles—21 cents per mile

   Over 8,000 miles—18.5 cents per mile

   Hotel costs average $25.00 a day depending on location.

   (b) All accounting procedures for verifying allowances are governed by Treasury Board regulations and policies laid down in the Finance Administration Act. Each travel claim is, however, initially checked by the auditor's immediate supervisor and then authorized by the responsibility centre manager before being processed for payment.

   (c) No: they are reimbursement of expenses.

ALLIMOR CORPORATION

Question No. 1,499—**Mr. Benjamin:**

1. Under the terms of the lease between the government and Allimor Corporation signed in 1977 concerning the use of federal property for the business of the Confederation Place Hotel at Kingston, Ontario (a) how many square feet of property were leased to the corporation (b) what was the total annual rent for each year?

2. Were amendments made to the 1977 lease and/or was a new lease drawn up concerning the use of additional property by the corporation, and, if so, in each case (a) on what date (b) how many square feet of property was leased (c) what was the total annual rent (d) on what date was the corporation billed for the use of the additional property?

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

1. (a) 0.0471 hectares.
   (b) $3,520 per annum for each of the first five years. Rent to be reviewed at end of each five-year period.

2. The lease is currently being amended:
   (a) Effective December 1, 1979.
   (b) 0.0951 hectares including the area in 1. (a).
   (c) $7,020 annually.
   (d) The corporation will not be billed until the lease is executed.

All rent due has been paid to May 31, 1980.

[*Translation*]

Madam Speaker: The questions enumerated by the parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

THE CONSTITUTION

ESTABLISHMENT OF SPECIAL JOINT COMMITTEE OF THE SENATE AND HOUSE OF COMMONS

The House resumed consideration from Thursday, October 9, 1980, of the motion of the Minister of Justice and Minister of State for Social Development (Mr. Chrétien):

That a Special Joint Committee of the Senate and of the House of Commons be appointed to consider and report upon the document entitled "Proposed Resolution for a Joint Address to Her Majesty the Queen respecting the Constitution of Canada" published by the government on October 2, 1980, and to recommend in their report whether or not such an address, with such amendments as the committee considers necessary, should be presented by both Houses of Parliament to Her Majesty the Queen;

That 15 members of the House of Commons to be designated no later than three sitting days after the adoption of this motion be members on the part of this House of the Special Joint Committee;

That the committee have power to appoint from among its members such subcommittees as may be deemed advisable and necessary and to delegate to

such subcommittees all or any of their powers except the power to report directly to the House;

That the committee have power to sit during sittings and adjournments of the House of Commons;

That the committee have power to send for persons, papers and records, and to examine witnesses and to print such papers and evidence from day to day as may be ordered by the committee;

That the committee submit their report not later than December 9, 1980;

That the quorum of the committee be 12 members, whenever a vote, resolution or other decision is taken, so long as both Houses are represented and that the joint chairmen be authorized to hold meetings, to receive evidence and authorize the printing thereof, when six members are present so long as both Houses are represented; and

That a message be sent to the Senate requesting that House to unite with this House for the above purpose, and to select, if the Senate deems it to be advisable, members to act on the proposed Special Joint Committee.

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I had occasion to speak for four minutes yesterday evening before the debate was interrupted, and I see that it is now almost one o'clock. With your permission, may we call it one o'clock and resume the debate this afternoon?

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

Some hon. Members: Agreed.

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

At one o'clock the House took recess.

• (1400)

[*Translation*]

AFTER RECESS

The House resumed at 2 p.m.

The Acting Speaker (Mr. Ethier): Order, please. When the House took recess at one o'clock this afternoon, government order No. 18 was under consideration and the hon. Parliamentary Secretary to the Minister of Energy Mines and Resources (Mr. MacLaren) had the floor.

[*English*]

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, this is the third time I have begun this speech, and I hope that I may be able to complete it this afternoon.

As we adjourned our sitting last night, I was saying that today, 113 years after confederation, we are once again engaged in nation-building. Today we have before us legislation which sets forth three broad objectives—three Canadian imperatives for our constitution.

The first is to patriate the various acts which will then become the new Constitution of Canada, and to end our anachronistic legislative dependence upon another Parliament.

Second, we wish to entrench a Canadian charter of rights, including mobility rights and minority language education.

Third, we wish to entrench the principle of equality for all Canadians wherever they live.

Others have spoken and others will speak of the procedures of patriation which are set forth in the legislation. They will speak about the proposed methods of amendment to the constitution when it becomes a Canadian constitution in the fullest sense of that word, but this afternoon I want to speak about another matter.

I want to speak about one of the principal rights that is guaranteed in the new constitution, the right of every Canadian to live and to work for himself or herself in any part of Canada and to provide for his or her family in any part of Canada in which he or she chooses to live. In doing so I shall emphasize the importance of these rights to each and every Canadian. They are as well rights designed to encourage the economic integration of the Canadian union in a highly competitive world.

Mobility rights are important to every Canadian. Indeed, most Canadians would assume that they have the right to move about their country and to live and work where they will. About half of the Canadian population moves every five years. Statistics show that one Canadian in every 20 moves from one province to another once every five years.

Extrapolating past trends indicates that mobility rates are very likely to increase. The guarantee of mobility rights is one part of a yet wider guarantee of movement which is essential to making a success of an economic union. Among other things, the Fathers of Confederation knew that the continuation of the customs barriers on manufactured goods and produce which had marked the colonies of British North America had merely served to weaken them all. When the Fathers of Confederation moved toward the British North America Act, they were on the one hand fearful of the British free trade policy, which seemed to call into jeopardy the health of the British North America economy. They were also fearful of the United States abandonment of reciprocity, that is free trade in North America of manufactured goods. So the Fathers of Confederation rightly recognized that economic forces were making for co-operation in British North America, in addition to the various political forces which were also lending impetus to partnership. They wisely sought an economic union for the mutual benefit of all.

• (1410)

In the British North America Act, section 91 substantiates this approach by giving the federal government the fiscal and monetary powers necessary in a customs union, including the tools necessary to ensure the viability of a common market, that is, a common postal service, weights and measures, the census and statistics, matters relating to bankruptcy, patents and copyrights, unemployment insurance and competition policy.

The power to establish interprovincial and international transport policy required to enhance our economic integration

was also set forth in section 91 and in the exceptions to exclusive provincial powers which are to be found in section 92.

To further substantiate our economic union, the British North America Act provided for a single currency, a banking system and other necessary monetary instruments, along, of course, with the highly important trade and commerce power granted in section 91, which ensures basic federal economic paramountcy.

Additionally, however, to underline the nature of the economic union which was being created, the British North America Act, in section 121, states:

All articles of the growth, produce, or manufacture of any one of the provinces shall, from and after the union, be admitted free into each of the other provinces.

It was no accident that the Fathers of Confederation entrenched these rights of the federal government in the BNA Act because they were conscious of the problems that would be created if the barriers continued among the future provinces of Canada. Unfortunately, experience has shown that the fears of the Fathers of Confederation were well warranted. Today, of course, section 121 may be read as being intended to include services, capital and labour, as well as the free movement of goods, but in the face of increasing interprovincial barriers it is now seen by many as insufficiently explicit. With notable ingenuity, provinces have discovered other regulatory devices which have the same effect as customs duties, those duties which were eliminated at the time of confederation, and thereby, in effect, they can circumvent section 121.

It has been the recent experience in Canada that provinces have focused increasingly on the means to improve their own narrow economic performance, especially high value added activities. As a result, many provincial policies now weaken the common market, reducing gains that could otherwise be generated by industrial specialization, and labour and capital are not being used as efficiently as possible.

As each province seeks greater industrial and economic growth, they have sometimes, either wittingly or unwittingly, entered into competition with one another. Let me give a few examples of such barriers and obstructions as exist today. I shall do so with reference to three areas: the free movement of goods, the free movement of capital, and the free movement of labour.

In the case of goods, we see procurement practices on the part of provinces which extend to construction contracts as well as the purchase of goods, a necessity for a high degree of provincial content which can detract from the efficiency of Canadian manufacturing and construction industries. In the case of marketing boards, there are limitations and established prices which can hinder interprovincial trade. In the uniformity of legislation, provinces can cut across the intention of a common market, of a customs union even, by putting up terms and conditions which hinder the nature of interprovincial trade.

Similarly in transportation, particularly in the trucking industry, we have many examples of obstruction and lack of reciprocity which contribute to the breaking down of the real benefits which otherwise should accrue from interprovincial commerce. Equally in the case of the free movement of capital, subsidies to provincial companies, provincial investment tax credits, the regulation of security markets by provinces can all lead to a lack of co-ordination and to competition among provinces. There have, of course, been cases of provincial interference in takeover bids, and members of the House are aware of such recent instances in British Columbia and in Quebec. The competition policy itself can cause difficulties in interjurisdictional disputes. Pension plans may vary from province to province in such a way as to hinder the movement of capital. Land sales and provincial investment plans can be regulated in such a way as to prevent or lessen opportunities for other Canadians to participate in the total national development of our country.

But it is on the third area, that of mobility of labour, that I wish to spend a few minutes because it is specifically that right which is now being placed in our constitution. I do not need to remind some of my colleagues in the House of the various local hiring restrictions which may be found in provincial legislation. I would cite the petroleum and natural gas act of Newfoundland, Nova Scotia's act respecting petroleum resources, the Quebec construction industry's labour relations act, Saskatchewan lease agreements with resource development companies seeking licences to operate, and, of course, many other examples could be offered. The point is that under such legislation, which also extends to restrictions on the freedom of movement of professionals as well of skilled and unskilled labour, requirements are imposed which discriminate in favour of provincial residents. To take only one example of many, in Alberta a pharmacist must have resided in the province for three months before he can apply for registration, and the waiting period in Ontario for a pharmacist is six months. Those in the House who are lawyers will be aware equally of the residency restrictions which are placed on the movement of lawyers within our country.

No one would dispute the fact that the provinces have jurisdiction over labour under section 92 of the BNA Act. They can set forth the conditions of employment, the licensing of professionals, and they can legislate labour laws, but these undeniable powers are sometimes distorted or extended in such a way as to cause increasing obstacles to the full realization of our total economic potential.

The impact of these barriers must be evident to anyone who would recognize that any such interprovincial barriers to the movement of labour, capital and goods prevent all Canadians from achieving the benefits which would flow naturally from our full economic integration. We lose, by such barriers, the benefit of a greater scale of production, the benefits of specialization, and the full benefits that can accrue from the sharing of joint services in transportation and in communications.

● (1420)

Most of all, the barriers can reduce Canada's ability as a nation to compete in a difficult world market and to negotiate

with other countries on a standing of equality in international trade relations. Such provincial competition serves to reduce our national efficiency. Of course it may alter the division of the economic pie, but certainly it makes it smaller. In the end such internal competition is merely self-defeating and invites retaliation.

Let me quote the Minister of Justice (Mr. Chrétien) on that last point. Very recently he stated:

—discrimination by one province explicitly gives nine other provinces the right to do the same thing, that is the right to retaliate. And when this happens, no one should think that the weaker provinces will be the beneficiaries. For retaliation is a more effective weapon in the hands of the strong than in the hands of the weak. Furthermore, retaliation is most likely to take place at times of economic difficulties and this will only compound the problems of the less fortunate provinces.

While the world is removing obstacles, we are allowing them to increase. While the world is seeking larger economic units, whether in Latin America, Asia or Europe, we are subdividing ours. Unable to utilize tariffs, quotas and certain kinds of indirect taxes for constitutional reasons, the provinces have developed partial substitutes by way of subsidies, regulation of industry, moral suasion, provincial or public ownership, and other devices. But, have we not travelled this road before? Well-documented studies clearly point to the unwelcome effects of prolonged protection of the Canadian market on the efficiency of industry, the high degree of foreign ownership in Canada and the uneven distribution of gains and losses by our various regions. Are we seriously proposing to travel that route in yet smaller provincial markets?

In the new Canada Act we recognize the fundamental nature of mobility rights. The clause in the new legislation reads as follows:

Every citizen of Canada and every person who has the status of a permanent resident in Canada has the right (a) to move to and take up residence in any province; and (b) to pursue the gaining of a livelihood in any province.

So, section 121 of the BNA Act which prohibits obstacles to the movement of goods, and this new clause in the legislation guaranteeing mobility rights, serve very real and not hypothetical needs. These rights for the movement of labour, people, goods and capital are essential to our economic development. Also they are essential if we are to reduce economic disparities in our country and achieve the goal of equalization which of course is promised elsewhere in the new legislation, in the new act before us, in the new constitution. We shall not achieve the equalization we seek without the freedom of movement which is also set forth in the legislation.

The principle of mobility of people and labour, is now in our constitution. As in so many other areas, however, the underlying ideas must be seen as implicit rather than explicit. In fact, the clause guaranteeing the freedom of movement is considerably less than some other proposals which have been made during the intense discussions leading up to the debate we are now undertaking. The Quebec government, the Ontario government and others across the country have looked toward the guarantee of the free movement of goods, services, labour and capital in the new constitution.

For example, the constitutional committee of the Canadian Bar Association held that so basic a matter as the degree of a country's economic integration should not be left to changing judicial philosophy but should be articulated in the constitution. Also it urged the need for greater constitutional support of the national market against provincial protectionist policies which could lead to the balkanization of Canada. To a degree that task is still before us. Of course there is provision in the legislation for first ministers' conferences in the two years ahead. It is my hope that the problems of restriction on the interprovincial movement of goods, services and capital will be explicitly prohibited through those further discussions. In any event, we have made progress and we are making progress, in the legislation currently before us, in guaranteeing the freedoms to ensure that we shall be better able to provide every Canadian with a full opportunity to participate in a prosperous economy.

More generally we are participating in a debate which will confirm that with our new constitution at home, amenable to further growth and evolution as necessary by Canadians, we shall affirm our own faith in our own judgment, in the determination of our own domestic arrangements and our own unique way of life.

Victor Hugo once wrote the following:

On résiste à l'invasion des armées, on ne résiste pas à l'invasion des idées.

It has been rather picturesquely translated as:

Greater than the tread of mighty armies is an idea whose hour has come.

The hour has come to bring home the Canadian constitution and to guarantee Canadians those rights which are fundamental to the full realization of the partnership of the Canadian people.

Some hon. Members: Hear, hear!

Mr. Geoff Scott (Hamilton-Wentworth): Mr. Speaker, I rise as a Canadian. Unlike many of my colleagues on this side of the House I am not a constitutional expert, nor can I hope to rise to the eloquence of the Right Hon. Leader of the Opposition (Mr. Clark) on the opening day of this historic debate which was unquestionably the finest speech of my leader's political career. It set the tone and very high standard for interventions from hon. members on all sides of the House on this vitally important and lasting resolution for Canada.

Some hon. Members: Hear, hear!

Mr. Scott (Hamilton-Wentworth): This resolution is for all of us and for all time. On constitutional matters I guess I know as many details about the amending formula and the process of entrenchment of the charter of human rights, indeed the whole mechanism of bringing the British North America Act to Canada, as do most of the 75,000 people I have the honour to represent in Hamilton-Wentworth. I dare say that most of my constituents would agree with the redoubtable former Senator Eugene Forsey when he said:

I haven't heard anyone say that they couldn't sleep at nights because the constitution wasn't patriated, that they couldn't keep their coffee down in the mornings until we see a charter of human rights, or that they couldn't concentrate on their work until there's an amending formula.

I believe my distinguished colleague, the hon. member for St. John's West (Mr. Crosbie), can be credited with the saying that "you cannot eat a constitution and constitutions do not employ anybody".

I know from my contact with people, not only throughout my own constituency but during a month-long campaign in the Hamilton West riding and a mid-summer trip to western Canada, that Canadians are far more concerned with the frightening national deficit, ever-increasing unemployment, and the double digit inflation in this country. Even this past week some of my people were wondering why Parliament has been recalled to spend time talking about the constitution, after all we have heard this past summer, and not dealing directly and immediately with a national energy policy. That is not a bad question.

The government may have set December 9 as the deadline for the Special Joint Senate-Commons Committee on Constitutional Reform to complete its hearings, but by December 9 Canadians will be well past the point of no return in terms of any decisions that we make in this Parliament on the average Canadian's budgeting plans for the cost of keeping warm this winter. Whatever results from this great Canadian debate on the constitution will, the government presumes and, we hope, last us for at least another 113 years.

● (1430)

What Canadians in Hamilton-Wentworth, and I suspect in a great many other communities as well, would like to know is what kind of energy security will they have for the next three, or indeed, 13 years. When you talk to people about the constitution they really do ask: what is the fuss all about? What is the rush all about? The only person in one of the major towns in my riding, Ancaster, who would venture an opinion on the constitution was an elderly lady who said, "I have got to go and read up on the BNA Act and find out what they are going to do to it". Nobody I questioned at any of the fall fairs knows how it is done or why it needs to be done.

When you talk about cutting ties with Britain, people in my area do get exercised, but their ties with the mother country are more emotional than governmental. But the feeling generally is that bringing home the constitution will not affect the average true Canadian, strong and free, anywhere in Hamilton-Wentworth. Folks do say, though, it is high time we governed ourselves. But then most people think that is what we have been doing all along.

There is widespread concern, confusion, and raising of eyebrows at all the rhetoric at the recent first ministers' conference. Random samplings of my constituents suggest that all ten provincial premiers were guilty of parochialism of the first order. When you ask them how they feel about the new constitution, as proposed by the Prime Minister (Mr. Trudeau) the folks I represent are likely to say that this is not the kind of issue they would expect an opposition party to oppose. Then they add, "But of course nobody here is aware of any of the nasty little wrinkles in it."

This 49-page document before us may be emblazoned with a nice red maple leaf flag, but it is indeed dotted with red flags throughout—those nasty little wrinkles. As my leader put it:

> It's a Trojan horse. It looks like it's what we want. It achieves patriation. But it is absolutely dangerous and fundamentally changes the nature of this country.

My leader is dead right. Once that Trojan horse gets inside the walls it will release soldiers who will give many people across this country reason to think about what this government is doing.

The government, through the Prime Minister and the Minister of Justice, has expressed the hope that this debate will rise above political partisanship. Let me make it clear at the outset—I have two views on letting party allegiance and political bias intrude on an historic debate such as this. The first point I will put on record is that I, like all members of this party, favour patriation of the constitution. I believe it is long past due that Canadians should have control over their own constitution. I favour the entrenchment of a charter of human rights and fundamental freedoms in that constitution. I do have reservations about the imposition of minority language educational rights in the Prime Minister's announced package. I will deal with that in a moment. I strongly recommend the Bill of Rights, preamble and all, be enshrined in this constitution as a lasting tribute to the Right Hon. John Diefenbaker.

My second point about getting political in this kind of debate is that the Prime Minister has made it impossible to submerge one's partisan stirrings, and at the same time the whole unilateral manner in which this government is proceeding has whipped my feelings as a Canadian into a near frenzy. Concerns have been raised and rebuffed in this chamber about the government keeping up its advertising campaign while this debate is in progress. I am wondering about the travel at taxpayers' expense, such as special government aircraft to the United Kingdom as when Mark and John went off to see the Queen.

The Secretary of State for External Affairs (Mr. MacGuigan) and the Minister of State for Science and Technology and Minister of the Environment (Mr. Roberts) had lunch with the Queen at Balmoral Castle. Then they visited with Prime Minister Margeret Thatcher. That is all fine since it was being done through the Canadian High Commission. But now we learn the two ministers have been wining and dining British journalists and publishers around London to explain the government's point of view, that is, the Liberal point of view, the one, dominating party point of view here. And a question which could be asked is whether any of the opposition parties, any spokesmen from the opposition parties, have been getting to these influential people in the United Kingdom. What upsets us is that we, the taxpayers, pay for all of these luncheons and dinners. We are paying for a unilateral action we do not believe in.

The corollary is that the Prime Minister's cabinet will be fanning out all across the country to spread the message, the propaganda, at government expense, at taxpayers' expense—our expense. They will be concentrating, of course, in western

Canada where the concern is deepest, the anger more justifiably acute.

There is no government subsidization in this program for opposition members of Parliament to explain the constitution which affects everybody in this nation. There is no hope at all for those who want to go out and express an opposing point of view. We have to do it at our own cost—and we will. The government is spending our money to promote one point of view, the Liberal point of view, and they ask us to keep this debate non-partisan?

The Prime Minister made an admirable start at a non-partisan, balanced and responsible approach to Canada's constitutional reform when he appointed two of Canada's foremost authorities on the subject to co-chair an important task force, the distinguished former premier of Ontario, the Hon. John Robarts, a master of consensus at gatherings like the Confederation for Tomorrow Conference, in Toronto, and his equally qualified Liberal counterpart, the amiable hon. member for Ottawa-Carleton (Mr. Pepin). They became the Banting and Best of constitutional change.

The Pepin-Robarts Task Force on National Unity went from coast to coast listening to the views of hundreds upon hundreds of Canadians as they poured forth their views almost nightly—on national television—on the kind of Canada they wanted to see. Having thus dramatically sampled the grass roots of this country, at a cost of several million dollars to the taxpayers, the task force handed down comprehensive and far-reaching recommendations for the future of the country. Indeed, pretty soon the hon. member for Ottawa-Carleton became the constitutional expert most in demand on the nation-wide speaking circuit, through the media, almost eclipsing the acknowledged dean of constitutional commentary in Canada, former Senator Forsey.

But whose face did we see for seemingly endless hours and days on the TV screen right behind or beside the Prime Minister's at the recent federal-provincial conference? Who got the chance to go to London to see the Queen and explain Canada's case? Why, it was that renowned constitutional expert and household name, the Minister of State for Science and Technology and Minister of the Environment. Where was the hon. member for Ottawa-Carleton? Did anybody ever see his benign countenance on the TV screen during that week-long "Operation Klieg-Light"? Does anybody know if the Minister of Transport was consulted before the Prime Minister's unveiling of this document last week, or whether he was offered any room on the government aircraft which flew off to the United Kingdom this past week carrying the other two ministers to meet the Queen and wine and dine the British press?

I should point out here I am not being mischievously partisan here. I am concerned and disappointed about the Prime Minister freezing out the hon. member for Ottawa-Carleton from this historic, symbolic and cataclysmic move of the BNA Act from Britain to Canada. I am disappointed because the hon. member for Ottawa-Carleton happens to be my MP. My family's Ottawa residence as opposed to our home in Dundas, Ontario, lies deep within my hon. friend's riding. While I am hoping against hope that he will ever be able to do anything as Minister of Transport to satisfy those of us who are concerned about airport expansion, I had come to expect a somewhat higher profile and, I might add, a much deserved role as one of the fathers of reconfederation. The minister will know that my disappointment is sincere.

● (1440)

Mr. Pepin: I am helping both your airports.

Mr. Scott (Hamilton-Wentworth): The minister said that he is helping both my airports. I will believe that when I see the results. My concern about the minister's total exclusion from this exercise goes to the very root of this debate and forms the basis of my party's honest objection to what this Liberal government and this Prime Minister (Mr. Trudeau) in particular are determined to do. Let me just quote a couple of key recommendations out of the Pepin-Robarts report:

> Our conclusion, then, with respect to regionalism parallels our judgment about duality in two ways. First, we accept both of them as basic social and political realities, but we also recognize the legitimate claims of both and the potential they offer to enrich and diversify Canadian life. In other words we accept their existence, we also recognize their value . . . we also believe that regionalism in Canadian life is expressed primarily . . . within the framework of the provinces and we regard the provincial and territorial governments as critical agents in articulating the concerns and aspirations of these regional communities.

Clearly, that endorses the provinces as legitimate spokesmen for the concerns of their regions. One of the most telling sections of the Pepin-Robarts report reads as follows:

> —our commitment to the constitution of the Canadian federation that a system with the authority of the state shared by two orders of government—

It says two orders of government.

> —each sovereign and at the same time committed to co-operative association with the other under a constitution.
>
> We think that the approach to Canada's problems must be as varied and comprehensive as are the problems themselves. There is no single answer that will do the job.

That, in my view, reflects a view of Canada that flies in the face of the Prime Minister's "this or else" approach. On language rights, which go to the heart of our debate on Canadian unity, the Pepin-Robarts report states:

> The principle of the equality of status, rights and privileges of the English and French languages for all purposes declared by the Parliament of Canada, within its sphere of jurisdiction, should be entrenched in the constitution.
>
> Each provincial legislature should have the right to determine an official language or official languages for that province, within its sphere of jurisdiction.
>
> Should all provinces agree on these or any other linguistic rights, these rights should then be entrenched in the constitution.

The operative words there are "should all provinces agree". The Pepin-Robarts report favours entrenchment of rights. However, the implication is that entrenchment should be based on consensus in order to have uniformity. The list of rights should, if necessary, be limited to those on which there is agreement. Here is what the present Prime Minister said, according to an article in *The Canadian Forum*, published in June, 1962, and I quote from page 53:

> I said it earlier: it is necessary to divorce the concepts of the state and of the nation, and to make Canada a society truly pluralist and multinational. And for

that, it is necessary to assure to different regions, inside the Canadian state, a large measure of local autonomy, so that through the experience of self-government, the nationals can give themselves laws and institutions indispensable to the growth and progress of their national values. At the same time, and in a movement of withdrawal, it is necessary that British Canadian nationalism consent to change the image it has given to Canada. If it wishes to protect and incarnate its specific ethnic values, it must do it by the machinery of local and regional autonomy, rather than by way of pan-Canadian sovereignty.

Admittedly, this was written 14 years before the Parti Québécois came into power, but it is still interesting to read what the present Prime Minister had to say in 1962. He went on to say:

Moreover, no provincial frontier coincides exactly with ethnic and linguistic frontiers, and consequently no provincial government is asked by the constitution to legislate only for a single ethnic group—that would tend to develop the nation-state mentality at the provincial level. On this point it would be well if the past attitudes of Quebec towards its national minorities served as an example to provinces which have large French, German, Ukrainian and other minorities.

It would appear that the Prime Minister was expressing ideas in 1962 that his own royal commission reflected 16 or 17 years later. Yet the Prime Minister has rejected the thrust of the Pepin-Robarts report, although you would never have known that to have been the case if you read *The Toronto Star* article by Terrence Wills on January 27, 1979. The Prime Minister is confidently quoted as saying:

I would be happy to campaign on the Pepin-Robarts (task force) general approach to Canadian unity and the constitution.

I think it is the country's loss that the Prime Minister did not follow his own advice and the advice of his own royal commission, that the thrust of a comprehensive and valuable report such as the Pepin-Robarts document should be simply dismissed by the Prime Minister and his advisers. I am sorry that the spirit of that royal commission is not present either in this proposed constitution or in the unilateral approach the government, of which the hon. member for Ottawa-Carleton is a part, is now taking.

I mentioned a few moments ago a concern, a reservation I have about the minority language educational rights in the Prime Minister's so-called "people's package". I am worried, indeed convinced, that this proposed resolution here enshrines, enhances, protects part of Quebec's language law Bill 101 forever in the constitution of Canada in so far as Canada's immigrant population is concerned. Section 23(1) does guarantee minority language educational rights if you are a Canadian or a permanent resident and if your mother tongue is either French or English. That right is guaranteed to any Canadian citizen, to enroll their children in schools of first or second official language of their choice, in any province of Canada where numbers warrant minority language educational facilities.

However, that does not extend to any immigrant family going into the province of Quebec. A Portuguese family in Calgary or a newly arrived Hungarian family in Sudbury, or, closer to home, Greek, Dutch or Italian families in my own riding of Hamilton-Wentworth have the choice to educate their children in either English or French schools, where French language educational facilities are now available, except in Quebec.

Section 23(2) says that, in effect, any citizen of Canada moving from one province to another, and in this case it applies particularly to children, have the option of enrolling in the school with the language of their choice, that is, English or French, where numbers warrant in the case of the French language. But any immigrant family, be they our Portuguese friends from Calgary, or the Hungarian family from Sudbury, or the Greek, Dutch or Italian families from my area who move into Quebec must, under Bill 101, have their children enrolled in French schools. I really wonder why should an immigrant family which moves into the province of Quebec not have the same language rights as any immigrant family who, as it states in subsection (2) "changes residence from one province to another"

● (1450)

This is an astonishing omission by a prime minister who claims he is trying to protect minority language rights by enshrining them in his proposed new constitution of Canada, but who appears to be making an exception for the province of Quebec by his very legislation before us now. This document is silent about minority language rights for immigrants.

As I used to say when I was a reporter in the Press Gallery just above you, Mr. Speaker, this is the Prime Minister who, somehow, never quite got around to challenging the legality of Bill 101 in the courts. Now, from the point of view of anyone wanting to move to the province of Quebec, he is virtually enshrining it forever, for all of us, and especially for the vitally important ethno-cultural groups that make Canada such a marvellous mosaic, but which can only feel real freedom in nine provinces out of ten. That kind of principle, enshrined in this proposed constitution of 1980, is totally unacceptable to me as I am sure it will be to any non-Anglo-saxon and non-Francophone groups in Canada:

I should like now to quote the remarks of an acknowledged constitutional expert, as follows:

This proposed new constitution doesn't help the immigrants one scrap. Bill 101 is allowed to continue to ride roughshod over them and it hits their children particularly.

Remember, Mr. Speaker, that "immigrants" in this case does not only apply to Third World people who wish to move to Quebec. Bill 101 affects people who do not know a single word of any other language but English. It applies to a professor coming in from the United Kingdom or the United States, immigrants from Australia, New Zealand, the West Indies—this new constitutional proposal does not look after them at all. Bill 101 takes absolute precedence over any other law. If these various immigrant families knew that this proposed charter of minority language educational rights does nothing to give them the freedom of choice that they have every right to demand, and indeed can receive in the nine other provinces of Canada, then I suspect they might think differently about relocating in the province of Quebec. That would be a shame; it could only cause a further deterioration of the economy of that province.

Mr. Speaker, four words uttered at the very beginning of this debate go to the root of this government's intentions, and go to the root of the Canadian federation as we know it. They typify this government's attitude toward the traditions, the conventions, the very idea of what Canada is all about—four words, uttered in a moment of considerable emotion, and in impeccable English by the lead-off speaker for the government, the Hon. Minister of Justice (Mr. Chrétien), He said "We will change Canada." The emphasis, Mr. Speaker, is on the word "change".

Now, contrary to what those on the government side and our friends on the left might think, the word "change" is not a call to arms to members of my party. I am definitely not one who is in favour of change for the sake of change. Speaking personally, as a progressive kind of Conservative, I welcome change which will truly benefit Canadian society; change which comes about, for example, in response to a social need, through reasoned debate and discussion, change which conserves the best of experience and traditions of the past, as one charts a course for the future. That is the kind of change in which I believe. But as an average Canadian citizen, I cannot help feeling that the present British North America Act has served this country pretty well during the past 113 years.

I know there is a restlessness, among the young people particularly, and in certain areas and regions of this country, about renewing and Canadianizing our constitution. That is an important feeling that must be addressed in any constitutional change. But it is Quebec that wants change most urgently.

All of this can be, and should be, understood by the rest of the country, and by those people who do not see the need for that kind of change—particularly since we have grown of age and no longer need to have our constitution controlled and amended by a foreign country. I can understand most Canadians sympathizing with that point of view.

What I very much resent, and I am speaking quite personally now, as a Canadian and as an individual member of Parliament, not necessarily speaking on behalf of my party, is the unseemly haste, the unnecessary tinkering and tampering with a constitution which is not only the foundation of 113 years of this country's lifetime, but a constitution which our Fathers of Confederation built upon the precedents and traditions of several hundred years of the British parliamentary democratic system. That system, as Winston Churchill once put it, may not be the best system in the world, but it surely beats whatever takes second place.

Clearly, Mr. Speaker, this is a deviously dangerous document. No matter how often we on the opposition side try to point out how profoundly we disagree with certain segments of the Prime Minister's proposed new constitution, members on the government side and members of the media choose to interpret this opposition in totality, if I may use a famous word. They disregard some of our very real concerns about the dangerous aspects of this document and choose to interpret any adverse comment about the Prime Minister's image of the future of our country as, possibly, anti-patriation. Let me make clear on behalf of my party, for myself, and to anybody who is listening out there, that we favour patriation of the British North America Act. We favour Canadian control over a Canadian constitution. It is high time that we move now, as we should have moved ten or 15 or 20 years ago. Nobody will disagree with that basic principle. But one cannot rush into this kind of thing by a December 9 deadline.

As Thomas Jefferson wrote in a letter to George Washington, "Delay is preferable to error". I am not suggesting another 53 years' delay, but we do not have to do it by December 9. As I have said, this proposed new constitution is violating a fundamental principle on which this country was built. Whenever you violate a principle, you get a short-term gain but a long-term loss.

The Prime Minister stated at the close of the First Ministers' Conference on the constitution that he sees two concepts of Canada. He saw two irreconcilable versions of this country expressed at the conference. One view, held by some of the provincial premiers, the Prime Minister said, was that Canada is an association of provinces, and that his own view was that Canada "is more than the sum of its parts". The Prime Minister said:

> There is a national interest which transcends regional interests. In a conflict between national and provincial interests, the national interest must prevail.

I found that very interesting. It might interest hon. members to hear the Prime Minister's words from his book, "Federalism and the French Canadian", published in 1968; I quote from page 191 as follows:

> Federalism is by its very essence a compromise and a pact . . . It is a pact or quasi treaty in the sense that the terms of that compromise cannot be changed unilaterally.

I emphasize the last five words—"compromise cannot be changed unilaterally". These are the Prime Minister's own words, his own writings. The Prime Minister once again chooses to ignore his own advice. Mr. Speaker, I am a strong believer in the principle of a federal government's role: Ottawa must act in the national interest when some premiers are acting as czars in their own regions. But the Prime Minister and I really part company when it comes to how strong the central government should be when conflicts arise.

The Canada I believe in is definitely not the Canada that this present Prime Minister is trying to mold in his own image through constitutional reform. Next time you see a picture of the original Fathers of Confederation, count them: 37 men came to a consensus and created a confederation nearly a century and a quarter ago. Canada then, as now, was in fact and still is a sum of its parts. Of course, then, as now, a strong leadership role was needed in Ottawa. But the federal nature of this country was respected, and it was practised with distinction under 15 prime ministers of Canada until the right hon. member for Mount Royal came along.

• (1500)

The Canada I believe in, and in which I have travelled extensively, really amounts to at least five, six, and I feel maybe seven different countries, or regions, each with its own geographical and sociopolitical point of view: Atlantic Canada,

Quebec, Ontario, the prairies, British Columbia, the Yukon and western Arctic, and then perhaps put the eastern Arctic, northern Quebec and Labrador into another not-so-small area.

Within these major regions, you will find developing areas of self-interest and uniqueness. Canada's newest province, Newfoundland, not only resents being lumped in with the maritimes, but one must now refer to Atlantic Canada and Newfoundland and Labrador. I know from sitting immediately behind my hon. friend from Parry Sound-Muskoka that more than geography separates northern Ontario from the more materialistic and heavily populated southern and western parts of this province. I cannot imagine three more unusually different experiences than visiting Manitoba, Saskatchewan and Alberta. It is almost impossible to believe they are neighbours. It is almost like comparing Nova Scotians with Prince Edward Islanders or New Brunswick Acadians with the folks you meet in St. Boniface.

As for British Columbia, I have come to respect the description of politics in British Columbia offered by a former colleague of mine in the press gallery, Allan Fotheringham. He describes politics in British Columbia simply as an adventure. Mind you, he does go on to describe politics on the Prairies as a cause; here in Ontario as a business; in Quebec as a religion, and in the maritimes as a disease. That is the mosaic of Canada as seen by Mr. Fotheringham. We are breathlessly awaiting an appropriate description of politics in Newfoundland. I am actively consulting the hon. member for St. John's East (Mr. McGrath) and the hon. member for St. John's West on that matter, Mr. Speaker.

The point I am trying to make is this: as diversified as we are, as many strains as we go through in this nation, we began by consensus. We have survived for 113 years by consensus. Our differences were always reconcilable. They are reconcilable still. What in the world is the use of denying that fact? Why is government moving in a fashion that could tear this country apart?

By nature, I am an optimist. As a Canadian, I have always been fiercely loyal and proud of my country. The Canada I have known, the Canada in which my family and I live today, the Canada I want to see in the future for my son and for his children and for their children, is a country that builds on the 113 years of its past with all its conventions, its traditions, its incredible diversity and its indefinable character. I see a Canada of the present whose people too often take for granted how very lucky we are to live in freedom, and, when one looks around the rest of the world, how remarkably well off we are.

And when emotions cool in the wake of this constitutional revolution, I pray for very positive chances for Canada in the future. But I say this to the Prime Minister (Mr. Trudeau): that future Canada cannot happen unless and until he adopts a more reasonable attitude toward constitutional reform. His government must replace conflict with consensus. It must replace controversy with compromise. It must replace confrontation with toleration.

I urge the government to show respect for Canada's past, to show some understanding of the tensions and differences in Canada's present so that Canada will have a positive and worth-while future.

Hon. Gerald Regan (Minister of Labour): Mr. Speaker, I suggest, the resolution we are considering at this time requires the serious and non-partisan attention of all those honoured to sit here in the highest directly-elected position our country affords. Virtually every member of this House will agree that the debate now taking place to resolve the patriation of our constitution is long overdue. We may differ as to the exact contents of the resolution as political parties are wont to do. Surely no one in this chamber shares the reported view of Premier René Lévesque that our constitution should continue to remain on the other side of the ocean.

A little later in my remarks I want to discuss the provision in this resolution for a deadlock-breaking mechanism by way of a referendum. I want to pay particular attention to what the Right Hon. Leader of the Opposition (Mr. Clark) had to say on that subject.

First of all, I would like to make some more general remarks about the constitution itself and the provisions which are contained in this resolution. I think that as Canadians we have long been embarrassed to say in front of an American, or a person from another country, that after 113 years of independence, we still have to go overseas—to England—to request amendments to our constitution and that the British parliament must act with elected representatives from all over the British Isles, none from Canada, to consider Canadian questions.

When I was associated with the Commonwealth Parliamentary Association, like other members here, I became involved in a discussion one day with a chap from Sierra Leone, and one or two others, and they would not believe me when I told them we still had to go to London to have our constitution amended. It is not only embarrassing, it is unbelievable.

If we accept that such a situation should end, let us examine the question of how it should end. I believe a resolution, such as the one before the House now, preferably with the concurrence of all the provinces, would unquestionably be ideal. This is what, all of us would wish. If there is a difference, perhaps it will lie in the wording I will turn to later—how long can one wait or should one wait to achieve that ideal and whether Canadians are content that we should go on decade after decade without our constitution having been brought home.

Unfortunately, in 53 years of attempts to achieve the desired unanimity among all the provinces, it has not been possible. The hon. member for Hamilton-Wentworth (Mr. Scott) who has just spoken talked of unseeming haste. I can hardly classify him as a red Tory after that remark; that is some haste—53 years. I believe I can establish pretty reasonably to the benefit of the independent observer that if unanimity were not possible in 53 years it would be no more likely to occur in the 70 years between now and the year 2050. Before I do that let us ask the question: if unanimity cannot be achieved, are we

content—the members of this House, the public of Canada—to leave the constitution at Westminster for those 70 more years.

Mr. Epp: Nobody is saying we should.

Mr. Nowlan: You were here on Monday, you heard.

Mr. Regan: I heard the Leader of the Opposition and I will be turning to his remarks in due course.

An hon. Member: What are you talking about?

Mr. Regan: I appreciate the desire of hon. members to make interventions, but I want them to hear me out for a while.

Mr. Epp: Stay with the facts and we will.

Mr. Regan: I will stay very close to the facts indeed.

Each person is entitled in this debate to express his or her own opinion in this forum of democracy. Surely at the end of this debate, the rules for determining a majority will prevail only after a serious and detailed study of the provisions of the resolution and of possible alternatives. But as one legislator, the opinion I express and the way I shall vote will be in the direction of patriating our constitution at last in a final, substantive and also symbolically important move to establish our destiny as a great and free country.

• (1510)

It is high time we did this. No longer can excuses be found for further delay. Perhaps the hope that we harboured for so long in this country and the Prime Minister (Mr. Trudeau) pursued for some 12 years, that of achieving unanimity among ten provincial governments with ten different interests and points of view, was too much to cherish. Certainly the president of the United States would not call together the 50 governors and expect them to agree unanimously on anything. Let me give an example.

There are deeply-held views as to whether civil rights should be entrenched in the constitution. I happen to believe it should be in today's society, but is it likely or logical that ten premiers would have a unanimous opinion on whether civil rights should be entrenched? If you take any ten people, one or two will feel the system works better without entrenchment of rights. I think the majority would feel they should be entrenched. I use that to illustrate that to achieve unanimity on all the items that go together to make up this resolution is a virtually impossible task.

If one accepts my position that inability to achieve unanimity cannot be allowed to thwart indefinitely the aspirations of the Canadian people to bring their own constitution to Canada, the next question that follows is whether we have tried hard enough and long enough to achieve unanimity and whether further efforts would be likely to yield different results. On that point I speak from the vantage point of having participated in the constitutional renewal process as a provincial premier from, if you like, the other side of the table and the other point of view.

While I served as premier of Nova Scotia, I participated in the constitutional first ministers' conference at Victoria in 1971. In succeeding years, I took part in 23 first ministers' conferences. In Victoria, there were people like Premier Strom, for whom I have always had a great respect, Premier Bourassa, the late W. A. C. Bennett and various others who were premiers at that time. Those who held office changed as years passed.

In those 23 first ministers' conferences I came to know how they operate in closed sessions as well as in public. Of course, the talk changes when the prime minister and the premiers go into a closed room. Nine and a half years ago in Victoria we came closer to unanimity on the constitution than ever before, or since. We were closer than is likely ever to happen again, given the emergency of the resource issue and the growing tendency of many premiers to hold Canada's aspiration for patriation of the constitution hostage for the yielding of evermore federal powers to the provinces.

Some hon. Members: Hear, hear!

Mr. Regan: My remarks are consistent. When I was a provincial premier, I believed in a strong central government as being the essence of Canada, and as a "fed", I continue to believe in it just as strongly.

Some hon. Members: Hear, hear!

Mr. Regan: I do not fault some premiers because they have a different view of their responsibilities. They have the problem of meeting the demands of their people and the frustration of limited powers in doing so. Some would say these negotiations have dragged on. As new issues have come forth, they would agree to entrench civil rights if more federal power would be given to the provinces. They want to trade the people's rights for more power for their governments.

Some hon. Members: Shame!

Mr. Regan: I do not even say "shame!" I say it is unfortunate. It is misguided. It is not a process that will bring us a new Canadian constitution because we already have the most decentralized federation in the free world. We must retain a residual amount of power, financial power, in the central government or the country will become balkanized with very different levels of standard of living and nothing in common which can hold nationhood together.

For a period of time after Victoria and in those succeeding conferences, I believed that continuing efforts would overcome the outstanding issues. At Victoria we came very close. Only one government held out against unanimity. I thought that through compromise, persuasion, the passage of time and other meetings we might perhaps achieve unanimity. What I did not then realize but now see clearly is that it does not work that way. The identities of premiers and parties of government keep changing. If there is one characteristic of a new government, it is the desire to distinguish its policies from that of its predecessor. It seems to be a primary requirement for new governments to do this, regardless of what their politics may be. The result

is that just when unanimity seems in sight, you have a crop of premiers with new and different demands. Like the child's game of red light, you have to go back to the starting line and start all over again. That is what our society has done.

When I was defeated as premier in September, 1978, I was the senior premier of all the provinces. In other words, I had been premier longer than anyone in the country, except for the national Prime Minister, and that was after only eight years in office. I think this illustrates the rate of turnover in a business that is characterized by a lack of security of tenure. That of course complicates the problem of new governments coming in with new issues.

As premier, I wanted the principle of equalization entrenched in the constitution. I am mighty happy to find that it is going to be. That is what I was laying on the table when looking at it from a provincial point of view.

My successor in that office in Nova Scotia has new and different demands to place on the table as a condition precedent to agreeing to patriation of our constitution, as do many of the other premiers. I suggest it will always be thus if we continue the barren search for unanimity. I have therefore concluded that we are correct, wise and expressing the will of the vast majority of Canadians in moving ahead with patriation at this time.

There is one point I would like to make in that regard. Our great Prime Minister and this government approach this necessity with resignation and with regret that unanimity was not possible.

Mr. Friesen: First, the resignation!

Mr. Regan: Some of his opponents for political purpose try to paint a gleeful picture of the Prime Minister moving ahead without the provinces. All the evidence shows how contrary this is to the truth. Twelve years of patient effort by the Prime Minister to reach agreement with the provinces provides articulate testimony of a determined and sincere effort to achieve unanimity. Twelve years of ever-escalating concessions by the federal government demonstrates remarkable flexibility in the desire to achieve agreement. To me, at least, the foregoing facts require that the present type of action be taken if we are ever to have our own constitution. This I believe.

May I then turn to the contents of the resolution as to whether they are adequate and appropriate to establish a constitution based in Canada which will enable ongoing negotiations with the provinces on any exchanges of powers and responsibilities that will enable our respective levels of government to better serve the people.

• (1520)

First of all, if we are going to bring home the constitution, if we are going to pass the resolution and patriate the constitution, we must have an amending formula. It is necessary because if you do not have a specifically expressed amending formula, a requirement for unanimity might lead to a straitjacket situation, and no future improvements could be made to the constitution even though the great majority of provinces would want them.

The question of the type of amending formula is, of course, one on which there has been much debate. I personally agonized over the Victoria formula because it seemed to give a veto by population to some larger provinces but not to some smaller provinces. I cannot accept the concept of two classes of provinces, yet the only alternative might seem to be unanimity, which is worse.

I think the position the Prime Minister has taken has again shown remarkable flexibility. Let us take first the Victoria formula on which we came closest to achieving unanimity, with nine out of ten premiers accepting it and the tenth accepting it for three or four days until he backed down from it.

Mr. Chrétien: Fourteen days.

Mr. Regan: Let us take that, but let us provide, as the Prime Minister said at the recent conference, that if the provinces have a better one they can bring it forward. They have two years, I believe it is, in which to do that.

Mr. Epp: What percentage do they need? I think it is 80 per cent.

Mr. Regan: He did say that.

Mr. Chrétien: It is eight provinces, 80 per cent.

Mr. Epp: That is not unanimity.

Mr. Regan: If the provinces come forward then we can have a plebiscite on the subject.

Let me refer to the second item, the entrenchment of basic civil rights. I believe this is necessary to protect citizens today from any excess of government. I respect those who hold contrary views, but this is obviously a matter to be decided appropriately here by majority opinion.

The third item refers to language rights. Language rights must be included. Surely this is the essence of the commitment we all made as Canadians a few months ago when we were combatting separatism. When that was at its height and when we were not certain how the plebiscite in Quebec would go, each and every one of the premiers and each and every member of this House, or virtually all, would have been prepared to grant that quickly. How quickly we forget. I think this is vital; it is the essence of what our country is all about and it must be included.

What else does this resolution do? It enshrines the principle of equalization. As a Nova Scotian I am delighted with the words. I find that they are very strong and very satisfactory.

I could talk about mobility of workers, which I consider important, but I want to get on with other matters.

The fifth refers to a deadlock-breaking mechanism in the ultimate event of serious and continued difference between the federal and provincial levels of government. That, of course, is

very important. One might well ask whether a deadlock-breaking mechanism is necessary or whether a referendum or an appeal directly to the people of Canada is the appropriate mechanism to break that deadlock.

The first thing to remember is that a way to break such a deadlock between provincial and federal interests has always existed. It has existed for the 113 years of our confederation. But that method will go out of existence the instant the constitution is patriated. It will no longer be there. That safety valve will be gone. That residual power has always been vested in the British Parliament, which has the power to amend the BNA Act without unanimous request. It is not important whether or not the British parliament used that power. In an emergency it was there, and the fact that it was known to be there had a salutary effect on many considerations.

When we bring home the constitution we shall be living in new circumstances. The British parliament will be washing its hands of Canada. It will say it will not enact any more legislation, and its members will probably say thank God they are rid of us. But that parliament will no longer be in a position to be the safety valve, no longer there to be the deadlock-breaking mechanism. We must substitute a new deadlock-breaking mechanism or have none.

I fear that those who assail the deadlock-breaking mechanism by way of referendum have not applied logic to understand the result of not having one. I for one would be extremely uncomfortable to have a constitution in a federal country as diverse and as vast as Canada without provision for an ultimate appeal to the people, or some deadlock-breaking mechanism.

Surely as Canadians, with our fights between the provinces and federal governments, we have demonstrated ample capacity to reach a deadlock. In all such cases does anyone really believe that a strait-jacket of the status quo is preferable to an appeal to the ultimate sovereignty of the people? If that appeal, that deadlock-breaking mechanism, is not to be to the people by way of a referendum, what else? Would it be an appeal to the Dalai Lama, or some other provision? I think that does not make much logic, and that, of course, is where I quarrel with the Right Hon. Leader of the Opposition (Mr. Clark).

The Right Hon. Leader of the Opposition is a man for whom I have very considerable respect, a respect beyond that which his office and past offices command, but for him to say in very dramatic fashion that section 42 would or could destroy the provinces and could destroy Canada is a very extraordinary statement.

That right hon. gentleman must know that it provides a narrower opportunity of breaking a constitutional deadlock than presently exists and is, therefore, less of a threat to the provincial powers which he mentions. As long as the constitution remains in England the British parliament has the ultimate residual power to make any change, regardless of how drastic. The constitutional practice has been that the British parliament will act on a resolution of the national Parliament alone. This government is giving up that residual emergency route in bringing home the constitution.

The only case I know of when a province tried to go directly to the British parliament was after Nova Scotia came into confederation in 1867 without a plebiscite in Nova Scotia and the people objected to what the legislators had done. Joe Howe and some of our other boys went overseas and tried to get the British parliament to reverse it. They went as far as getting an independent, John Bright, to make a speech in the House, but the government at Westminster said then, and they have said ever since, that they will deal with the national government of Canada.

This government has far more power to bypass the provinces than it would have under this new provision. Despite the fact that the power has existed for 113 years it has not been used to destroy the provinces. The Leader of the Opposition by his remarks places less confidence in the Canadian people than he does in the British parliament. I would hate to think he shares with René Lévesque comfort in retaining a somewhat colonial status, for if he is willing for patriation I find it hard to believe he would want a constitution without a safety valve. Let us see if his fear is well based, or whether it is another case of contrived hysteria.

In what situation would section 42 be used? It would be used if fundamental disagreement existed between the federal government and some premiers on a constitutional amendment that became necessary and important to the country because of circumstances that could not possibly be foreseen now; maybe 50 or 100 years from now. When you lock yourself into a constitution you lock yourself into it forever.

Let us ask how safe is that safety valve? This appeal to the sovereignty of the people when there is a deadlock between the provinces and the federal government does not just require a majority of the people across the country voting for it.

• (1530)

Because of the regional nature of Canada, the Victoria formula requires that a majority of the people in the Atlantic provinces, a majority of the people in Quebec, a majority of the people in Ontario and a majority of the people in the west turn their backs on their premiers and vote for the federal proposition. That is a very dangerous proposition, is it not? Do hon. members remember the days of the clash between the Right Hon. Mr. Diefenbaker when he was prime minister and Joseph Smallwood who was premier of Newfoundland? It had something to do with a strike there. They had a terrible clash. If an appeal had been made by way of a plebescite by the federal government, do hon. members think the federal government would have had any chance of carrying a majority in Newfoundland against Mr. Smallwood? Obviously it would be equally ridiculous today. Let us suppose that a federal government was trying to take resources away from Alberta and a plebescite were called in Alberta. How great are the chances that the people of Alberta would vote against Peter Lougheed, for the "feds" and for a transfer of the resources? Hon.

members from Calgary would tell us that the chances are not very great.

Mr. Blaikie: Mr. Speaker, I rise on a point of order. The hon. minister seems to be unaware that the proposal as it stands would enable the government to do just that, that it is not a majority in the west but a majority in two of the western—

Mr. Deputy Speaker: Order, please. That is a point of argument and not a point of order.

Mr. Regan: Mr. Speaker, I have read the proposal well, and if the hon. member had followed my words, he would know that I was giving him an example of regional feelings, and that is exactly the situation.

Mr. Nowlan: Explain P.E.I., then. As a man from Nova Scotia you eliminated P.E.I.

Mr. Regan: I would like to get on with my own arguments, and if there is time afterwards I would be happy to try to deal with that question.

The Leader of the Opposition suggests that provision 42 could do away with the very existence of our provinces. That is so only if the people of every single region of Canada were insane enough to vote to do away with the provinces. Can hon. members imagine that situation? What the Leader of the Opposition does not say is that equally it can be used to destroy federal powers because in any appeal to the people certainly if the people are going to vote in such an irrational way, there are dangers, but just as much danger to the federal powers.

Let us assume the unlikely proposition that a government such as the one led by the Right Hon. Leader of the Opposition last year was again elected, with its passionate urge to divest the federal government of many of its powers. Let us assume such a government was trying to give things away to the provinces as the previous government did, the lotteries and everything else. Even if some premiers felt this was bad and that strong central government was important, the Leader of the Opposition, the then prime minister, could, under this provision, appeal over the heads of those premiers who objected and believed in strong central government.

Such a government could appeal in the referendum process and, if the people were foolish enough, he could pass an amendment which would strip the federal government, by referendum, of its powers. It works two ways.

Perhaps either proposition falls into the "pigs might fly" category, but I think that my illustration shows that an appeal to the people region by region is no more dangerous to provincial powers than it is to federal powers. This deadlock-breaking referendum power we have talked about in provision 42 may never need to be used. Its very existence probably will discourage totally unreasonable positions because of that possibility of appeal to the people. The people who are here in this room know the democratic process better than anyone else, and they know very well that no government will make an appeal by way of a referendum if it thinks it is likely to lose it, because it would lose face and support.

Mr. Chrétien: Look at Quebec!

Mr. Regan: Look at Quebec is right. The essence of our position is that when federal and provincial governments fail to agree on a proposed constitutional amendment, it is because they have different perceptions of what is in the best interests of the Canadian people.

Since both levels are elected by the same people, it is only reasonable that the people themselves should be asked to decide which level of government they agree with and, hence, break the deadlock. However, because we are in a federal system, we are adopting the double-majority system, that is, a majority of the people in the whole country including a majority of the people in each region of the country.

This is not some new and wild idea that is just tossed out now. In the 1979 campaign the Prime Minister talked of the necessity of a deadlock-breaking mechanism by way of referendum. It can only be opposed by the presumption of those who trust politicians more than they trust the basic common sense of the Canadian people.

Premier Blakeney has raised the question as to which level of government should trigger the referendum process. I believe it is appropriate that the level which has always been referred to as the senior level should do that, only because it speaks for citizens in every part of the country, something no one province can do. I admit that the premiers today have a preoccupation with acquiring more power, so perhaps they want to have powers in that regard, but not unnaturally the provinces can seldom agree among themselves, as we saw in the case of the amending formula, so they hardly could be the group to undertake the beginning of the process on a referendum.

In a federation we can make the two levels as equal as we like, but there must be some way to break the deadlock. In such a situation, to give supreme power to the federal government to break the deadlock would lead to a great outcry. To give it to the provinces would be against the obvious will of the Canadian people. So, instead, what this resolution would do would be to give it to neither. It gives that final right to break the deadlock to the sovereignty of the Canadian people.

That was what was done in Australia. The only amending formula there is a referendum based on a resolution of the federal parliament. It is not necessary that the states agree, but the resolution must gain the support of a majority of the people in six states and a national majority. So the situation there is very similar to ours. Has it destroyed the federal system in Australia? Has it destroyed the states? Not only has it not done so but, in fact, only four out of 24 amendments since that country became a federation have passed. Why? It is because the states have been able to defend their interests by going out to their people and urging them as to vote in a certain way. That is the protection that is there. It is the sovereignty of the people.

I want to say one other thing about referenda and their effect on this country. These are important words to consider when we talk about whether the public comes up with a wise decision in its vote in a referendum. The Quebec legislature would have voted for separation. There was a majority of separatists. If the final authority in Quebec had been in the legislature, Quebec would have voted for separation. But the people of Quebec voted for Canada in that referendum. That is the difference.

Some hon. Members: Hear, hear!

Mr. Regan: I have one more example of why a referendum has proved to be good in this country. I wish the hon. member for St. John's West (Mr. Crosbie) was here. If there had been a vote by those elected to the founding legislature of Newfoundland in 1947, 1948, 1949 or whatever the year they first met was, they would have voted against joining Canada. The hon. member for St. John's West, his family and the rest of the merchants of Water Street were the ones who were deadly against joining Canada.

Mr. Nowlan: Don Jamieson.

Mr. Regan: However, because it was possible to make an appeal to the public by way of plebiscite—the legislature would have voted against Canada—the people of Newfoundland voted for Canada, and that is why Newfoundland is in the country.

Some hon. Members: Hear, hear!

Mr. Nowlan: Don Jamieson lost.

Mr. Regan: I want finally to refer to the irresponsible position taken by the Right Hon. Leader of the Opposition. After going through the whole document trying to find something he could attack, some reason to be different and to justify his position as Leader of the Opposition, his choosing this referendum process is a pretty weak effort.

● (1540)

Mr. Speaker, the national government has responsibilities that no one province can fulfil. The fact is that at federal-provincial conferences, since the very first one, it is always the prime minister of our country who presides. He is the chairman. Whether we like it or not, in a federal system there has to be a difference between the national government and the provincial government.

Some hon. Members: Hear, hear!

Mr. Regan: I believe, with all the strength and conviction of my body and soul, that in this resolution the Government of Canada is properly discharging its responsibility. So let us get on with having a Canadian constitution and doing away once and for all with the embarrassment of admitting to people from other countries that we still have these remnants of a colonial past.

Mr. Friesen: Mr. Speaker, I rise on a point of order. I wonder if the minister would permit me to ask one question, since he has about three minutes left of the time allotted to him.

Mr. Regan: Certainly, I would be honoured.

Mr. Friesen: The minister is surely aware that, for example, postal workers have a right, within their union, to prevent movement of postal workers from one locality to the other without prior consent of their local. It is true also in the International Brotherhood of Electrical Workers each local can certify its workers and prevent workers from another local moving into its area without the certification of that union. This is clearly in contravention of this provision in the constitution. I wonder if he, as Minister of Labour (Mr. Regan), is willing to go to the postal and electrical workers and tell them that under this section their rights will be declared unconstitutional?

Mr. Regan: Mr. Speaker, I thank the honourable and distinguished member for his question but I do not think it particularly relevant.

Some hon. Members: Oh, oh!

Mr. Regan: What this provision establishes is the right of a person to seek employment in any part of the country. That does not mean that there cannot continue to be professional requirements, for example, that only a qualified lawyer can become a member of the bar. If, on the other hand the requirements placed against a person moving to another area and joining a new local or new association are unduly restrictive, it is quite possible that the Supreme Court, in interpreting the provisions of the constitution, might find, in some extreme circumstance, that there was a breach. If that is the case, then, like all good citizens—and there are no better citizens than members of the trade unions—unions will conform. I have no doubt of that whatsoever. I hope that deals with the hon. member's question.

Some hon. Members: Hear, hear!

Mr. Nowlan: Mr. Speaker, I happen to be the next speaker, as the minister knows, but I should like to ask the minister a question in view of something he said in the closing remarks of his speech. I know he is trying to catch a plane, but would he permit me a question before I start my own interesting comments on the substance of the resolution and perhaps indirectly on some comments made by the minister?

Since the minister and I share a certain piece of geography in the deep east, I should like to ask him a question on the amendment procedure prescribed in section 42. Would he agree with me that because of the population distribution, in effect when you refer to two Atlantic provinces forming 50 per cent of the population in the Atlantic region, you bar Prince Edward Island forever and a day, together with any other

province, from having a say because in the Atlantic area three provinces are needed to obtain 50 per cent. Therefore the provision would eliminate one of the four Atlantic provinces, of one of which the minister was premier at one time?

Mr. Regan: I thank the hon. member, who comes from a great Nova Scotia family and whom I have known since he was about 16 years old and a so-so tennis player. I thank him for his question and I say to him, through you, sir, that I believe it is under the Victoria formula that two provinces or more are required in a region, constituting 50 per cent, and certainly Prince Edward Island can be part of the majority. But Prince Edward Island and one other province alone would not constitute the needed number, based on the present population. However, when you draw up a constitution, heaven knows what the population changes may be tomorrow. They are drilling for oil in P.E.I., they may establish it and maybe their population will grow. Let me point out that the Victoria formula was not something that was thrust on us by the "feds".

An hon. Member: We are talking about section 42.

Mr. Regan: Yes, but the regions are based on the Victoria amending formula, the same regions as are outlined in the Victoria formula which was developed by the premiers, and I was one of them.

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: Order, please. The hon. member's time has expired. The Chair recognizes the hon. member for Annapolis Valley-Hants (Mr. Nowlan).

Mr. J. P. Nowlan (Annapolis Valley-Hants): Thank you, Mr. Speaker, I know the minister has to go and I do not wish to take up too much time commenting on his remarks, but I hope he has taken the bill with him on his plane ride west and will really read it because there is a real difference between the Victoria charter, the Vancouver proposal and the amendment procedure under section 42 which effectively rules out Prince Edward Island, because of the population statistics, from having any input by itself together with one other province. The fact is that two provinces are needed under the Victoria charter and the Vancouver proposal. They spoke about two provinces in a region, not about 50 per cent of the population which would effectively eliminate Prince Edward Island under section 42. But the minister has gone and what he has said will stand on the record. I say again, I hope he will read the resolution. Frankly, I do not think many members, including government members, have read the resolution, and I know we did not have much opportunity to read it, although it is pretty fundamental in terms of the future of this country.

A week ago last night the Prime Minister (Mr. Trudeau) in calling Parliament a week early, said that all members from coast to coast would have the opportunity to make a speech on a subject that cannot be any more important than what we are talking about, which is basically the heart and soul of this nation. This constitution is bound up in phraseology and legal verbiage. You can talk about patriation, although it is not very sexy, seductive or exciting, but the fact is that when you shake it all down, you are talking about the heart and soul of this country. That is why, right from the start, I want to make it clear, as my leader made it abundantly clear on Monday when this debate commenced, that there is no member in this party, nor is there, I believe, any member to my left in the New Democratic Party, who is against the patriation of the constitution, the bringing of the constitution back from England to Canada. If that is what we want to do, it could be done on one page which could be agreed to in one hour. We would not have to send Mark, Luke or John cap in hand to have tea with the Queen.

I will talk about the constitution in a very calm way because it is a very serious matter. It strikes at the very foundation of this country. Before I come back to the matter of the patriation of the constitution let me say that it occurred to me on Thursday night when I was listening to the Prime Minister—and I say this to members in an objective way—and then to the Leader of the Opposition (Mr. Clark), followed by the leader of the NDP (Mr. Broadbent), that we are talking about the polarization of the two solitudes in their constitutional dimension. This is what I thought when I heard the Prime Minister's speech over the national airways and also, to a lesser degree, when the debate started here on Monday. The reason I say that is the following. I used to practice law and it was only when talking about the constitution relatively recently that the great difference in philosophies became apparent to me. I am not saying that one approach is right and the other is wrong, but this is the polarization of the two solitudes because these are two fundamentally different approaches. I listened to my Prime Minister speak about freedom in the land and say we need freedom here and freedom there. I can understand this coming from the Prime Minister because he was brought up under the civil code. I will not make pejorative comments and say one is Gallic and the other Napoleon against the British, and I hope my friends opposite will understand that when I refer to the British I will try to stay within the common law and I will try to stay even tempered and take any pejorative overtones out of my comments. We are talking about civil law and common law. Under the common law in nine of the provinces, every Canadian has every right and freedom in the world except those restricted or abridged by law, yet under the civil code one has no rights unless one can point to a piece of paper, a right or freedom. This debate is very interesting because it starts out from two separate polarities; it is almost like the north and south poles. It is difficult to bridge the gap between those people who believe in and have been brought up in the jurisprudence of common law and those who have been very ably brought up in the jurisprudence of the civil code. Later in my remarks I will have more specific comments to make about the entrenchment of the bill of rights in the constitution, but in general as one listened to the Prime Minister and the Leader of the Opposition on that Thursday night, one would have thought, from some of the interpretations that we really did not have the freedoms unless they were put on a piece of paper. The whole foundation of this country in nine provinces is that we have all the rights in the world

except those that say, "Stop at a stop sign, do not drive too fast, do not drink too much and do not kill somebody". Those are the laws that have restricted the open-ended common law. I am not making any judgment as to which is right and which is wrong, but I will repeat, just to accentuate the point, that they are two fundamentally different philosophies. Under the Civil Code one does not have any right to do anything unless one can point to it in some constitution, some bill of rights or some charter. So, we started off in this debate with the north versus the south, the common law versus the civil law. That presents problems or makes it much more difficult when we try to come to a consensus. I will not be pessimistic like the Minister of Labour (Mr. Regan) and say that unless we adopt this resolution forever and a day we will be behind the eight-ball on amendments, patriation or anything. I do not believe that for an instant. I just want to paint the picture, which I do not think has been painted well enough in this debate, of those two streams of jurisprudence which start out from two different poles. The members of this chamber are elected by the people. Hopefully the job of this chamber and perhaps eventually that of the other place—although I would not mind abolishing the other place, but that is another question—is to try to bridge those parallel streams of jurisprudence to come up with some kind of document. But, I come back to where I started. The debate concerning rights and an equalization formula must take place in this chamber.

● (1550)

I take exception to the false rhetoric of the Minister of Labour and those men of straw on the other side, those punching bags of false rhetoric. This party believes in patriation. Earlier we said that we want patriation if it is on the basis of the Vancouver proposal or, as far as I am concerned, the Victoria proposal. On Monday when this debate started, my leader said we were in favour of patriation on the basis of the Vancouver proposal, the most recent proposal and an adaptation of the Victoria proposal. There is no equivocation on those two points. I do not know why a minister of the Crown, charged with responsibility in the administration of this government, would take five or ten minutes of his time beating arounds the bush and taking this "man of straw" approach. He suggested by inference that the opposition was against patriation. As I said earlier, there is not a member of this House who likes the situation. We are very much for patriation on the basis of what my leader said in his masterful speech here on Monday. That is the basic issue. As I think all members have tried to accentuate in different ways, we do not want some joint resolution to go from this chamber to Westminster in London, on the banks of the Thames, in order that British legislators may debate our fundamental rights. That would be an insult to me as a legislator and it certainly reinforces what my leader said on Monday. We can throw names around. It is not that they solve anything, but they are good for debate. The proposal of the government indicates that they are the last of the colonials, going hand in hand not toward patriation or an amending formula, but going forward with the 16 pages of detailed fundamentals and an equalization formula. If given a chance, I would have asked the Minister of Labour where he saw the words "equalization payments". They are not there. The equalization formula in this resolution is very weak and needs to be improved, but if we cannot improve it here when the committee finally decides and comes back with a resolution to this House, I do not want a legislator in England who comes from some constituency in the Midlands to start telling me, in areas of economic disparity, how the "colonials" over here are supposed to work with an equalization formula or that "we in Britain know better". The whole thing is topsyturvy. If members across the way give us patriation based on the Vancouver proposal in that resolution with an amending formula, this matter will get through within a day. Then it will come back here and at the proper time we can put in a timetable. We will debate all those things.

It is not just the comments of the Minister of Labour, but the general thrust of the remarks of those in the government. If I were in the government, I suppose I would try the same thrust. Not only do they paint the opposition as being against patriation, it is the same canard when it comes to unanimity. The very fact that in this debate my leader said we were for the Vancouver proposal eliminates the problem of unanimity. I agree it will be difficult if not impossible. Frankly I think the premiers would agree that unanimity on changing the basic constitution would be difficult, if not next to impossible. Perhaps after 53 years we should still try, but there is a big difference in recognizing that unanimity is not necessarily the answer. After all the false starts, there is a fundamental difference between recognizing the reality that unanimity creates problems and going completely to the other side, going unilaterally without consultation with the provinces. One cannot have it both ways. I think the Minister of Labour was sincere, but I understand the realities of unanimity. I suggest to members of the government who have not fully assessed what might happen with this constitutional proposal and other things Parliament will decide, hopefully before Christmas, that they have underestimated a basic feeling across the country. The Minister of Labour said my leader was extreme. I do not know how many times he has talked with the people west of the lakehead, but as it is almost four o'clock I will close this part of my address with the following thought. I am here as a legislator. I am glad about the vote on May 20. I hope we can redeem pledges that were made to Quebec, however they are interpreted, albeit Quebec is a province with a very definite identity that must be respected in ways the Prime Minister is not prepared to accept. But one does not redeem a pledge to a province or a region such as Quebec and forget the larger responsibilities to the country as a whole. If the proposal upsets the country as a whole, what has been accomplished when one says that a pledge to a part has been redeemed?

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

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

• (1600)

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

NATIONAL ENERGY BOARD ACT

PROVINCIAL REPRESENTATION AND SUNLIGHT PROVISIONS

Mr. Ian Waddell (Vancouver-Kingsway) moved:

That Bill C-204, an act to amend the National Energy Board Act (provincial representation and sunlight provisions), be read the second time and referred to the Standing Committee on National Resources and Public Works.

Mr. Knowles: Hear, hear!

Some hon. Members: Hear, hear!

Mr. Waddell: Thank you, Mr. Speaker. I appreciate the applause from the whole House on Friday afternoon, especially from the hon. member for Winnipeg North Centre (Mr. Knowles).

Here in the midst of the first session of the Thirty-second Parliament I am fortunate enough to bring before the House a private members' bill which deals with the reform of an administrative tribunal. We have heard much from various members of the House this week about rights, the enforcement of rights, and about the use of the courts to enforce rights. It is true our courts do enforce rights and deal with many important matters and, as I will say later on in my speech, the courts generally have been upgraded in the last few years in terms of membership, appointments and salaries. Indeed, we have a bill before the House to deal further with that. But one area we have forgotten, the forgotten child of pending reform in the government, is the area of administrative tribunals. They are important bodies because they affect our everyday lives. They affect the everyday life of more people than the courts do, I venture to say. The courts try individual cases, occasionally pronounce on general principles and sometimes deal with important cases that affect our rights. But the administrative tribunals deal with such things as phone bills, the cost of our telephones, our airline tickets, the cost of our travel, what we see on television, whether it will be a Canadian or American program, a religious program or some other sort of program. Finally, they deal with the area of oil and gas and, ultimately, have an effect on prices, whether or not we export or retain our oil and gas and other energy resources. They are very important bodies.

As a matter of fact, Mr. Speaker, I can give you a long list of agencies. I will name a few of them to show the kind of agencies I am talking about: the Immigration Appeal Board, the Atomic Energy Control Board, the National Parole Board, the Unemployment Insurance Commission, the Canadian Transport Commission, the National Energy Board, the Canadian Radio-Television Telecommunications Commission, the Pensions Appeals Board and the Anti-Dumping Tribunal, to name a few. I could go on—the Labour Relations Board, the Tariff Board etc. They cover areas that affect people's day to day lives.

I want to deal with one specific board which I think is in need of reform, the National Energy Board. I think it is timely because there is a renewed awareness in this country of the impact of energy on our society and on our economy. Now is the appropriate time, in my view, to assess the procedural and legislative guidelines under which the National Energy Board will operate through the 1980s. I want to say a word about the history of the board before I go into the detailed provisions of my bill. The board was set up after the pipeline debate—not the pipeline debate in the last session but the pipeline debate of 1956, when the government tried to ram that particular bill through the House under closure. When Mr. Diefenbaker became prime minister he set up the Borden commission which in 1959 finally recommended there be a board called The National Energy Board. Thus the National Energy Board was created, and it is now 21 years old. The board was born before the Department of Energy, Mines and Resources was created. That is very important to know, because the board was given a dual role, a role as an administrative tribunal, that is, a regulator of applications for pipelines, for export of energy and so on, and a role as adviser to the ministry. This dual role has often got the board into trouble over the years and that is something I wish to deal with in my bill.

The board itself had no problem in the 1960s because there was no great energy debate during that time. At this point I will quote from an article by Elaine Dewar in *Canadian Business* in May, 1980, called "Groping in the Dark", which deals with the National Energy Board. In her article she quotes a statement by a high placed civil servant who was then on the Energy Board as a staff member. He describes how the NEB worked then:

A major role was to go on hands and knees to the U.S. government and get it to take more exports . . . That's what everybody wanted.

Indeed, that was the story of the 1960s. Then oil was discovered in Prudhoe Bay in 1968 and in the Canadian Arctic in 1969. In 1970 the Board gave an energy forecast and the minister—then Mr. Greene—said we have oil and gas for hundreds of years. A year later the Board said that was wrong; we did not have oil and gas for hundreds of years and we would run out in 1991. Later on they said we would run out of oil in 1982. People began to criticize the Board and as the energy debate heated up over the Mackenzie Valley pipeline, over the Alaska highway pipeline and over the exports of gas there were more and more hearings before the National Energy Board.

As hon. members will recall, in the last session of the House of Commons there were many questions about the controversial NEB decision on the Quebec and maritimes pipeline. The NEB, as I said, has been subject to much criticism. I intend to read some of that criticism.

In a 1977 study of the National Energy Board, Alastair Lucas, from the University of Calgary, and Trevor Bell published a report on the board for the Law Reform Commission of Canada. They claimed the NEB was unduly influenced by government and that its advisory and regulatory roles were in conflict. A list of some 28 government committees upon which

board members sat, strengthened their case. But the crux of their argument lay in the examination of six issues handled by the National Energy Board. In at least two of them, the Interprovincial Pipeline extension and the Dow Chemical Company ethylene export case, the authors suggested that the NEB decisions were forged outside the hearing room. This is indeed a serious indictment. Mr. Lucas also said:

● (1610)

The industry thinks the board is remote, political and that its members are largely a bunch of political hacks of a sort that are not knowledgeable about the energy business.

It seems that almost everyone has been critical of the board. One lawyer who refused to be quoted appeared at the summer export hearings on behalf of his client who wanted to import gas to the United States. Although the client got what he wanted, the lawyer apparently was upset by what he saw and he said:

They heard evidence only from people who wanted to export gas. The traditional opposition asked no hard questions whatever. The board counsel asked no controversial questions. There were no analytic questions about the reserve numbers. The board will say they found exports on the basis of the evidence but the board counsel, armed with the staff, should have done more than check the numbers. It is just incredible from the public interest point of view.

Criticism is levelled at the board not only by company lawyers but by people from environmental groups, people from consumer groups, poor people's groups and just about everyone. The standard reply from the board, and I quote Mr. Edge, vice-chairman of the board:

We're here to make decisions in the public interest. If we've got a decision which is roundly criticized by all parties, it is probably a good one.

Likewise, Mr. Stabback, a former board member gave comments to the same effect. In other words, they are saying, "we are being criticized by everybody so we must be doing something right". There is another viewpoint and that is, "maybe everybody is right". Maybe there are weaknesses in the board. I am not here to criticize the board. I am here to make some very concrete, simple suggestions through my bill to deal with procedural matters that could make the board better.

I would like to refer now specifically to the bill. It suggests that the board needs first of all some upgrading in membership. What we have on the board now are basically people who are in the industry or people who were in the government. What we need are people with varied backgrounds such as environmentalists, and people with background in consumer matters. I remember when John Turner was a member of this House as minister of justice. In spite of the many things on which he and I disagree, he did one great thing for Canada; he upgraded the appointment of judges to the supreme court. He hired a man named Ed Ratusny who consulted the Bar associations and vetted appointments. As a result we began getting top grade people on the benches, and it shows in judicial decisions.

While we cannot enact such a procedure and put it into law because it is a procedural matter which a minister must see through, I put into the bill a provision which upgrades the board and gives it the status, right there in black and white, of federal court judges and the salary which goes with the appointment. I hope and trust that the appointments will be better because of the procedure I have set out.

Second, Mr. Speaker, I tried to deal in my bill with the problem to which I referred at the outset—whether this is a court or a branch of the Department of Energy, Mines and Resources. I will not go through the materials I have here, but the stories would make your hair curl. There are stories about decisions, lunches with business executives whose application is before the National Energy Board and so on. It is a rather careless procedure. There is talk behind the scenes and rumours in Ottawa such as, "well the board has to pay attention to what EMR says". Also, it is inherent in the procedure that the board must advise the government.

What I tried to do in my bill is clarify the advisory function. If there is to be an advisory function, then the board must give its advice and render its decisions through a fair procedure. It must be an open procedure with open decisions. I tried to incorporate that into my bill. Third, I tried to bring in the idea that all parties have a right to cross-examination. What I would like to see is any advisory decisions which are made or any advice that is given to the government in the form of documents and so on laid open for people to use in the proceedings. That way everything would be above board.

Fourth, Mr. Speaker, I put in the bill a provision to upgrade the role of board counsel. For three years, I worked for the Berger inquiry on the Mackenzie Valley pipeline. In many ways we broke new ground in the area of procedural decisions, not only by holding hearings in remote communities but in other ways. One such way was by upgrading the role of commission counsel and giving him the status of a public advocate. He was to get in there and represent the views, as commission counsel saw it, of people who were not there before the board, as a means of filling in all the gaps. Commission counsel and commission staff were available to be called as witnesses. All testimony and documentation was out in the open. Commission counsel's final submission to the board, in this case to Mr. Justice Berger, was publicized two weeks before it was given to the board so that people could look at it and in that way everything was above board.

The fifth clause in my bill requests that internal papers be made public. The concept of freedom of information should also apply to the board because we believe, and I think that this House unanimously now believes, that in this manner we can arrive at better decisions and hold better hearings.

Another provision in the bill is that funds be available for interveners, an area in which the NEB is behind. The CRTC has begun to move in this area because there are people who cannot afford fancy Philadelphia company lawyers or Vancouver lawyers or Calgary lawyers or lawyers from wherever they may come. I merely ask that we recognize the principle that interveners can be funded. While on the commission about

which I spoke earlier we had to make such decisions with regard to interveners. We had to decide who should receive the funding and how much they should get. Once we approved the funding they would appear before the board. We even arranged for umbrella groups to appear before the board represented by one lawyer. In this way all points of view can be represented in a fair procedure.

Finally, I ask that there be sunlight provisions in the bill, which is itself a new concept. I do not want my friends to the right, the Conservatives, to think I said "sunset", I said "sunlight". It is an American concept where by if there is to be any meeting outside the boardroom with parties, it has to be recorded and open, unless there are certain reasons for which it should not be open. I would have liked to have gone into more detail in the bill on this subject but I merely introduced the concept. It fits in with the concept of freedom of information.

There are other matters upon which I did not touch in the bill such as expropriation. I believe there is a Senate bill, on expropriation. I could also have dealt with provincial appointments. I believe the hon. member for Fraser Valley West (Mr. Wenman) has a bill on provincial representation. I found this area too difficult with which to deal in my bill. Instead, I dealt with consulting the provinces on appointments and on providing advice to the government when it has sought an opinion. I know that my province of British Columbia is very interested in such areas as pre-build of pipelines, natural gas exports and so on.

• (1620)

I have tried to make it a fair procedure for the provinces as well. It is a very simple bill, Mr. Speaker. There has been lots of talk here about the constitution. Bill C-204 presents the very basic requirements for the performance of an agency of government elected by the people whether you are an oil millionaire, an Inuit, Dogrib or Slavy, a businessman who needs energy to run a factory or a welfare recipient who needs heat to stay warm, whether you are the builder of a pipeline or an environmentalist, whether you are a poor person or a person who is affected by a board's decision on the price of oil and gas—indeed, we are all affected. The procedure before the board now is a bad one.

This is a very simple bill, Mr. Speaker, offering some concrete suggestions and concrete enactments for reforming the National Energy Board. I urge that this House adopt the bill today.

Some hon. Members: Hear, hear!

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, with regard to Bill C-204 now before the House, it seems to me that it is either unnecessary or redundant. For example, clause 2 of the bill calls for the reasonable cross-examination of witnesses. For quasi-judicial hearings of the board, the proposed requirement to cross-examine witnesses is unnecessary because that right already exists. For non-judicial hearings of the general inquiry type, the proposed provision is undesirable because with the large number of parties that attend at such hearings it may sometimes be necessary to limit cross-examination.

Clause 3(6) of the bill would award costs to public interest groups for the conduct of cases before the board. This has already been considered by the board which does not object to the awarding of costs as such. However, the way the bill is worded, the awarding of costs could be made at any time—even before a hearing—for any group claiming to represent any public interest. The board would not have the power to determine beforehand whether in fact there was representation of a public interest. This further exemplifies the somewhat loosely worded nature of the bill.

Clause 4(5) of the bill, which calls for the restriction of communications between the board and any minister of the Crown or public servant, is again loosely worded and somewhat confusing. If, with this suggested amendment, the hon. member is trying to restrict inappropriate communications, then this is unnecessary since it is already part of the board's practice. Further, if the amendment were to be accepted as worded, then it would make it illegal for the board to communicate with its own staff members who are, of course, public servants. Not only is this subsection unnecessary but its insertion would be interpreted as implying that the board is acting improperly at the present time.

If adopted, Bill C-204 would impair the working of the board. Clause 3(1)(d) would require that a public hearing be held prior to the submission of any advice to the minister. That would be unworkable. It would slow to a crawl the advisory work of the board. There are many matters on which the board can advise the minister promptly, drawing upon its own experience. To call a public hearing in every instance would be senseless.

Clause 3(4) of the bill would designate an officer at each hearing to be responsible for bringing forth any relevant evidence for argument. The system proposed is similar to that used in the United States, but the American system has been described as being overly legalistic, cumbersome and slow. In the Canadian system it is the function of staff to advise the board, not to act as adversary as against the applicant. It is the responsibility of the board and its counsel to ensure that all necessary and relevant evidence has been brought forward.

Clause 20(3) would require notice to be filed in every newspaper within 50 miles of the route of a natural or proposed pipeline or power line and in every newspaper in Canada having a paid circulation of 50,000 or more. This requirement would be both onerous and expensive. At the present, the board requires applicants to publish hearing notices.

Moreover, the NEB has an extensive mailing list to which it sends reports, news and decisions rendered. The public is, of course, free to contact the NEB about hearings and will receive information requested.

This subclause also requires that 60 days notice be given for a hearing. Although this is a desirable objective, there are often situations where the public interest would suffer because

of such a delay in proceeding with regulatory hearings and action. An example might be when a pipeline facility is to be constructed to provide service to a new area or where rates of pipeline companies are to be adjusted to reflect current costs. In such cases it is sometimes necessary to reduce the length of notice to 30 days.

In some instances, Mr. Speaker, these amendments would have adverse effects on the decision-making process as we know it.

Clause 4(1) would require that any advice given to the minister be made public. This could clearly have an adverse effect on matters related, for example, federal-provincial relations or, in the instance of international negotiations, between sovereign states. Anything of a sensitive nature would be precluded from discussion between the minister and the board. Without this candid advice and opinion, the minister would not be able to perform his role properly.

Clause 1 of the bill insists that the chairman, vice-chairman and associate vice-chairmen of the board each be paid the same salary as the associate chief justice of the Federal Court of Canada. In our view, Mr. Speaker, there is no reason why a board member should be paid on the same salary scale as judges. The duties are different, and board members, in addition to their quasi-judicial role, have a number of administrative duties. In addition, it would not be equitable for the chairman, vice-chairman and two associate vice-chairmen of the board to be paid the same salary because, of course, they have different responsibilities. In fact, there seems to be no real reason to interfere with the existing method by which board members' salaries are set by the Privy Council office.

Some clauses of this bill are impracticable and would impair the effective working of the board. This cannot be in the public interest. Further, preventing the minister of the Crown from receiving the best possible advice on an issue such as this would not improve the decision-making process in any substantial way.

The board has now operated for 20 years and has established its reputation as an effective and fair tribunal by continually improving its procedures under the act and, from time to time, initiating recommendations for amendments to meet changing circumstances and the increasing complexity of the energy economy.

In introducing his bill the hon. member for Vancouver-Kingsway (Mr. Waddell) referred to Bill S-12 regarding the expropriation procedures of the National Energy Board. I should be pleased to touch on that for a moment as an example of the ways in which the legislation concerning the National Energy Board evolves.

The National Energy Board Act has already been looked at with a view to improving and defining those public rights that are affected by the board. Bill S-12, which the hon. member mentioned, passed by the Senate in March, 1979, attempts to modernize expropriation procedures for purposes of establishing rights-of-way for pipelines.

Canada has at least two expropriation procedures; one is the Expropriation Act for 1970. That act, administered by the minister of public works modernized procedures, especially for the determination of fair compensation to the expropriated owner. Section 42 contains the exception that the act does not apply to any expropriation made pursuant to the Railway Act.

The second expropriation procedure as established by section 75 of the National Energy Board Act incorporates the expropriation provisions of the Railway Act, sections 156 to 184. Bill S-12 is designed to change the procedure of expropriation of pipeline rights-of-way by deleting the incorporation of the Railway Act provision and substituting an expropriation procedure. Bill S-12 established a scheme of negotiation and arbitration with a right of appeal to the trial division of the Federal Court of Canada. It also lays out the principles of compensation as guidance to the parties and tribunals that are involved.

This matter of modernizing expropriation under the National Energy Board Act is considered important because it affects the rights of private landowners who are on the right-of-way of a proposed pipeline.

Bill C-204 also deals with public rights and the rights of participants to better understand the information used by the board in its deliberations. We believe that such rights have adequate protection and that a reasonable balance has now been struck between informed and complete public input and the need to determine major energy questions expeditiously.

● (1630)

The Department of Energy, Mines and Resources for its part is currently occupied with major energy initiatives designed to protect the economic health of Canada, making it difficult for the time being to consider even the modernization of the existing pipeline expropriation procedures.

I have made reference to Bill S-12 in order to remind the hon. members that National Energy Board legislation is under continuing review and assessment. The proposals of Bill S-12, when in due course implemented, will mark a further advance in the evolution of the legislation governing the activities of the National Energy Board.

The hon. member referred in his introduction to the nature of the National Energy Board and its responsibilities. He spoke in particular of the right to information and the principal activities of the board. In that connection I shall quote from the 1977 report of the Law Reform Commission of Canada in which it is stated:

> There is no doubt that the board is in close contact with the industry. But this relationship requires explanation. First, it is clear that the industry cannot dictate National Energy Board decisions on particular applications. The board attempts to maintain a judicial posture on applications, and is sensitive to allegations of bias or influence. This approach appears not to be affected by movements of board members to and from the industry which, in fact, are rare. Most members have industry experience. This reflects the intention of our legislators to appoint members who are experts in various aspects of the energy industry. Furthermore, is there any better source of expert knowledge about the petroleum, natural gas and electrical power industries than within the industries themselves?

Mr. Waddell: Ask John Helliwell.

Mr. MacLaren: I would like to review for the House the various responsibilities and functions of the National Energy Board to which the hon. member for Vancouver-Kingsway (Mr. Waddell) has referred. As the House will be aware, one of the most important tasks of the National Energy Board is regulatory activity. Also, of course, it has a principal advisory capacity. The board's decisions and advice, directly and indirectly, affect the lives of all Canadians since it is involved in virtually all federal energy related matters.

I should like to remind the House, Mr. Speaker, of the general responsibilities and functions of the board, and to review for a moment the activities of the board over the last several years in order to give an insight into its various operations.

I shall conclude by reviewing the proposed amendments again if the hon. member opposite would find that useful. I might just say in summary that although I find the member's proposed amendments in some ways commendable, they are on the whole superfluous.

The genesis of the National Energy Board can, of course, be found, as the hon. member implied, in the final report of the Gordon commission on economic prospects in 1957 and the Borden royal commission on the export of energy resources the following year.

The National Energy Board Act of 1959 and subsequent amendments give the board two principal responsibilities: to regulate specific areas of the oil and gas and electric utilities in the public interest; and to advise the government on the development and use of energy resources. Under the rubric of its regulatory responsibilities, the board has three basic functions. First, granting certificates of public convenience and necessity for construction of pipelines and international power. Second, issuing licences for the export and import of power, natural gas and oil. Third, approving utility rates, tariffs and tolls.

In addition, the board is required to administer certain provisions of the Petroleum Administration Act. This responsibility consists of imposing and collecting a charge on the export of crude oil and certain petroleum products and the regulation of the price of natural gas in both interprovincial and export trade. The board is also responsible under the Northern Pipeline Act for the approval of certain conditions for the construction of the natural gas pipeline along the Alaska highway. These relate mainly to the incentive rate of return schemes, financing and tariffs, approval of pipe specifications and the granting of leave to open orders. Under an agreement between the federal government and Foothills Pipe Lines (Yukon) Ltd.—that is the Dempster Link agreement—the company has been required to carry out feasibility studies leading to an application to construct a lateral pipeline along the Dempster highway from the Mackenzie Delta to Whitehorse.

In its advisory duties, the board is charged with monitoring and reporting to the minister of energy on virtually all aspects of energy, making such recommendations as it considers advisable in the public interest. It also prepares studies and reports on other matters related to energy and makes recommendations on appropriate national and international co-operative arrangements.

The outline of the board's role in the national energy field gives substance to the definition of the board as "the turnkey agency in a panoply of federal and provincial bodies." When the board, for instance, is ready to grant a certificate for a pipeline or a power line, or to issue a licence for the export of natural gas or electricity or the import of natural gas or the export of oil for a period exceeding one year, it reports to the governor in council through the minister of energy. If the governor in council approves the issuance of a certificate, then it is issued by the board. In the case of an export application, a licence issued by the board goes into effect as soon as it is approved by the governor in council. When the board refuses an application, the decision is not subject to referral to the governor in council. The board's reports on all these matters are issued as public documents.

Due to the special nature of the trade in crude oil and petroleum products, specifically short-term contracts with the need to make decisions on a daily basis, oil export controls, except for those licences for periods in excess of one year, are implemented directly by the board without reference to the governor in council.

Applications for orders authorizing the export of natural gas and certain other petroleum products for periods of up to one year are also dealt with by the board without reference to the governor in council. Decisions regarding rates, tolls and tariffs are also implemented by the board without reference to the governor in council. The Federal Court of Appeal may reverse the board only on matters of law or on jurisdiction, not on substance.

The number of decisions and the number of inquiries which the board is able to hold each year is a remarkable achievement. In 1979 the board conducted inquiries across Canada on 13 separate topics and issued 2,217 certificates licences and other authorizations. I might add, this compares favourably with the record of United States Federal Energy Regulatory Commission which has been criticized for the backlog of applications waiting to be heard and what might be called the glacial pace of its decision-making.

I hope that with these few words the hon. member opposite will accept the position that the amendments he has brought forward in his bill are, as I stated earlier, in some respects either superfluous or could create delay. I hope he will now join with me in recognizing the competence, skill and devotion of the National Energy Board in carrying out its important function.

• (1640)

Mr. Roger Simmons (Parliamentary Secretary to Minister of State for Science and Technology and Minister of the Environment): Mr. Speaker, my colleague and seatmate, the Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. MacLaren) has covered very well many of the cautions which have to be borne in mind before one contem-

plates tampering with a piece of legislation as eminently good as that governing the National Energy Board. That is not to say there are not improvements that could be made to it.

I commend my friend from Vancouver-Kingsway (Mr. Waddell) on two things; first, his excellent article in *Maclean's* and, second, for the time and the thought—

Mr. Waddell: I didn't write it.

Mr. Simmons: He did not write it. It is not the kind of thing you would admit to anyway. Second I commend him for the time and the thought that must have gone into an exercise of the magnitude represented in this. I believe in all sincerity that this exercise, which allows us to debate an issue of substance, is a very important part of this parliament. I commend the hon. member in that regard.

I was particularly interested in a couple of the concepts he was espousing. One of them was the "sunlight" provision which has all kinds of connotations, not only for our Tory friends but for others. I find it an interesting concept. It has the potential of becoming an important concept. I wish he would have devoted a little more time to informing the House and the general public about it. He might want to pursue that subject on some other occasion.

I have to say that I may not perhaps have thoroughly understood the full implications of the concept, but that part which I heard the hon. member expound I am not sure should be addressed in that particular way or handled through the mechanism of an amendment to the Energy Board Act. It might more properly be addressed in relation to freedom of information legislation. The government has made a commitment to have that legislation in place. Once that is done, the changes the hon. member talks about may well flow directly from the provisions of that legislation. Alternatively, at that point in time it may be necessary to address ourselves to the existing legislation to ensure that not only is the letter of the law of the freedom of information being observed, but the spirit of the new legislation as well.

The other point I want to respond to has to do with consulting the provinces. This government, and, I submit, the government which preceded it under the leadership of the hon. gentleman from Yellowhead (Mr. Clark), have not been remiss in terms of consulting provincial governments. I am not being semantic, but I take it the hon. member meant consultation with the provincial government administration.

I use this opportunity to make a very important distinction, one that should not be construed as merely semantic. I believe we do ourselves a disservice in this national Parliament when we talk about cousulting the provinces. I say to the hon. member for Vancouver-Kingsway, the hon. member for Vancouver East (Mrs. Mitchell), the hon. member for Winnipeg North Centre (Mr. Knowles) and the hon. member for Richmond-South Delta (Mr. Siddon), to name the entire opposition in the House at this time, the proportions are right in terms of the quality of opposition on that side, a three to one decision almost any day of the week. One Tory is on this side. I must say he does not look at all out of place. We welcome the hon. member for Western Arctic (Mr. Nickerson). We are glad for the increase in our numbers.

As I was saying, we do ourselves a disservice when we talk about consulting the provinces as meaning consulting the provincial governments. We in this chamber are the provinces. However, we are not the provincial governments. That distinction needs to be articulated. The provincial governments have a mandate and the federal government has a mandate. The Fathers of Confederation recognized in 1864 that certain problems ought to be addressed by a federal government and others by a provincial government.

We in this House represent the provinces. I represent the people of Newfoundland and Labrador just as much as the premier of that province, only on different matters. I represent them in matters of federal jurisdiction and he in matters of provincial jurisdiction. The Prime Minister of Canada (Mr. Trudeau) represents the people of Newfoundland and Labrador just as much as the premier does; the Prime Minister in matters of federal jurisdiction and the premier in matters of provincial jurisdiction.

The hon. member for Richmond-South Delta represents the people of British Columbia in federal matters as does any provincial cabinet minister on provincial matters. That distinction is not made enough. We allow the premiers and those at the provincial level to give the impression that they are the custodians of everything that resides in the geographical extremities or definition of a particular province when we in this Parliament, aside from the vacancies, normally 282 people, are spokesmen for the two territories and ten provinces of Canada in matters of federal jurisdiction.

I do not think anyone can argue with my hon. friend that any matter is as all-pervasive in its implications as energy policy and energy decisions. It ought to be addressed with the full consultation of anybody or any administration on which it might impact. I invite the hon. member to reflect on this past summer. The federal Minister of Energy, Mines and Resources (Mr. Lalonde) spent a fair amount of time consulting with Mr. Leitch, the Alberta energy minister. The Prime Minister consulted with the Premier of Alberta. It is not really germane to talk about the atmosphere of those negotiations, their success or otherwise. The point I am making is that in recent weeks and months this government has shown its willingness to consult, consult, and consult again.

They had dialogue with the governments of British Columbia, Saskatchewan and Alberta on matters that are germane to everyone in this House. Surely there has not been a lack of consultation. In the spirit in which we have operated in this country for the past 113 years, we should not need to legislate consultation. There is no point in doing that. As a matter of course, before you do a job, it requires consultation. Indeed, if I had one criticism of the governmental process in Canada over the past few years, it is that we have carried consultation between orders of government too far. I like the word "orders" rather than "levels." I do not see any government as being senior to another government. I see it as having separate assignments from other governments. I am talking

about orders of government, the federal order of government and the provincial order of government. In the past few years we have beaten consultation right to death. You cannot turn around in this country now without having a federal-provincial conference. Every time any matter of policy comes up in the two departments I am associated with, whether environment or science and technology, the inevitable answer is: well, we have to wait until we talk to the government of such and such a province on that particular issue. Consultation is not only the order of the day, we have almost reached the point at which it is becoming an impediment to getting things done in this country.

● (1650)

I like the simpler age. I like the way the Fathers of Confederation laid it down. They recognized that the federal order of government ought to be supreme in this area and the provincial order ought to be supreme in that area, and they should each go about doing their respective jobs, but not in isolation. There are times, as I said earlier, when a matter of policy or a matter of action one government is about to take, or contemplates taking, will have an impact on the other government's area of jurisdiction. For that reason, not only because of common sense and common decency but the sheer rules of pragmatics dictate that you ought to say to the other order of government, the government of Alberta or the government of New Brunswick: look, we are contemplating doing this, how will it affect your own legislation or your ability to meet your objectives in this particular area, be it agriculture, energy or fisheries? That is common sense and you cannot legislate it. Why do you need to legislate it?

When you get to the point in this country where there is such mistrust of motives, such a lack of faith in the person who happens to sit in another Parliament than you, or who happens to sit at another cabinet table than you, and when you get to the point where you have a basic lack of trust in that other individual just because he wears a different hat than you, then it is not legislation that is at fault; it is not a lack of good legislation that is causing your problems, it is something much deeper and much more basic.

It is time for a good inward look at ourselves when we begin at every turn saying that the reason the Prime Minister of Canada is doing this is because—and then assigning some base motive, or the reason the Premier of Alberta is doing this is because—and then assigning some base motive to his action. When we reach that point, and in some respects we are at that point in this country on the very subject of energy, something basic has to be done. This is a good part of the reason for the problems we are having, and part of the reason we are hearing Armageddon pontifications on the constitution. It is not because we have vastly different objectives for our people, it is because of a monumental communications barrier. It is because we have become habituated to assigning motives all the time; what is Peter Lougheed really up to, what is Pierre Trudeau really up to or what is Mr. Lyon really up to? Sometimes we would serve this country a lot better if the energy pricing discussion which is before us, and if other issues before us such as the constitutional thing which is not far from my mind—were not being discussed with this basic mistrust which underlies, it seems, everything we now do.

I have seen separate countries conferring with more faith in each other than I see us doing as provinces of the same country. We talk about each other as though we have a couple of heads. We talk about each other as though we were a bunch of rogues. The fact is that we are, in this chamber with 282 parliamentarians, and in the other 12 chambers across this country in the ten provincial capitals and the two territorial capitals, a group of several hundred legislators who have offered ourselves to serve the public good and not to tear daily at each other, trying to character assassinate, trying to tear down reputations and assign motives. That is why this subject of consultation the member talks about is an important one. However, it is not one that we should try to embed in legislation. I submit that is not the route to go.

I am frightened as a Canadian that we may well fall into the trap of thinking we can solve all our problems by dotting the "i's" in the right place and crossing all the "t's". I submit we will only solve our problems, be they in energy, which is the subject before us today, the constitution or any other issue, when we begin to accept each other around this country, be we premiers of provinces, territorial, provincial or federal politicians. We must accept each other as people who by and large have at heart the interests of the Canadian people, or those people in whatever part of Canada we happen to represent in our respective jurisdictions.

Mr. Siddon: Mr. Speaker, I wonder whether the hon. member for Burin-St. George's (Mr. Simmons) would permit a question during his time. It is a very simple question which arises from the very important point he has made, that there is an atmosphere of distrust in this country. Could he give us an explanation why he believes there is such an atmosphere in Canada today?

Mr. Simmons: Mr. Speaker, I thank my friend, the hon. member for Richmond-South Delta (Mr. Siddon), for his question. I am encouraged but not surprised to find that he shares some of the concern I have just expressed on this particular subject.

I spent some of my time this summer, not enough I admit—I made a total of nine trips—west of the Manitoba-Ontario border in the four western provinces; in northern Alberta, southeastern B.C. and in various other parts of those provinces, as part of a self-assignment to get a better understanding of that part of the country. I have been encouraged when talking to a number of members, including my good friend, the hon. member for Vancouver East (Mrs. Mitchell), to learn that some months ago they spent some time in rural parts of Newfoundland, my own province. I have talked to other members of both opposition parties who, by virtue of being on standing committees or otherwise, at the initiative of their parties or themselves, have gone out to parts of eastern

Canada, the Atlantic provinces, making an effort to get a better understanding.

In direct answer to the hon. gentleman's question in the minute or so remaining, let me say it seems to me that a large portion of the mistrust is the result of something I alluded to briefly just a few minutes ago, and that is the communications issue. I just do not think we know how the other half lives. I just do not think we understand their aspirations. I say to him that I do not understand the aspirations of the west, and I do so because he is from the west. Without being unkind to him, I submit he may not understand full well the aspirations of my people in Newfoundland, Labrador or in Atlantic Canada.

Without being over-simplistic, I think a large part of the answer to his question relates to communications. It is not that we are by nature a people condemned to think ill of each other, but by circumstance we have become people who have stopped listening to each other. That is the indictment; we have stopped listening to each other. Perhaps we have placed labels. We have begun to say: Well, he is from Alberta therefore we can expect him to say that, or he is from Newfoundland and we can expect him to say that. We have begun to categorize and stereotype people. My elementary knowledge of this country tells me first that it is not fair to do that and, second, it is not very productive to do that. That is why I made the appeal earlier to make an effort to break down some of this communications barrier.

• (1700)

Mr. Knowles: Question!

Mr. Deputy Speaker: Order, please. The hour provided for the consideration of private members' business has now expired.

[*Translation*]

It being five o'clock, the House, pursuant to Standing Order 2(3), stands adjourned until Tuesday October 14, 1980, at 2 p.m. pursuant to Standing Order 2(1).

At 5 p.m., the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, October 14, 1980

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

ACCESS TO INFORMATION

MARTIN GOLDFARB AND GOLDFARB ASSOCIATES—RELEASE OF INFORMATION CONCERNING POLLS—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker, I rise on a matter of urgent necessity under the provisions of Standing Order 43. In view of the stated intention of the Minister of Justice (Mr. Chrétien) to release on Wednesday some information on some of the public opinion polls taken by the government and also the fact that for three years and four months I have had a written question standing on the order paper asking details of all polls taken for the government by Martin Goldfarb and Goldfarb Associates, including their nature, the results and total cost, I move, seconded by the hon. member for Peterborough (Mr. Domm):

That this House requests the Minister of Justice to release, in addition to the information on public opinion polls which he plans to give, all details concerning Martin Goldfarb and Goldfarb Associates Limited and the taxpayers' money they have received for government polling since 1968; and that this House condemns with utter contempt the government's failure to supply Parliament and the public with answers to questions on Goldfarb taxpayer-paid polling for over three years while it still continues to allow the Liberal affiliated Goldfarb interests to fill their gluttonous Goldfarb bellies at the public trough.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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CROSS-COUNTRY MARATHON OF TERRY FOX

EXTENSION OF CONGRATULATIONS AND STRIKING OF STAMP IN COMMEMORATION—MOTION UNDER S.O. 43

Mr. John Kushner (Calgary East): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. After consultation I am encouraged and assured by the Hon. Minister of Energy, Mines and Resources (Mr. Lalonde) that Terry Fox, through his Marathon of Hope, has joined the ranks of our outstanding Canadian heroes in his fight against cancer. To those people suffering from this deadly disease in Canada and throughout the world it is Terry Fox who has given them hope through his courage and determination. Most of us have lost someone dear to cancer, just as I lost my dad. Terry Fox has given us special pride in being Canadians and has touched the hearts of us all.

In recognition of Terry Fox and the Marathon of Hope in the fight against cancer, I move, seconded by the hon. member for Richmond-South Delta (Mr. Siddon):

That this House extends to Terry Fox hearty congratulations and thanks on behalf of all Canadians and, further, that the government strike a suitable stamp to commemorate Terry Fox and his Marathon of Hope.

Some hon. Members: Hear, hear!

Madam Speaker: For presentation, such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

NUCLEAR TESTING

CALL TO CEASE TESTS CONDUCTED BY U.S.S.R.—MOTION UNDER S.O. 43

Mr. Simon de Jong (Regina East): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Seismic signals picked up on Saturday, October 11, indicate the Soviet Union detonated two underground nuclear tests. These tests all add further radiation to our environment and jeopardize the health of all citizens on our planet. All nuclear tests, whether above or below ground, are steps which lead humanity further into the insanity of the nuclear arms race. Therefore I move, seconded by the hon. member for Winnipeg-Birds Hill (Mr. Blaikie):

That this House calls on the government of the U.S.S.R. to stop all nuclear testing.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

AIRPORTS

CHARLOTTETOWN, P.E.I.—PROPOSED CONSTRUCTION OF NEW TERMINAL BUILDING—MOTION UNDER S.O. 43

Mr. Tom McMillan (Hillsborough): Madam Speaker, I rise under the provisions of Standing Order 43. In November of 1977 the Government of Canada announced publicly that Canada would proceed immediately with plans for a major redevelopment of the Charlottetown airport. In view of the fact that Prince Edward Island's archaic air terminal building has yet to be replaced despite serious overcrowding and other deplorable conditions, I move, seconded by the hon. member for Vancouver Centre (Miss Carney):

● (1410)

That this House urge Transport Canada to proceed without further delay with the construction of a new Charlottetown airport terminal building and related projects in accordance with the design completed and agreed to in 1977.

Madam Speaker: Presentation of this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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GRAIN

HARD RED SPRING WHEAT—ACTION TO CORRECT DISCRIMINATION RESPECTING QUOTAS—MOTION UNDER S.O. 43

Mr. Bert Hargrave (Medicine Hat): Madam Speaker, under Standing Order 43, I have a matter of urgent and pressing necessity dealing with the new grain quotas in western Canada. In view of the fact that all of southern Alberta, served by four Canadian Wheat Board delivery blocks, has been completely overlooked with respect to the new grain quotas for hard red spring wheat, and further in view of the obvious situation that all of southern Alberta is the only area in the wheat board designated area of western Canada without new quotas for hard red spring wheat, I move, seconded by the hon. member for Lethbridge-Foothills (Mr. Thacker):

That the Minister of Transport, as the senior minister for grain transportation and wheat board matters take immediate action to correct this outright discrimination against southern Alberta with respect to hard red spring wheat quotas.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

EXTERNAL AFFAIRS

EL SALVADOR—CALL FOR CONDEMNATION OF JUNTA—MOTION UNDER S.O. 43

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, I rise on a matter of urgent and pressing necessity pursuant to Standing Order 43. In view of the recent murders of Salvadorian human rights leaders, Maria Magdalena Henriques, Father Manuel Rafael Reyes and family of the catechist, and the murders of many other human rights and community leaders, and in view of the evidence clearly indicating that this is the work of the forces of the Salvadorian junta and paramilitary groups in civilian dress, I move, seconded by the hon. member for Broadview-Greenwood (Mr. Rae):

That this House calls on the Government of Canada to condemn the junta of El Salvador, to protest clearly and openly the continued and increasing military support of that junta by the United States, and take international initiatives to assure the safety, health and lives of Salvadorian human rights and community leaders.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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ENERGY

CALL FOR REJECTION OF IMPOSITION OF FEDERAL TAX ON PROVINCIAL RESOURCES—MOTION UNDER S.O. 43

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, I rise under the provisions of Standing Order 43 to propose a motion of urgent and pressing importance to the future of our country. Given the fact that during the short period of two weeks more than 10,000 residents of British Columbia have already signed a petition in which they express their absolute rejection of any attempt by the Government of Canada to impose a discriminatory federal excise tax against the export of natural gas and hydroelectric power from British Columbia, and recognizing also that the mayors and municipalities of British Columbia, meeting in convention last month, passed a resolution unanimously opposing a federal export tax on natural gas, I therefore move, seconded by the hon. member for Fraser Valley West (Mr. Wenman):

That this House rejects absolutely the unilateral imposition of any federal export tax on provincial resources and hereby directs the government to abandon its planned export tax on natural gas, which would discriminate blatantly and unfairly against the residents, the municipalities and the provincial governments of British Columbia and Alberta.

Madam Speaker: For presentation, this motion requires unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

STATUTE LAW (MILITARY AND CIVILIAN WAR PENSIONS, COMPENSATION AND ALLOWANCES) AMENDMENT ACT, 1980

CALL FOR REDUCTION IN PHASING-IN PERIOD RESPECTING BENEFITS TO WIDOWS OF DISABLED VETERANS—MOTION UNDER S.O. 43

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

That this House reaffirms its approval of Bill C-40, passed earlier in this session, in which significant improvements were made respecting the widows of disabled veterans, but regrets that the six-and-a-half-year phasing-in period in that bill means that many thousands of widows will still have to wait from one up to six years before they receive the pensions to which, by law, they are now entitled; and this House therefore calls on the Acting Minister of Veterans Affairs to introduce legislation to cut that phasing-in period in half, or to make it even shorter, for the benefit of widows who deserve their pensions while they are still alive.

● (1415)

Madam Speaker: Order, please. It seems to me that the hon. member is reflecting on a vote which took place in the House. If I understood well the meaning of this motion, the hon. member agrees with the legislation but disagrees with one of the dispositions of that legislation. The vote has already occurred on that legislation and for that reason I feel that for the time being this motion is not acceptable.

An hon. Member: Three o'clock.

Mr. Knowles: I rise on a point of order, Madam Speaker. May I point out that there are many precedents—

Some hon. Members: Order, order.

Mr. Knowles: —of a bill being passed in a session and another bill being passed later in that same session amending the previous bill. That is what I am requesting.

Some hon. Members: Order, order.

Mr. Knowles: However, I am prepared to come back at it in another way on another day.

An hon. Member: Abide by the rules.

Madam Speaker: Order, please. I could not understand what the hon. member was saying but I think he said that he was in fact saying something different from the disposition of that legislation and that he will come back another day with a new motion. Is that what the hon. member said?

Mr. Knowles: Yes.

Madam Speaker: Then I shall expect another motion on another day.

NATIVE RIGHTS

CALL FOR EXPLANATION OF FAILURE TO FORMULATE POLICY RESPECTING SETTLEMENT OF LAND CLAIMS—MOTION UNDER S.O. 43

Mr. Dave Nickerson (Western Arctic): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the uncertainties caused by the lack of action by both the Minister of Indian Affairs and Northern Development and his special negotiator from the other place in renegotiating the COPE agreement, which is proving to be unacceptable on account of its having been signed in haste without consultation with the Yukon or Northwest Territories governments, affected municipalities or native groups having overlapping claims, I move, seconded by the hon. member for Yukon (Mr. Nielsen):

That the Minister of Indian Affairs and Northern Development be called upon by this House to make a statement on motions to explain his failure to formulate and announce a policy which would allow for the fair and just settlement of these outstanding land claims.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

PENITENTIARIES

HOSTAGE-TAKING INCIDENTS—DANGER POSED TO GUARDS—INQUIRY AS TO GOVERNMENT ACTION

Mr. Howard Crosby (Halifax West): Madam Speaker, I have a question for the Solicitor General respecting the series of prison disturbances across Canada that have culminated in the disaster at Dorchester penitentiary and the death of William Morrison. The Solicitor General is aware of the hostage-taking incidents and escapes at federal institutions and I am sure has received complaints from those concerned with security and the safety of the guards and staff. He knows a recent search at Dorchester yielded an arsenal of weapons. I want to know whether he has responded to these warnings. I want to know what action he has taken and proposes to take, but mostly, Madam Speaker, I want to know why he has rendered the guards and staff helpless in the face of obvious danger.

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I dispute the notion that we have rendered the guards helpless in the face of obvious danger. I should like to inform the House that I have asked the correctional service to begin, and they have begun, to prepare a list of the names of those offenders across the system who are the most violent and dangerous and who represent the greatest threat to order in the institution.

An hon. Member: Are you going to run them as candidates?

Mr. Kaplan: When I see the list and the numbers involved, I will consider proposing some new program within the institutions for protecting not only the guards and the rest of the prison population, but the community in general, from that very violent group.

An hon. Member: What about the committee report?

Mr. Kaplan: I might add that one of the reasons for the problems in our institutions is the trend in recent years, which I welcome very much, and which I think the House does, not to send people to these institutions who can be diverted and who can be punished by fines or other forms of punishment outside the institutions.

Mr. Crosby: A supplementary question, Madam Speaker. The staff at Dorchester penitentiary have complained bitterly about lack of manpower to control the prisoners and the Solicitor General has been told in the House and in committees that the situation is dangerous. Does he acknowledge that he received these warnings respecting manpower, will he tell us how he responded to them, and what can he say about the rumour of more resignations among the staff at Dorchester?

• (1420)

Mr. Kaplan: Madam Speaker, I can say that I have not heard that rumour about staff. I am meeting this afternoon or tomorrow with representatives of the union of Solicitor General's employees. I want to discuss with them their grievances and also, of course, the special perspective which they have and which I would like to have on dealing with this type of offender.

Mr. Crosby: Madam Speaker, the great problem in our prisons, as the Solicitor General has pointed out, is the handling of dangerous and desperate prisoners. Yet the Solicitor General disregards the warnings and says that he will take the risks of mixing these dangerous men in the general prison population. Can he now justify these risks in terms of the safety of prison staff and the effective administration of Dorchester?

Mr. Kaplan: Madam Speaker, again that is not exactly accurate. We have two special handling units across the country for housing the most violent and dangerous offenders. They are put in special handling units and they are not released until a national committee, which studies individual cases, feels their release is justified.

Mr. Baker (Nepean-Carleton): What about your speech in London?

Mr. Kaplan: We also have punitive dissociation to which inmates are subject after they engage in incidents.

What concerns me is that so far we have no specific facility for dealing with those who we know are violent, or may be violent and dangerous, and a threat to the institutions and to the guards. It is to that group, the size of which I am not certain yet but which I will know more about within the next few days, that I would like to direct some special programs.

INQUIRY WHETHER CONDITIONS WILL BE EXAMINED

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, my questions are also directed to the Solicitor General. I think the House is rather appalled to learn that only after a study the Solicitor General is perhaps thinking of imposing a fine on some convicted murderers who instigated a problem resulting in the killing of a prison guard on the weekend. Has the Solicitor General considered, as several independent members of this House have come to him and pleaded in regard to Dorchester just this summer alone, setting up some type of inquiry so that at long last we can have some public exposition of the real problems that exist, not only in that sick institution but in a sick system generally speaking?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, as to Dorchester, there are three inquiries under way. There is one by a coroner; there is one by the police in the area, which may result in charges being laid; and then there is a special inquiry authorized by the commissioner at my direction which is under way now. The results of the last special inquiry at Dorchester, which I have had for a few days, I read over the weekend. They point as well to this problem of the requirement for some new classification, which I propose to devise within the next while when I see the numbers involved, to deal with this violent, dangerous group, who too often are known ahead of time, but only on the basis of suspicion and special insights on the part of the correctional service, but for whom no special program has been designed with their security needs in mind.

Mr. Beatty: Appoint them to the parole board.

Mr. Lawrence: Madam Speaker, as the Solicitor General knows, the coroner feels he has been bypassed by his officials. The RCMP have made extraordinary attempts to make sure that the facts in this case have not been made public and perhaps will not be made public, which I find quite deplorable. Finally, the commissioner's inquiry which the Solicitor General is now talking about is merely correctional service people talking to correctional service people in an in-house type of inquiry in which the report by this minister is never made public. What I think this House and the public are entitled to—and I ask the minister for it today—is an independent public inquiry not only for Dorchester, but perhaps into the whole mess and method of dealing with these dangerous offenders and hostage-taking incidents.

Mr. Nielsen: That was also a committee recommendation.

Some hon. Members: Hear, hear!

Mr. Kaplan: Madam Speaker, as to the point of never making the facts public, I would indicate to the House now that I would be prepared, when the facts have been collected

by the special inquiry, to make them public in the next few days as soon as I have them.

• (1425)

As to the nature of the special inquiry group, it is true that normally the special inquiry is constituted of members of the Inspector General's office, which is a division of the correctional service of Canada, but in this particular case we have asked to serve on the commission and have the support of a senior official of the provincial correctional service. Therefore, my hon. friend will have his wish before even asking me to have an outsider sit on that commission. There will be an outsider on it who knows a great deal about penitentiaries.

* * *

INDUSTRY

CAPE BRETON, N.S.—INQUIRY WHETHER PLANS TO REVITALIZE STEEL INDUSTRY WILL BE ANNOUNCED

Mr. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Minister of Finance. Last week the minister indicated that he was not aware if the task force report on the future of Sysco had been submitted to the government. Is he now aware that not only was that task force report submitted to the government, but that was done about a month ago? If he is aware that that task force report is now in, is he now prepared to announce the detailed plan of the government to revitalize the steel industry in Cape Breton Island along the lines promised by the Prime Minister almost a year ago?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I met with the steelworkers this morning. In preparation for that meeting, I inquired on Friday as to the status of the results of the task force report and I was advised it would be on hand within a few days. Therefore, if it has arrived, then my information is incorrect.

Mr. Broadbent: Madam Speaker, it is not totally unusual for the minister to be incorrect, but I will inform him that the minister responsible for DREE did indeed get the report on September 14; so it has been around for some time. In that context, I would also like to ask him this. In preparing for this morning's meeting, I hope the minister also learned that there is growing potential for export sales of coke in world markets. In order for us to cash in on those export sales, it is essential that we get ahead of our American competitors in modernizing our steel producing facility at Sysco. Does the government have some sense of urgency about this matter, and will the minister be prepared to announce within a matter of days detailed plans for the modernization of Sysco?

Mr. MacEachen: Madam Speaker, there is and has been a sense of urgency with respect to developing the possibilities for coke. I believe that some weeks ago the Department of Regional Economic Expansion opened an office in Halifax with the sole purpose of developing interest on the continent and elsewhere in establishing a coke plant in the Cape Breton area because it had been established, to my understanding, that such a plant might be viable. So the government has acted long before the hon. member caught on to this idea.

Mr. Broadbent: Madam Speaker, the minister says he is aware of the matter and is acting with some sense of urgency. He has just demonstrated that he did not know the report was submitted to his government more than a month ago. That is some sense of urgency. An office in Halifax which he announced in order to promote sales will not produce jobs where they are needed most urgently right now, namely in Cape Breton.

Some hon. Members: Hear, hear!

Mr. Broadbent: In the past few weeks alone, over 600 people have been laid off at Sysco. Since there is potential for selling coke if we modernize now—and the man sitting at the minister's left promised in two elections in a row to modernize that facility within the first year after being elected—when is this government going to get off its collective derriere and live up to its election promises to the people of Cape Breton?

• (1430)

Mr. MacEachen: Madam Speaker, I am not going to debate with the hon. member about the arrival of that report. I question very strongly whether his information is accurate, but we can ascertain that later. It is a matter of fact that we can ascertain. My information on Friday was that the results of that task force report would not be available until a few days from now, and would be going forward for study. That is a matter of fact. If it has arrived, all the better.

Having regard to the "man to my left", I would remind the hon. member that when the Prime Minister appeared in Sydney and discussed the Sydney steel plant he repeated a commitment which had already been made by the Government of Canada to the government of Nova Scotia to provide $50 million in support of modernization of the Sydney steel plant. That commitment stills stands and we are awaiting some plan or program which will ensure that when that money and possibly some funds from the provincial government are spent, the Sydney steel plant will have a certain and viable future. I for one am not prepared to advocate spending money unless I have some assurance that the money will result in a viable and certain future for that particular plant.

* * *

CAPITAL PUNISHMENT

REQUEST FOR VOTE IN HOUSE

Mr. Bill Domm (Peterborough): Madam Speaker, in light of reports coming out of the Dorchester penitentiary lately concerning resignation of guards, a state of crisis, hostage-takings and deaths, I should like to direct my question to the Solicitor General. In view of these recent events at Dorchester, will the minister consider what the former Conservative gov-

ernment was considering and acting on, the implementation of—

Some hon. Members: Question.

Mr. Domm: Quite seriously, Madam Speaker, I refer to implementation and action in this House. Will the Solicitor General assure this House that he will allow private members' bills which are now on the order paper to come forward for debate and vote so that we can know whether in conscience the members of this House of Commons are prepared to substitute their mouths for their words on paper and vote on capital punishment? Will the minister give the opportunity to members of this House to vote on capital punishment?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I am not the member of the government responsible for the business of the House, and the question was about the business of the House. I could remind hon. members opposite that this is an opposition day and they could have chosen any subject that they consider important.

An hon. Member: That is a cop-out.

Mr. Domm: Madam Speaker, in light of the state of crisis, the hostage-taking and the fact that a prison guard has been killed, I consider that a direct cop-out on the issue.

My supplementary question to the minister deals with the report of a subcommittee of the Standing Committee on Justice and Legal Affairs under a former Liberal government which recommended—

Some hon. Members: Question.

Mr. Domm: I am going to remind the minister of his own report.

Some hon. Members: Order.

Madam Speaker: Order, please. I am afraid I have to remind the hon. member that he has the floor now in order to ask a question, not to make a speech.

Mr. Domm: Madam Speaker, would the Solicitor General assure this House that he will implement the recommendations of that special subcommittee by setting up a special institution for the hard-core criminals, those serving 25-year sentences, bringing them in from all over Canada? Will the minister implement the recommendation of that subcommittee? Will he give action to their words?

Mr. Kaplan: Madam Speaker, in the first place the inmates serving 25 years are not necessarily the most violent and dangerous in the system. That group includes many of the most violent and dangerous inmates, but there are others as well with extra security needs who have to be considered.

As to the report of the MacGuigan committee, it has been very substantially implemented, as I indicated when I appeared before the justice committee. I would be glad to appear before that committee again on my estimates and go through those recommendations which my predecessors, including my immediate predecessor, took some care and concern to implement to the degree it was considered practical to do so.

* * *

PENITENTIARIES

REQUEST FOR RECONSIDERATION OF SUBCOMMITTEE RECOMMENDATION

Mr. Bruce Halliday (Oxford): Madam Speaker, my question is for the Solicitor General. In view of the recent hostage-taking at Dorchester which suggests serious deficiencies in policy-making and/or management at one or more levels of the correctional service of Canada, will the minister reconsider his outright rejection of recommendation No. 24 of the special subcommittee on penitentiaries, chaired by his illustrious colleague the Secretary of State for External Affairs, which strongly recommended the appointment of a board of five members, reporting to the Solicitor General, which would be responsible for the making of policy?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I do disagree with that recommendation, and I believe my immediate predecessor, the Conservative solicitor general, did so as well. Because it would remove the accountability of the system to this chamber, and I am not prepared to see that change. Certainly I would be prepared to discuss it with the justice committee, but it would seem unwise to me to interject between Parliament and the correctional service of Canada the sort of board of governors that Air Canada or the CBC has, which reduces the accountability of the institutions in question to the Parliament of Canada.

Some hon. Members: Hear, hear!

Mr. Halliday: Madam Speaker, my supplementary question is again directed to the Solicitor General. If the minister had read the report he would realize that the matter of accountability and responsibility was dealt with by the committee. Inasmuch as the minister has essentially refused to set up a public inquiry which would look into the affair at Dorchester, and at the same time has refused to implement the subcommittee report *in toto*, as recommended by that committee, will he now implement the intent of recommendation No. 65 of that report by making a special reference of this subject matter to the Standing Committee on Justice and Legal Affairs?

Mr. Kaplan: As to whether or not I have read the report, Madam Speaker, I would remind the hon. member that I sat on the committee, I helped gather evidence and I worked on the preparation of that report. On the question of the reference, there is a tremendous volume of work for the justice committee, and I would be happy to deal with questions like that when my estimates, which are now before the committee, are considered. Frankly, it would be for the committee to consider how much of their estimates time they would want to

spend on that. There is other work for that committee which I think should have a higher priority.

* * *

AUTOMOTIVE INDUSTRY

INQUIRY HOW MANY SMALL CARS WILL BE MANUFACTURED IN CANADA

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I have a question for the Minister of Industry, Trade and Commerce. As you know, the minister has been travelling around the world trying to help Canadian industry and I wonder whether he might be able to give us some information today. He has no doubt noted that the United States auto industry has moved significantly to the manufacturing of small, what they call world cars with front-wheel drive. Given the auto pact and our very close relationship with them, how many of those cars will be manufactured in Canada this year?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, I want to welcome my hon. friend back from his recent journeys to Mexico and Washington.

Some hon. Members: Hear, hear!

An hon. Member: That was great; now answer the question.

Some hon. Members: Oh, oh!

Mr. Gray: It is my understanding that a number of major motor vehicle manufacturers will be manufacturing smaller cars in Canada in forthcoming model years, and I refer specifically to the Lynx to be assembled in St. Thomas, and the plans of General Motors to assemble smaller cars, I think in the next model year, at its plant in Oshawa. Also, in particular, in the coming year the General Motors company, which has recently tripled the size of its transmission plant in Windsor, will begin manufacturing transmissions there for the new General Motors J cars. I think we are making progress in the area of assembling these smaller, down-sized cars in Canada, as well as manufacturing parts for them. However, I think we need further progress and I am striving to achieve that progress.

● (1440)

Mr. Deans: Madam Speaker, I have a supplementary question for the minister. Incidentally, when I was in Washington, the people there mentioned that the minister had been there.

I wonder if the minister might reflect on the ad being run on television which says quite clearly that Americans are not going to be pushed around any longer. That is an ad for Chrysler, and I understand that Chrysler has just announced it will lay off 600 workers in Canada indefinitely on the twenty-fourth of this month. Given that we are not manufacturing small cars and they are not selling big cars, when are we going to stop being pushed around?

Some hon. Members: Hear, hear!

Mr. Gray: Madam Speaker, the Chrysler cars assembled in Canada are down-sized, fuel-efficient—

Mr. Deans: Nonsense.

Mr. Gray: —models of the Dodge Cordoba and Mirada, compared with the ones previously manufactured here, as well as the down-sized Imperial. I hope we will find an improvement in the over-all sales of these cars as the buying season goes on. I hope also that it will be possible to call back these workers before too long.

My hon. friends are concerned about the Imperial. It is a down-sized, fuel-efficient car, although a luxury car, and with all their supposed concern for workers, I would think hon. members opposite would urge people to buy these cars made in Windsor so that the people in whom they claim to have an interest will continue their work and get back to work.

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PENITENTIARIES

SUGGESTED CAUSE OF PRESENT CONDITIONS

Mr. Maurice A. Dionne (Northumberland-Miramichi): Madam Speaker, my supplementary question is directed to the Solicitor General. Can the minister confirm that a significant part of the problem within our prisons is the nature of the institutions themselves and that it was exacerbated by the refusal of the minister's immediate predecessor to proceed with the construction of modern, manageable prisons to replace antiquated, century-old dungeons?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, there is in fact no shortage of accommodation for the present inmate population, but it certainly is true, and I agree with my friend, that some of our institutions are very old. The B.C. penitentiary was one which I was pleased to be able to close in my first few weeks on the job. The penitentiary at Laval is now slated to be closed, and two new institutions, one at Donnacona and one at Drummondville in the province of Quebec, will be constructed over the next four or five years to replace them. However, I want to assure hon. members that the present accommodations of the correctional service of Canada are adequate for the present inmate population.

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ENERGY

IRAN-IRAQ CONFLICT—EFFECT ON OIL SUPPLY TO EASTERN CANADA

Mr. Harvie Andre (Calgary Centre): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. In view of the continuing Iran-Iraq war—in fact, it perhaps is escalating—there is going to be a total shut-off of oil production from those two countries for several months, if not longer. Can the minister tell the House whether he has been in contact with his counterparts in the other signatory nations to the

International Energy Agreement, and can he give us their view as to the likelihood of the sharing rules of the IEA being brought into effect and eastern Canadians being faced with oil shortages of up to 30 per cent?

[*Translation*]

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I thank the hon. member for his question which, I am sure, is of interest to all Canadians. I myself have had the opportunity of discussing the matter with some of my colleagues, and in particular with the American Secretary for Energy, Mr. Duncan, a few weeks ago. In addition, my officials have been in touch with the authorities of the International Energy Agency. According to the agency's findings, there is no reason for the western countries to fear an oil shortage as a result of the current Iran-Iraq conflict, particularly because various countries have accumulated considerable reserves; in addition, the co-ordination between member countries of the International Energy Agency is much better now than it has been in the past.

Consequently, there is no reason to fear the need to apply, in the near future, any of the sharing rules to the various members of the IEA. What the members of the agency are concerned about, however, at this time is preventing the flare-up in prices on the free market which could result from a rush of orders on the part of a number of its members. There has been some co-ordination in that regard and I feel we must rejoice in the fact that there has been no appreciable increase in prices on the free market in the last few weeks. The concern expressed by the hon. member, therefore, does not seem to be justified, especially with regard to eastern Canada.

[*English*]

Mr. Andre: Madam Speaker, I hope the minister's confidence is based on more than just wishful thinking, and I wonder how we can do without the production of these two major oil producers and still not have our future in some doubt.

Given that the Iran-Iraq war is yet another example of the recklessness, if not insanity, of failing to pursue a policy of energy self-sufficiency with vigour, has the minister, if he is unwilling to make those sensible but tough decisions which are necessary to make this country self-sufficient in oil, at least taken a final decision or any decision or action with regard to some strategic storage in eastern Canada so that at the time of the next crisis, if it occurs in mid-winter, Atlantic Canadians will not be faced with wholesale closures of factories, schools and other public buildings?

[*Translation*]

Mr. Lalonde: Madam Speaker, the only time when Canada had to face such a danger was in November and December last year while the party of my hon. colleague was in power. Since then the member countries of the International Energy Agency and Canada have considerably increased their reserves. In addition, my colleague should know that Saudi Arabia and certain other countries have agreed to increase their production to offset, to a large extent at least, the discontinuation of supplies from Iraq and Iran. So conditions are such that once again there is no reason to fear that in the coming months there will be a shortage of oil in Canada.

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[*English*]

OFFSHORE RESOURCES

REPORTED STATEMENT OF SENATE DEPUTY GOVERNMENT LEADER

Hon. James A. McGrath (St. John's East): Madam Speaker, I have a supplementary question for the Right Hon. Prime Minister. On Thursday the deputy government leader in the Senate, a distinguished and learned lawyer from Ontario, supported the claim of Newfoundland and Nova Scotia to offshore oil and gas. On Friday the Prime Minister hinted that he may be prepared to make resource concessions to the provinces. This is an area in which there is already undisputed jurisdiction under the current provisions of the BNA Act. Was the deputy leader of the government in the Senate speaking for the government when he supported the claim of Newfoundland and Nova Scotia?

That leads me to the next part of my question. Does the Prime Minister intend, in the concessions he has hinted he is prepared to make, to include rights of the coastal provinces to offshore oil and gas?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I have not had occasion to see what remarks were made in the other place, but I will gladly refer to them. If, as the hon. member says, it is correct to say that the rights of Newfoundland and Nova Scotia are established beyond dispute, it is hard for me to understand why they have not accepted a reference to the Supreme Court, which we have suggested repeatedly over the past years. If their claims are beyond dispute, why do they not establish them in a reference to the court? I have not heard an answer to that yet.

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ENERGY

NATURAL GAS—REPORTED ANNOUNCEMENT BY GOVERNOR OF MASSACHUSETTS RESPECTING EXPORTS TO UNITED STATES

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, I have a question for the Prime Minister with respect to an important announcement emanating from Boston today made by the governor of Massachusetts, Edward King, in which he described a new relationship between Canada and the United States which involves a ten-year multimillion dollar contract to pump Canadian natural gas to the northeastern United States. I realize that this is probably subject to confirmation by officials of the two countries but, if this is the case, why have we apparently advanced in priority pumping gas to the

northeastern United States ahead of pumping gas to the maritimes—

Some hon. Members: Hear, hear!

Mr. MacKay: —which the Prime Minister specifically promised in a speech given to the Halifax Board of Trade on January 25 of this year and which was one of seven specific commitments he announced at that time—the Minister of Labour will remember; he was there—to help the maritimes get immediate access to natural gas? I wonder if the Prime Minister could give the House a bit more information on this apparent anomaly.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I have not been made acquainted with that statement by the governor of Massachusetts, but the House will recall that a few years ago when the then minister of energy, mines and resources, Mr. Gillespie, was proposing the idea of a pipeline, the idea was that it would be built to the Atlantic provinces, and then there could be exports of gas to the United States after it had served the Atlantic provinces.

Mr. MacKay: Madam Speaker, I welcome what appears to be some sort of assurance from the Prime Minister in this respect, and I remind him and make a representation to him that until we get a natural gas pipeline to Atlantic Canada we cannot take advantage of our natural geographic position to have the terminal point for LNG in the Strait of Canso area. Would he please hurry up with his implementation of this specific commitment? I would ask him to reread his speech so that there can be no doubt as to any vagueness, as apparently there is in this commitment made to a surrogate, Gordon Gibson, on the west coast, as brought out by the hon. member for Vancouver South.

● (1450)

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, the decision of the National Energy Board was made public several months ago. My hon. friend knows the reasons why the National Energy Board did not see fit to approve at that time the immediate completion of the pipeline to the maritimes. We have indicated that this was still our preferred position. There is an appeal now before the Energy Board respecting its decision, and I suggest that my hon. friend should wait a few weeks before hearing more about this.

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CANADA MORTGAGE AND HOUSING CORPORATION

REQUEST FOR ASSURANCE COMMUNITY SERVICES PROGRAM NOT BE DISCONTINUED

Mr. Cyril Keeper (Winnipeg-St. James): Madam Speaker, my question is directed to the minister responsible for CMHC. In 1978 the Liberal government made a long-term commitment to municipalities through the community services contributions program which integrated many important services, such as neighbourhood improvement, sewage treatment facilities and plants for conversion of waste into energy. This program was supposed to be the solution to a host of municipal problems. Recent statements by the minister have contributed to the fear that the program is to be discontinued. Will the minister assure the House that there is no truth to this rumour?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, as I have indicated in conversations with each of the provincial counterparts charged with responsibility in housing, yes, indeed, the government is reviewing this program to see whether it will be continued beyond this year. We are looking at the program because nationally it is a program of some $250 million which, in essence, is transferred from the federal government through the province to the municipalities. No doubt it assists the municipalities. As a former mayor I know well the advantages of that program. However, the program is under review. Before the year end I hope to have an answer for the provincial ministers and the municipalities. My objective would be, if the program cannot be continued, that some other way be found to assist the municipalities with their objectives.

Mr. Keeper: Madam Speaker, my supplementary question is directed to the same minister. Since the minister is unable to give us a clearcut commitment for the continuation of the program, and he has indicated that some substitute program will be put in its place should the other one be discontinued, can he also assure the House that the specific projects under the existing program will be fully funded to completion?

Mr. Cosgrove: Madam Speaker, on the last point, yes, the programs in place will be funded. The terms of the contract specify that and those commitments will be made. But I did not say that a substitute program would be found; I said that that will be my advice to the government and it is my hope that there will be a program.

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THE CONSTITUTION

REQUEST FOR REFERENCE TO SUPREME COURT OF CANADA TO TEST LEGALITY OF RESOLUTION

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I have a question for the Prime Minister following the reasoning of the Prime Minister in response to my colleague, the hon. member for St. John's East. Since the Prime Minister is so sure of the legality of his government's position on the constitutional resolution now before the House of Commons, I wonder whether the Prime Minister, following the advice he gave through the hon. member for St. John's East to the government of Newfoundland, would be prepared to make a reference of that matter to the Supreme Court of Canada to see if the Supreme Court of Canada agrees with the Prime Minister that this resolution is entirely within the competence of the Government of Canada, or whether the Supreme Court

of Canada will disagree with the Prime Minister, as it did in the case of Bill C-60?

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Leader of the Opposition is not only mixing apples and oranges, he is throwing bananas into it too.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Cossitt: You are throwing baloney.

Mr. Trudeau: The Leader of the Opposition will recall that in the case of Bill C-60 the reference was on section 91 of the constitution, something that is in there now—

Mr. Crosbie: Sour grapes.

Mr. Trudeau: —and the Supreme Court was judging whether or not under section 91 the federal government had certain powers.

Mr. Beatty: They said that you were wrong.

Mr. Trudeau: The courts always say that one party is wrong and the other is right. In the case of the offshore it is the same thing. There is a division of power between the federal and provincial governments. It is a matter for the courts to say whether that power lies in the federal government or in the provinces.

Mr. Hnatyshyn: What about patriation?

Mr. Trudeau: The matter of patriation is a matter for the House of Commons. It is before the House of Commons now because there is no provision in the constitution for patriation and there is nothing for the courts to judge upon.

Mr. Clark: Madam Speaker, in the middle of all of the baloney and bananas we have received from the Prime Minister, I did not note a response to my question. My question is: will the Government of Canada agree to a reference as to the constitutionality of the action they are proposing in the resolution that is now before the House of Commons?

Mr. Trudeau: Madam Speaker, I answered the preamble which was baloney and bananas. As to the question itself, I want to see the House study this matter. Then once it is adopted, of course, any citizen or any province can refer the matter to the courts if it so decides. But it is not the intention of the government to ask the courts to decide upon a matter which Parliament itself has before it.

Mr. Crosbie: You are unreliable.

REQUEST FOR GUARANTEE RESPECTING HERITAGE CULTURE

Mr. Jesse P. Flis (Parkdale-High Park): Madam Speaker, my question is for the Right Hon. Prime Minister. Many ethno-cultural groups in Canada are expressing concern that their heritage language and culture will not be protected by the proposed resolution respecting the Constitution of Canada. This fear was expressed by delegates attending two conventions this weekend, the Ukrainian-Canadian Congress conference in Winnipeg and the delegates attending the Canadian Polish Congress convention in Ottawa. Because of these concerns, would the Prime Minister please clarify whether section 22 or some other section of the proposed resolution does in fact guarantee these Canadians the preservation and further development of their heritage culture, which of course includes their heritage language?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the intention was to address that question in the preamble, and I refer the hon. member to the preamble we submitted to the provinces last June. Unfortunately, the provinces have refused to accept that preamble, and since—

An hon. Member: Oh.

Mr. Trudeau: They have preferred to present to me a preamble which was closer to the wording of the Premier of Quebec, who wanted the idea of self-determination to be included, and of course we could not accept that.

Some hon. Members: Hear, hear!

[*Translation*]

POSSIBLE REFERENCE OF PATRIATION QUESTION TO SUPREME COURT OF CANADA

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, my question is directed to the Prime Minister. I think that it was on May 28, 1946, that the Prime Minister Louis St. Laurent said, and I quote:

> There are other matters given by the act to the jurisdiction of the provincial legislatures and the provincial governments; with respect to any of those it is my view that it would not be possible to deal with them without the consent of those to whose jurisdiction they have been confided.

Madam Speaker, I would like to know whether the Prime Minister is prepared to refer to the Supreme Court of Canada the unilateral patriation of the constitution?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I answered the second question of the hon. member a moment ago when speaking to the Leader of the Official Opposition. As for the first part of the question, it seems to me that the member must be quoting what Mr. St. Laurent said when the first paragraph of section 91 was amended. He was then saying that some matters were outside federal jurisdiction when it wanted to amend its own constitution. The distribution of powers indeed appear in the first paragraph of section 91. I would like to point out that we do not alter the distribution of powers between the federal and provincial governments in the resolution now under consideration. We do not alter what Mr.

St. Laurent said, that is, that the distribution of powers could not be affected by a federal amendment.

Mr. Kilgour: Madam Speaker, I should like to ask a supplementary question.

It is very clear to me that the project aims at reducing the power of the provinces over some matters such as language rights. In my opinion the powers of the provinces will clearly be changed by this resolution. Does the Prime Minister agree? If not, could these matters be referred to the Supreme Court of Canada?

Mr. Trudeau: Madam Speaker, I have just given the Right Hon. Leader of the Opposition a negative answer to the same question.

* * *

● (1500)

[*English*]

OFFICIAL LANGUAGES COMMISSIONER

EXPENDITURE ON LANGUAGE GAMES FOR FREE DISTRIBUTION

Mr. John Gamble (York North): Madam Speaker, my question is for the Minister of Finance. I wonder if the minister could tell the House whether, contrary to general public belief, the consolidated revenue fund is suffering from an overabundance of surplus.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Not yet, Madam Speaker.

Mr. Gamble: In light of that rather terse but succinct answer, I ask the minister whether the expenditure just recently incurred by Maxwell Yalden, Commissioner of Official Languages, of $1,360,000 in purchasing 200,000 Parker Brothers quality language games for free distribution is an appropriate expenditure of public funds and, if so, where Mr. Yalden acquired the authority, under the Official Languages Act, for that kind of expenditure.

Mr. MacEachen: Madam Speaker, I remind the hon. member that, as I understand it, Mr. Yalden as the Official Languages Commissioner is an officer of the House of Commons and therefore any member of the House or a parliamentary committee would not only be entitled, but would be obligated, to question Mr. Yalden on the reasons for spending such sums of money, just as members can question the Chief Electoral Officer or other persons who are directly responsible to Parliament and not to the government.

[*Translation*]

ENERGY

POSSIBLE CONSTRUCTION OF LNG STORAGE FACILITIES

Hon. Roch La Salle (Joliette): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. Last summer, Petro-Canada announced the construction of large LNG storage facilities. It would appear that consultant firms have chosen two sites: Gros-Cacouna and Canso in Newfoundland. Can the Minister advise us as to the progress of these studies and, if so, when does he expect Petro-Canada or himself to make a definite announcement?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): First of all, Madam Speaker, I want to remind the hon. member for Joliette that Canso is in Nova Scotia and not in Newfoundland as he indicated. Secondly, Petro-Canada has not announced a decision regarding this project. Rather, it announced a pilot project for the shipment of natural gas from the Arctic to southern Canada. This project will be submitted for consideration to the National Energy Board which will decide whether or not it should be retained. In its submission to the NEB, Petro-Canada proposed two sites, Gros-Cacouna in Quebec and Canso, in the Strait of Canso in Nova Scotia. This question will also be considered by the NEB which will make a decision that will be made public and will be subject to government approval if indeed there is to be an export of gas from Canada. In the meantime, I think we must let Petro-Canada proceed with the necessary studies on the matter and let the National Energy Board do its work. That is all the information I have on the subject for now. As I indicated, the decision at this point is up to Petro-Canada and the National Energy Board.

Mr. La Salle: Madam Speaker, since Canso is in Nova Scotia, and also in the constituency of the Deputy Prime Minister and Minister of Finance if I am not mistaken, can I have the assurance that the Minister of Energy, Mines and Resources, as a Quebecker, will have as much influence as the Deputy Prime Minister and Minister of Finance on the choice of a location?

Mr. Lalonde: Madam Speaker, every citizen is entitled to be heard by the National Energy Board. However, it would be rather unusual for me as the Minister of Energy, Mines and Resources to make representations to the National Energy Board or to exert any kind of pressures on the board. Indeed, neither myself nor my colleague, the Deputy Prime Minister and Minister of Finance, intend to do any such thing. I am certain that the decision will be made in light of what is economically the wisest for Petro-Canada and Canada as a whole. I wish to assure my hon. colleague that this decision will eventually be made in the interest of all Canadians, including Quebeckers.

Order Paper Questions

ROUTINE PROCEEDINGS

[*English*]

NATIONAL TRADING CORPORATION

First report of Special Committee on a National Trading Corporation—Mr. Flis.

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

* * *

NATIONAL ANTHEM ACT

MEASURE TO AMEND

Mr. F. Oberle (Prince George-Peace River) moved for leave to introduce Bill C-616, to amend the National Anthem Act.

Some hon. Members: Explain.

Mr. Oberle: Madam Speaker, the House will recall that earlier in this session, in a rather unprecedented act, the House symbolized its commitment to national unity by endorsing the national anthem as being the official national anthem of Canada. Circumstances throughout the country made this symbolic act necessary.

It is also known to all members of the House that there are members here who made certain compromises in respect to that, as some of the words in the anthem do not adequately reflect the ethnic make-up of our country. Indeed, one-third of our population cannot lay claim to the word "native" in the anthem and, in his wisdom, the Secretary of State (Mr. Fox), who introduced and piloted the bill through the House, said in his speech that it was the intention to allow a private member's bill to proceed, to make the changes to at least two words in the anthem. Madam Speaker, I want to give the House the opportunity to make these changes through my bill.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 350, 744, 1,011, 1,231 and 1,445.

[*Text*]

EMPLOYMENT AND IMMIGRATION—EMPLOYEES IN THE SX CLASSIFICATION

Question No. 350—**Mr. Herbert:**

1. As of March 31, 1979 (a) how many persons in the SX classification were employed by the Department of Employment and Immigration (b) how many were (i) Francophones (ii) females?

2. What are the present totals?

3. Was there a structural change in the Department since March 31, 1979 and, if so, what effect did such a change have on the number of SXs employed?

Hon. Lloyd Axworthy (Minister of Employment and Immigration):

1. (a) 74*
   (b) (i) 17
   (ii) 3

*Four on secondment
Two on executive interchange
One on executive development leave

2. (a) 76*
   (b) (i) 16
   (ii) 3

*Four on secondment
One on educational leave

3. Structural changes have taken place within the commission/department since March 31, 1979. There has not been any effect on the number of SXs employed.

FINANCE—CONSULTANTS UNDER CONTRACT

Question No. 744—**Mr. Shields:**

Since August 1, 1978, how many (a) administrative (b) policy consultants were under contract to the Department of Finance and/or any boards, commissions or corporations reporting to the minister and, in each case, what amount was paid to them?

Hon. Pierre Bussières (Minister of State, Finance): In so far as the Department of Finance Canada is concerned:

	Amount paid
(a) 8	$138,966.85
(b) 10	94,963.71

Administrative contracts

Name	Number of contracts	August 1, 1978 to March 31, 1980 Cost
BIRO Inc.	1	$ 45,107.75
Bruce E. Macdonald	1	25,381.75
Société Gamma Ltd.	2	34,291.50
E.M. Jay Productions	1	1,456.20
S.A. Kelly Management Consulting Ltd.	1	5,100.00
Carty, E.B.	1	24,675.00
Shulhan, Donna	1	2,954.65
Total	8	$138,966.85

Policy Contracts

Name	Number of contracts	August 1, 1978 to March 31, 1980 Cost
Clarkson Gordon & Co.	1	$ 7,655.37
William M. Mercer Ltd.	1	4,800.00
MacCormick, Katherine	1	981.00
Bird, R.N.	1	300.00
Calvet, Louis Augustin	1	9,500.25
Racine, Larochelle & Associates Inc.	1	39,287.09
K.S. Fortune Associates	1	12,700.00
Clark, H.D.	1	7,990.00
Grant, A. Cameron	1	11,250.00
Brooks, Neil	1	500.00
Total	10	$94,963.71

In so far as the office of the Auditor General is concerned:

August 1, 1978 to May 15, 1980—(a) 61 administrative contracts—$583,593 (b) none

Administrative contracts

Name	Number of contracts	August 1, 1978 to May 15, 1980 Payments
E.A.C. Amy & Sons Ltd.	7	$ 36,631
Beamish, R.E.	1	2,000
Bolla, J.W.	2	14,628
Clarkson Gordon	3	25,308
Coopers & Lybrand	2	360
Cutler, M.	1	38,938
Dannis Management Ltd.	1	10,200
Data Profiles Ltd.	2	3,465
Demesmaker, L.	3	75,982
Donnelly, B.	3	46,945
Extral Consultants Limited	2	9,700
L'Institut des Annonceurs Noël Gauthier	5	59,569
Management Planning Institute	1	23,652
Mankowski, M.	3	15,332
M.R. Communication Consultants Inc.	4	18,500
Price Waterhouse Associates	2	3,253
R.J. Quesnel Associates	2	50,010
Rosen, L.S.	1	11,644
P.S. Ross & Partners	1	488
I.P. Sharp Associates Ltd.	1	900
Sinclair, S.	1	392
Systems Dimensions Ltd.	2	3,845
Thorne Riddell	1	2,280
Touche, Ross & Co.	2	75,963
Traduction Murielle Arsenault Ltée	1	14,144
Williams, N.L.	1	7,000
Word Processing International	4	28,210
H.B. Zimmer Professional Corporation	2	4,254
Total	61	$583,593

In so far as the department of insurance is concerned:

None.

In so far as the tariff board is concerned:

(a) One—$6,841
(b) None

Administrative contracts

Name	Number of contracts	August 1, 1978 to March 31, 1980 Cost
Bureau of management consulting	1	$6,841

NATIONAL REVENUE—CONTRACT FOR DELIVERY OF MAIL

Question No. 1,011—**Mr. Baker (Nepean-Carleton):**

Does the Department of National Revenue, customs and excise, have a contract with any individual or firm outside the department for the delivery of mail and/or printed materials to and from the Sir Richard Scott building and, if so (a) what is the name of the individual or firm (b) for how long have they held the contract (c) on what date did the current contract commence and on what date does it terminate (d) what is the value of the contract?

Hon. William Rompkey (Minister of National Revenue): Yes.

(a)	(b)	(c)	(d)
Woltemade & Wright	as of May 15, 1980	May 15/80—Mar. 31/81	$11,970.
Little John Delivery	as of May 1, 1980	May 1/80—Mar. 31/81	$10,000.

DOME PETROLEUM DREDGE "AQUARIUS"

Question No. 1,231—**Mrs. Mitchell:**

1. How many foreigners are now working on the Dome Petroleum dredge *Aquarius*?

2. Which department issued visas to these foreign nationals and for what reason?

3. Which departments can issue visas to allow foreign nationals to work in Canada?

4. Can the Water Transport Commission issue work visas to foreign nationals?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): 1. Eighteen employment authorizations were issued to foreign nationals to work on the dredge *Aquarius*.

2. Canada Employment and Immigration issued these employment authorizations to fill positions which could not be filled by Canadians or permanent residents.

3. Canada Employment and Immigration.

4. No.

CUSTOMS TARIFF ACT—NUMBER OF BOOKS SEIZED BY THE CROWN

Question No. 1,445—**Mr. Cooper:**

For the year (a) 1977 (b) 1978 (c) 1979, what was the total number of books that were seized by the Crown under section 14 of the Customs Tariff Act and, in each case (i) what was the number of persons charged and/or convicted (ii) what was the title, author and publisher of the book?

Hon. William Rompkey (Minister of National Revenue): The information requested is not available. See the reply to question No. 2,007 answered May 23, 1973.

Point of Order—Mr. Cossitt

[*English*]

Mr. Collenette: Madam Speaker, I would ask that the remaining questions be allowed to stand.

[*Translation*]

Madam Speaker: The questions enumerated by the parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

* * *

● (1510)

[*English*]

POINT OF ORDER

MR. COSSITT—QUESTIONS ON THE ORDER PAPER

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker, I rise to refer to two particular matters with regard to answering questions on the order paper. The first matter I would like to refer to deals with question No. 15 which has now stood on the order paper for three years and four months.

Mr. Paproski: Shame.

Mr. Cossitt: It asks a very simple question to this effect: how much money has Martin Goldfarb and Goldfarb Associates and Consultants received from the government for conducting government polls? This question has been on the order paper for three years and four months and has not yet been answered.

The Minister of Justice (Mr. Chrétien) assured this House a few days ago that on Wednesday of this week, and possibly later next week, he will table information about certain government polls. I would like to ask the parliamentary secretary to assure this House that this question concerning Martin Goldfarb will either be answered at the same time on Wednesday, the same day—because after all he has had three years and four months of notice—or whether the Minister of Justice will include it in his answer.

To quote an old phrase, "Belly up to the bar, boys", it seems to me that with Goldfarb it is "Belly up to the trough and dig into the public funds". I think that it is time the public knew how much money—and it is a lot of money—is going to this enterprise, which is really the chief pollster of the Liberal Party of Canada.

The other point which I would like to raise, Madam Speaker, is with regard to the parliamentary secretary who has been widely quoted by the news media that he would consider or suggest that members be limited to ten or possibly 12 questions on the order paper. Such a move would have the effect of muzzling any member from asking a question if such a proposal were adopted, and I would like to know whether or not it is government policy. After all, if any member of this House were to put ten questions on the order paper, there is nothing in the rules to indicate that they must be answered and, by leaving the questions on the order paper unanswered, under this proposal the government could simply put a member in the position where he could never put another written question on the order paper.

If this is the policy of a government which says that it is in favour of freedom of information, then I think we should know about it, because it is a serious breach of the rights of members. If the hon. parliamentary secretary has been misquoted, then I think now is the time to tell the House that he has been misquoted. If he should perhaps be speaking on his own behalf, rather than on the government's behalf, then I would contend under this point of order that, because he is the member who answers questions on the order paper in the House on behalf of the government, it is very difficult for him to dissociate himself from that function and to speak privately, and therefore the position from which he makes his utterances should be qualified.

In conclusion, Madam Speaker, I have two very brief points. The parliamentary secretary said, according to these publicized remarks, that the cost of questions on the order paper was between $100 and $1,000 per question per member, and that this was costing the taxpayer too much money. I do not think that it costs too much money to let the public know what is going on when it is with regard to legitimate information, especially when some of the answers are not worth $100, $1,000, but only ten cents, if that.

On my final point, Madam Speaker, I hope we will not be treated to a lecture by the parliamentary secretary on percentages. We usually receive such comments from him as, "We've answered 80 per cent of this member's questions, we've answered 70 per cent of this member's questions, or 75 per cent of that member's questions. The government tries to make it sound as though it is gloriously serving this country when the actual truth is that it answers questions with either a non-answer, or only questions which will do no harm to the government. But for three years and four months it has neglected a question which it is literally afraid to answer.

An hon. Member: You guys can have him.

Mr. Cossitt: The hon. member sitting next to the parliamentary secretary can have his little jokes and asides, but I say that it is time that the members opposite stopped joking and said to their own government, "it is time we had some answers and freedom of information in this country".

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, taking a cue from the hon. member for Leeds-Grenville (Mr. Cossitt) with regard to his closing remarks, I should say that the government has a freedom of information bill on the order paper, and we hope to proceed with it very soon. The Minister of Justice (Mr. Chrétien) last week, I believe, made an excellent presentation in which he said that a certain number of polls would be released by the government this week. I will bring the hon. member's question No. 15. to the attention of the Minister of Justice.

On the larger point raised by the hon. member with regard to the use of questions on the order paper, it is quite correct that I have been quoted publicly on this subject in recent weeks. My public comments have emanated from the fact that the hon. member himself on numerous occasions has questioned me before this House after I have given a list of questions and, in my view, has tried to embarrass the government or score political points over the fact that some of these questions were not answered.

Mr. McDermid: Really?

Mr. Baker (Nepean-Carleton): He would never do that!

Mr. Collenette: The hon. member says that his question has been on the order paper for three years and four months. I suggested before that the hon. member's own government could very well have answered that question during its brief tenure in office.

Mr. Baker (Nepean-Carleton): You didn't give us time.

Mr. Collenette: So, I do not think that is an accurate point to make. Since taking on this job I have tried very hard to come to grips with the number of questions on the order paper and to ensure that we give an adequate reply to all members. The tabling of answers last Monday to 446 questions means that we have now answered 65 per cent of the questions presently on the order paper.

I should state that the hon. member for Leeds-Grenville is, to my knowledge, the most frequent user of the order paper.

Mr. Baker (Nepean-Carleton): Good for him; that's his job.

Mr. Collenette: Perhaps that is his job, and I can say that the government has answered half of his questions. I would hope he would be at least satisfied with that performance as of today, but I want to get it up to 100 per cent, and I am trying. I spent some time over the summer chasing some of these answers down. The result was the tabling of 446 answers last week.

I would draw your attention, Madam Speaker, to Beauchesne's fifth edition, chapter 9, at page 129, on the definition of oral and written questions. It appears to me—and this is a personal observation although I deal with these questions every day as part of my duties as parliamentary secretary—that some of the questions which I answer in the House—and I read every answer tabled in this House—really go beyond the bounds of the propriety of written questions as outlined in Beauchesne's at page 129, citation 357.

It is my belief, and I have mentioned it to the President of the Privy Council (Mr. Pinard), who, as hon. members know, is an ardent proponent of parliamentary reform, that when we get agreement among all parties to proceed with reform, we should not only look at sitting hours and length of speeches, but also at the propriety of questions on the order paper as to whether or not members are really going beyond the original intent of our parliamentary practice in posing such questions.

I hope that there will be general agreement among all sides of the House that we look at this matter on an ongoing basis. It worries me, as a member of Parliament who is charged, as are all members, with making sure that the public's money is spent wisely, to see an inordinate number of questions, many of which are merely a series of variations on one major theme and the answers to which could be easily obtained if the member's secretary were to call the minister's office. That way the question would not have to go on the order paper and be translated into both official languages, or go through the departmental procedures which we have established.

I was quoted in the press a while ago as saying that just to table a yes or no answer to any one question costs approximately $75 of the taxpayer's money. Most of the answers which are tabled in the House are of much longer variety and some of them run into pages. The process costs quite a lot of money and it is my personal belief that members of the House, perhaps through the Standing Committee on Procedure and Organization, should be looking into the matter. Members of the House should be concerned as to whether or not this particular part of our parliamentary procedure is being followed in the appropriate manner.

There are limits in question period as to the number and types of questions a member can ask. You, Madam Speaker, have laid down a number of rules, or reiterated the proper form for questions in the question period. We have certain procedures for private members' hour. Not all private members' bills come up for debate, yet the one area of our procedures where I think we have an open-ended situation is that of questions on the order paper. In the interest of efficiency and in the interest of fairness to all members who want to ask questions, perhaps we should consider placing a limit on the number of questions that can be asked on the order paper.

• (1520)

I should say in conclusion, Madam Speaker, that if all members of the House of Commons put as many questions on the order paper as does the hon. member for Leeds-Grenville, and they could very well do that—

An hon. Member: Like the hon. member for Vaudreuil (Mr. Herbert).

Mr. Collenette: —then very few members would be totally satisfied with the answers, because the resulting paperwork and cost to the public treasury would virtually impede a useful flow of answers to such questions.

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I know it was a parliamentary secretary speaking and not a minister, but I want the record to be absolutely clear that if there is any movement by the government to limit the right of members to put questions on the order paper, it will be opposed as vigorously as any thing the hon. parliamentary secretary has ever seen in this House. That is the first thing, Madam Speaker.

The second thing is with respect to the interpretation of the rules. As I understand it, Parliament's function is to make government accountable. I think the rules of this House ought to be and have been, to a great degree—even Beauchesne's—construted in a way that would not limit members of Parliament—not just members of the opposition but members of Parliament generally—from holding ministers accountable.

When my friend says it is easy to pick up the phone and call a minister's secretary and get an answer, I think he is forgetting two things. First of all, a minister's secretary is likely not to answer a question. I wonder if the Prime Minister's (Mr. Trudeau) secretary, or a minister's secretary, whose attention is directed to a question from the hon. member for Leeds-Grenville (Mr. Cossitt), would answer such questions fully? The parliamentary secretary knows that is not so.

What is much more important is that questions on the order paper save the time of the House of Commons so that it can deal with other things. That has always been the preoccupation of the government—to save the time of the House of Commons. More than that, the answer to a question on the order paper appears on the public record; a telephone call does not appear on the public record.

I support absolutely, and I think all my colleagues and any thinking member of this House would support absolutely, the right of any private member of this House of Commons to question the ministry, as the hon. member for Leeds-Grenville has consistently questioned the ministry over the years.

The parliamentary secretary might put the same thing to the hon. member for Vaudreuil (Mr. Herbert), who is one of the most consistent and tough questioners on the government side. The right is not just an opposition right; it is a private members' right to hold the government accountable. I tell the parliamentary secretary now that if there is any feeling in the House that there is some support for the idea that such right be limited in some way, it will be resisted in every way within the law.

Madam Speaker: Order, please. Is the hon. member for Leeds-Grenville (Mr. Cossitt) seeking the floor to speak on the same point of order?

Mr. Cossitt: A question of privilege, Madam Speaker.

* * *

PRIVILEGE

MR. COSSITT—STATEMENT MADE BY PARLIAMENTARY SECRETARY OUTSIDE CHAMBER

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker, my question of privilege arises not from what the hon. parliamentary secretary said, but from what he did not say. What I am getting at is that he, in effect, through certain news media, threatened members of this House that he would recommend ten or 12 questions on the order paper be the maximum allowed. I feel that this interferes with the parliamentary privileges of every member on this side of the House or, as our House leader has pointed out, on that side of the House as well. If that is government policy, then I think we should know it. That was not clarified. If it is government policy, then I think I have a legitimate question of privilege, that my privileges and those of every member of the House are being interfered with by an arrogant government that does not want to give information.

I should like to know if whoever the acting prime minister might be, since most of the cabinet have beat it, or the parliamentary secretary, who remains, will now dissociate the government from his statement that they would recommend limiting us to ten or 12 questions. Otherwise, I reserve the right to move that this matter be referred to the appropriate committee as a breach of privileges, in that it is a threat to members of Parliament.

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): I shall not speak for long, Madam Speaker, but since this involves comments that I allegedly have not made in the House, I fail to see how the hon. member has a question of privilege since hs is referring to something that I have not said here.

In terms of public statements that I may have made in response to questions from reporters, I would point out that I have not gone out and sought a forum on this subject. I have been asked questions, primarily by Canadian Press, and I also talked to *The Globe and Mail* because of the comments made by the hon. member from time to time. I was just supplying information.

Let me make one thing clear, Madam Speaker. Whether I am a parliamentary secretary does not enter into this. Every member of the House has the right to express an opinion. I have that right, as does the hon. member for Leeds-Grenville (Mr. Cossitt). I have every right to speak, even publicly, and advocate a change in the rules of procedures of the House of Commons.

Mr. Baker (Nepean-Carleton): Shame.

Mr. Collenette: We all have that right. The hon. member for Nepean-Carleton (Mr. Baker) may disagree, but he should not deny me the same rights that he is vigorously defending for his colleague, the hon. member for Leeds-Grenville.

I am speaking in a personal way, Madam Speaker. I have mentioned this matter to the President of the Privy Council (Mr. Pinard), in the course of conversations. He is a great proponent of parliamentary reform and has made certain public statements on the subject. I hope that when this matter goes to committee we can look at the whole question.

In no way did I threaten the hon. member. In fact, I would hope that the hon. member is beyond such threats.

Madam Speaker: Order, please. I suppose the hon. member would want me to remind him that he was referring to a statement made outside the House. A statement made outside the House cannot be referred to, and cannot bring about a question of privilege.

There has been some debate, and I will recognize that. I had to listen to the hon. member until he exposed the reason for which he had a question of privilege. I must say, however, that in this particular case there might be a grievance, and maybe an important one, but there is no question of privilege.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 58—ALLEGED GOVERNMENTAL MISMANAGEMENT OF ENERGY SITUATION

Hon. Michael Wilson (Etobicoke Centre) moved:

That this House condemns the government for its mismanagement of Canada's energy situation with the consequent loss of economic development opportunities and increased threat to the nation's energy security.

He said: Madam Speaker, it gives me great pleasure to be able to propose this motion to the House. This government's energy policy, or I think we can say this government's lack of an energy policy, has left Canada and Canadians increasingly exposed to shortages of oil from other countries and has cost Canadians literally billions of dollars in lost energy opportunities through industrial development. That is the reason for the motion, which reads as follows:

That this House condemns the government for its mismanagement of Canada's energy situation with the consequent loss of economic development opportunities and increased threat to the nation's energy security.

This government has become totally preoccupied with the division of revenues between the federal government and the oil producing provinces. It has run, over the past number of years, the financial affairs of this country in such a haphazard, slipshod fashion, that it has run up a deficit which this year will amount to some $14 billion.

This government views oil revenues as the easiest, most painless way of reducing this huge figure, but in so doing it is splitting the country. It is increasing the exposure of Canadians to a shortage of oil and, in myopia, it is cutting Canadians off from the most tremendous economic development and job-producing opportunities in our history.

Recently, the Department of Energy, Mines and Resources has been running an advertising campaign, the objective of which is to "reduce the level of public concern about energy". Those last words were taken from a document leaked from the Department of Energy, Mines and Resources which set out the objective of the advertising program. Let us look at that objective against the background of what is happening in this country and in the world today.

● (1530)

In 1979 Canada imported some 430,000 barrels of oil a day from countries such as Venezuela and the Middle East. This is about 25 per cent of our consumption of about 1.8 million barrels a day. What greater reason for concern can there be

when two of the largest exporting countries are at war with each other? Possibly that objective will change in 1985 when our imports from these countries will be some 700,000 barrels a day, because that is what the National Energy Board is projecting.

In 1981 shipments through the Sarnia-Montreal oil pipeline will commence to decline. By 1985 that pipeline may cease to transport western oil. If no further oil discoveries are made in western Canada—and there have been practically none until a recent discovery in the Pembina area in the past few months—the province of Ontario will begin using foreign oil in 1985. That is right, the Atlantic provinces and Quebec will be 100 per cent reliant on foreign sources for their oil, and in 1985 Ontario will also be moving into that very exposed position. That is the nature of our oil supply picture today. That is the result of the shortsighted energy policies of the Liberal government, policies which took us from being a net exporter in 1975, five short years ago, two years after the first oil shock, to our exposed position today.

Any number of experts have been predicting that the likelihood of a world-wide shortage of oil in the next few years is increasing, and increasing dramatically. There was an article in *The Globe and Mail* this morning setting out some of the aspects of this supply problem in relation to the war between Iraq and Iran. I am sorry to say the answer by the minister to a question put by the hon. member for Calgary Centre (Mr. Andre) ignored the message this news report was conveying to Canadians. The world has managed to cope with the Iranian shortages starting about one and a half years ago, and so far it has managed to cope with the shortages which are starting to occur resulting from the Iraq-Iran war. But we should not be managing our energy policy oblivious to these threats, particularly when we have it within our control to protect ourselves from these shortages through a policy of developing our own oil reserves.

The Economist of London said it all in one paragraph, as follows:

The war between Iraq and Iran has changed the balance of power in the oil-producing Gulf. An Iraq which has people and guns and an Arab Bismarck of a leader willing to use them (and after this war may also control, directly or indirectly, Iran's potential 6 million barrels) will loom over a humiliated and weakened Iran, a Saudi Arabia which has oil but hardly any people, and the assorted statelets of the Gulf coastline. That is the local consequence.

The next sentence should be the concern of Canadians:

For the wider world, whose factories and ships and aircraft and cars depend on the Gulf's already overpriced oil, the main lesson of this war is its reminder that no hidden hand can be counted on to steer the flow of oil safely through the political rivalries of this turbulent region.

The world is laughing at us today. We are the country which was a net exporter in 1975. We are the country which ignored the danger signals of 1973, signals which other countries took so seriously. We are the country which now imports 25 per cent of its oil needs. The world is shaking its head, saying, "How could they have blown it so badly?" And still we have not learned. This government today is following policies which increase our reliance on foreign oil, which increase the risk of shortages in our country. Canadians should be demanding

energy policies which will protect us from the whims and wars of such a volatile place as the Middle East. In the face of this, the propaganda machine of the Liberal government is telling Canadians to be complacent, to be confident of the future; "the government has everything under control; Big Brother will look after you." This, Mr. Speaker, is an unforgivable manipulation of public opinion to camouflage the lack of policy to date and to prepare the ground for what, from all reports, appears to be a totally misdirected policy for our energy future.

Rather than taking as its theme the objective of reducing concern in our energy position, the government should be attempting to increase the sense of urgency of Canadians to get on with the job of achieving self-sufficiency, to bring on new sources of energy, to increase conservation efforts, and to reduce our dangerously large dependence on foreign imported oil.

One must question why the government has been so complacent and why its advertising policy should attempt to transfer this complacency to Canadians. Why is it that the opposition must bear the burden of carrying that message to Canadians? This is the second time we have had an opposition day devoted to the problems of supply in this country and the problems of the international disruptions which are going to cause great problems to our country in the future. Why is it that we in opposition must pit our resources against the power of government and its propaganda machine? I have tried hard to understand those reasons. The simplest reason is to hide the obvious shortcomings of government policy to date. Another reason is that any move to self-sufficiency must involve a higher price for oil.

The commitment of the Liberal Party in the last election to hold down the price of oil and gasoline is a most shortsighted policy objective. The disastrous consequences of that are becoming clearer every day. I will discuss some of these later in my remarks. In the meantime, the propaganda machine must operate to deflect the concerns of Canadians from the serious short-term dangers of that policy.

The final reason, I believe, is one which must be viewed in the context of the current constitutional discussions. The Liberal government is trying to split the west from the rest of the country. That is clear. It has stated that its energy policy will "poison the atmosphere"—again, that is a quote from another leaked government document—of future constitutional negotiations. Energy shortages are inevitable because of its policy shortcomings. What better way of deflecting criticism is there than to say that things are in good shape now and, when the shortages come, to blame it on the west? I could let my thinking run further, but I will not succumb to that temptation. However, it is a sad commentary in today's political world that one must push oneself in more Machiavellian terms in order to attempt to understand the policy objectives of this government.

An hon. Member: Anything for power.

Mr. Wilson: At any rate, the clear results of the policy shortcomings are that we must plan for a period of oil supply interruptions, allocations, and rationing. We must plan for periods when some Canadians will not have enough oil to heat their homes, drive their cars, run their tractors and run their fishing boats. We must plan for the shock that our manufacturing, our mining, our paper, our tourism and our transportation industries will suffer when emergency allocation commences, when we have the gas line-ups which have been such a serious problem in the United States' economy. We must expect to suffer a far larger shock when higher prices for offshore oil are forced into our economy in emergency conditions. These are the conditions which we must anticipate and plan for. But they are conditions which are so unnecessary. They are conditions which we could have avoided with a comprehensive energy policy in place, similar to that announced by our government last December.

The Clark government took, as the keystone to its energy policy, the clear objective of energy self-sufficiency. Our fundamental concern was supply. Security of supply was at the core of all aspects of our policy. Energy is the lifeblood of our economy, and in a northern climate such as ours it is a critical element to the livelihood of all Canadians. We were concerned about the impact of the policy on low and middle-income earners. That is why we introduced an energy tax credit, to protect certain groups of Canadians from the price impact of the policy. But without a supply of oil, the price becomes irrelevant.

• (1540)

The damage, both real and potential, which this lack of energy policy is inflicting on the country, is incalculable. We, in the official opposition, urge the government to take as the central theme of their energy policy the objective of self-sufficiency, and to do those things which are necessary to bring on new sources of supply, to avoid the hardship that consumers, particularly those in Ontario and the east, will suffer if shortages occur. We urge this government to reverse the ill-conceived and dangerous direction which their policies have followed in recent years.

The picture which we are facing is not without its bright spots. Canada has the potential of being one of the great energy producers in the world. The tragedy is that we are not capitalizing on it. Canada's energy future can be strong. There is a tremendous opportunity for economic development based on energy if we can get our act together, if we can grasp the significance of this potential and translate it into policy. For some months now I have been referring to our energy future as an opportunity for our over-all economic development.

The energy industry is the growth industry of the 1980s and 1990s. Canada needs some $300 billion in investment in its energy sector during the 1980s, and at least double that in the 1990s. To put that into perspective, our total national income in 1980 will be about $300 billion as well. In other words, we will be spending in the next ten years, in the oil and gas, electrical, pipeline and other energy industries, an amount

equal to the total size of our economy today. And this spending will occur across Canada.

This growth will not happen to nearly the extent possible with the attitude and approach which the government has shown to date. There is no energy policy. The Liberals defeated us on December 13, ten months ago yesterday, on the issue of our budget and energy policy, and to date there has been nothing to take its place. In the meantime Canadian industry loses valuable time and opportunities to take advantage of our natural strengths. We have job opportunities in the next seven years in these industries to employ some 350,000 throughout Canada. Many of these will be created by equipment purchases totalling an estimated $120 billion, much of it in central Canada.

The potential stimulus to our manufacturing industry is virtually without parallel in our history. The huge energy projects provide a chance to expand and modernize manufacturing industries in order to provide the wide range of goods and services needed. Project engineering and construction management will be required, as well as steel pipe, valves, compressor stations, construction equipment, prefabricated buildings, welding equipment, electrical generating transmission equipment, and so on. Our oil and gas supply manufacturing sector is becoming one of the most advanced technologically in the world. These are all goods manufactured in Canada. But this manufacturing base must be encouraged through sound economic development and energy policies. Without these policies, the jobs will not be created, the new plants will not be built, and our manufacturing trade deficit, already far too high, will increase further.

To be more specific, the proposed $7 billion Alsands synthetic crude oil project will create some $23.5 billion of economic activity, of which $6.2 billion will be spent in Ontario. This project is being continued at some risk to the sponsors, in anticipation of an early settlement of Canada's oil policy. The Cold Lake project is of a similar magnitude and is in the same holding pattern. If that policy is not brought forward with some degree of urgency, both projects are likely to be shelved. I understand the Cold Lake project now has some 500 engineers on staff. If that project is stopped today, those engineers will disperse to other jobs and it will take some time to revitalize the project. The result will be a considerable delay in completion. Valuable time will be lost in bringing in these new reserves of oil. Investment will be postponed. Jobs will be lost. Our balance of trade will suffer through increased imports of oil. Finally, we will lose ground in this industry of the future.

Today we are a world leader. Venezuela, with its giant Orinoco oil sands, has already shown an interest in Canada's technology. If we do not continue developing our technology, others will overtake us to the point where we could end up importing the technology rather than exporting it.

This same picture holds true in pipeline projects over difficult terrain. The pipe for the Foothills gas pipeline will be worth about $2 billion, split roughly equally between Stelco in Hamilton and Ipsco in Regina. The turbines will cost about $200 million, valves and other materials $70 million. It has been estimated that this pipeline will produce in excess of $1 billion of business for Ontario based companies. Equally important, Canadian pipeline engineers and construction companies will be in the forefront of the technology and will be in a position to bid on similar projects in other countries.

The North American automobile industry is currently undergoing a difficult transition from large gas-guzzlers to smaller energy efficient compact cars. Many thousands of workers are out of work because foreign manufacturers have doubled their share of the market in the past four years. I recently visited Washington and Detroit, with six other colleagues, to learn more about the automobile industry. There we were told that the energy policies of the United States and Canadian governments had contributed significantly to these problems.

North American consumers have for some time been protected from the impact of higher gasoline prices. Japanese and German consumers have been forced to face this reality. As a result, Japanese and German car manufacturers have been at the forefront of developing new energy-efficient cars. When the North American consumer suffered the second oil shock, the revolution in Iran, American consumer preference changed abruptly to the smaller cars. When the North American producers could not meet the new preference for smaller cars, the Japanese and Germans stepped in. This is a classical illustration of how an unrealistic government policy has been overtaken by market forces, to the great disadvantage of local industry. The United States government has recognized this. The Canadian government still has its head in the sand.

Let me give you another example, one that deals with an industry of the future. We hear stories of great advances being made in other countries in the development of alternative sources of energy: gasohol, solar, wind, miniature hydroelectric units. Why not in Canada where we have the climate and industrial capacity to use such alternative sources? It is very simple, Mr. Speaker. Until we get the right mix of energy policies—and price is the most critical element—that development will occur in other countries, and Canada will miss out on a huge new industry. The higher energy prices in other countries are providing a powerful and natural incentive to develop this new technology. This situation is no different than the energy efficient car.

The Royal Bank recently published some statistics which look at this phenomenon from another perspective. Because of the unrealistically low energy prices in Canada and the United States, we have become inefficient users of energy in our industry. To illustrate, the Royal Bank estimated that industrial output for each ton of oil consumed in 1978 was as follows: West Germany, $1,718; Japan, $1,669; Britain, $1,175; United States, $954 and Canada, rock bottom, $840. In other words, Canada was less than half as efficient in its use of energy as was West Germany, partly due to climate and distance, you might say. But, look at the change in consumption patterns in recent years when this difference in price has been so obvious.

● (1550)

Since 1963 output per unit of energy consumed has changed as follows, and again I am using Royal Bank figures: Britain, up 25 per cent; Japan, up 12 per cent; West Germany, up 10 per cent; the United States, up 2.3 per cent; and Canada, down 5.3 per cent.

Government policy has unwittingly encouraged Canadian industry to be less efficient in its use of energy than its main competitors. Industry is now forced to adjust, and in a short period of time, to these new realities.

If this government does not produce a rational and comprehensive energy policy, Canadian industry will continue to suffer and will continue to lose market position. It will continue to have a lack of confidence to invest and expand in these new industries in the future. Valuable business opportunities will be lost in all parts of the country.

Let me urge the Minister of Industry, Trade and Commerce (Mr. Gray) to work closely with his colleague, the Minister of Energy, Mines and Resources (Mr. Lalonde), to establish policies and guidelines to encourage the highest possible procurement of Canadian goods and services in the energy field, both in the megaprojects and frontier areas as well as in the conventional fields. Canadian companies have proven to be both competitive and innovative in meeting this challenge.

Government support in the form of procurement policy guidelines could help to carry this success further. This need not be done in a punitive way. Government guidelines can set the operational background. One of the departments could act as a clearing house to ensure that oil companies were aware of the Canadian talent available.

Finally, research and development policies should be formulated to assist these Canadian companies to stay abreast of current technology. In this way Canadian companies can place themselves in the forefront of the market place and be in a position to exploit the huge international market in energy development in the future.

Canada is endowed with massive reserves of many forms of energy and other natural resources. I have spoken in the past of the importance of matching these two ingredients in the development of our industrial policy. There will be many opportunities in the future as the value of these resources increases and their availability decreases. We must be alert to these opportunities and provide the industrial structure and policies to capitalize on them.

Australia today provides the most spectacular example of that to which I refer. Australia is currently planning seven aluminum smelters. Because of high energy costs and scarce supplies Japan is closing down aluminum smelters and will import the finished product from Australia in the future. The reason is very simple: Australia has cheap and readily available coal, as well as the principal natural resource, bauxite.

There will be other opportunities, not necessarily on the same scale, in situations where Canada can combine our plentiful energy and natural resources with profitable, job-creating industrial development. The opportunity is clear. Energy is the number one growth industry for Canada.

We implore the government to show some real sense of urgency, some direction, in order to give our industry the confidence and the sense of commitment that this promise can be fulfilled. The performance by the government to date has been dismal, practically non-existent, and in some ways even negative. This must change if we are to create the jobs, the investment, the new technology, the exports and the sharing of all these benefits by all Canadians.

Energy is our future; it can bind us together and make us strong. This government has chosen to use it to make us weak, to divide us and to undermine our confidence. It is absolutely essential to the strength and future of our country that this government develop a comprehensive energy policy on an urgent basis in order to capture the economic development opportunities which are available and to protect Canada, particularly Ontario and eastern provinces, from the increasing threat to our energy security. Thank you very much, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I rise to speak for my party, the New Democrats, on this motion today. As I was listening to the hon. member for Etobicoke Centre (Mr. Wilson), I had the horrible sense of *déjà vu*, that we had been through this before, had this debate before. I checked through *Hansard* and I found that, indeed, we did, on July 8, 1980. I believe the preceding speaker mentioned that we had spoken on a Conservative opposition day on a motion virtually covering the same topic. I will send a copy of my speech given on July 8 to the hon. member. We will all see, if we look at that debate, that not much has really changed in the interim. We will find that nothing has happened. As the hon. member from Calgary has said, nothing has happened, the situation has become worse. That is true.

We have no energy policy in this country and there does not seem to be one on the horizon. There has not been an energy policy for a number of months, and the country is suffering. The minister can check the situation with any of the members of the all-party committee on national resources and public works. That committee of the House of Commons, of which I and some of my colleagues are members, travelled to the tar sands this summer, as well as to Washington. We saw areas where there is certainly a need for energy policy.

I want to speak today about some of our concerns and ideas regarding a real energy policy for Canada. My colleague, the hon. member for Winnipeg-Birds Hill (Mr. Blaikie), later in the debate, will speak about an issue that has had little debate in this House of Commons, the nuclear issue. In my view and that of my colleagues, this is a matter the Liberal government is really sweeping under the rug. I see here the parliamentary secretary to the minister who has been the outstanding culprit in this particular matter, no doubt following government policy. I invite the minister who intends to speak after me to reply.

The fact is that this government is gung-ho on expanding the nuclear industry at the risk of accidents and harm to future generations. This is a serious matter. We are not going to go into all the difficulties involved in the industry. What we are saying is that we should at least have this out in the open. We may hold different views from our friends to the right about expansion of the nuclear industry, but at least they were prepared when they were in government to have an inquiry, hear argument, and get the matter out in the open. This present government is not prepared at all to do that. The hon. member for Winnipeg-Birds Hill will speak on that and, if hon. members to my right will listen, I will speak a little bit about our concern over the present lack of energy policy today. I should like to put forward, if I might, what perhaps a typical Canadian consumer would say if he or she were here in the House today.

The first thing a consumer would ask is: who is the minister of energy for this country? I see a gentleman over there who purports to be, but he does not seem to be very effective as the minister. Who fixes the price that we now pay for our gas? It is not fixed by that minister. He was unable to get a deal with the province of Alberta. Indeed, his leader, the Prime Minister of this country (Mr. Trudeau), met for two days here in Ottawa with his namesake, Peter, and he spent the rest of the summer worrying about the constitution. I recognize the situation in Quebec and what we have been through in that regard, and I know the constitution is important. However, the people in my riding out west are asking about where our priorities are. Surely the priority should be to have a decent energy policy. As the hon. member for Vancouver East (Mrs. Mitchell) has pointed out numerous times in this House, other priorities should be to have a decent housing policy and a policy with respect to inflation. Those are the priorities the man or woman in the street feels.

• (1600)

On August 1, 1980, the price of gasoline went up two dollars. That was a unilateral increase. The minister had nothing to do with it. When asked about it by the press he said, "Well, we will just let it ride and maybe we will get an agreement later on". The question is, who pays for that? I say that the Canadian people pay for that lack of policy because every time Canadians fill up with gas, under the present distribution of gasoline dollars, they fill up the pockets of oil companies. The oil companies are making vast profits.

Mr. Lalonde: What about the government?

Mr. Waddell: An hon. member says the government too. As hon. members know, on every increase and with the existing formula, a one-dollar-a-barrel increase is split such that 45 cents goes to the provincial government of Alberta, 45 cents goes to the oil companies, and ten cents goes to the federal government. If the minister wishes to challenge that, he will have a chance in his speech. I see him nodding. What I say must be true, or else he is tired, either one.

Mr. Lalonde: Maybe both.

Mr. Waddell: The point is that the 45 cents which goes to these companies and which comes out of the pockets of Canadian taxpayers goes to the oil companies because there is no proper energy policy or agreement between Peter and Pierre. If Peter and Pierre are unable to make an energy policy or sit down and agree, perhaps it is time they both moved on. That is what Canadian consumers say.

Mr. Paproski: Maybe you, Waddell, will be moving on.

Mr. Waddell: The money is going to companies which are controlled largely by foreigners, and Canadian consumers will eventually get tired of that split.

I listened to the hon. member for Etobicoke Centre (Mr. Wilson), the spokesman for the Conservatives, and it seems to me that just as in the debate on July 8 the Conservatives are really still fighting the last election. I am surprised that they raised this matter. I might say that they are fighting the last two elections. They still suggest the policy that Canada should go to world prices. The problem with that is that the consumers of Canada do not really accept that. They see that as an artificial price, and they do not accept that the price of gasoline should go to world levels. The other thing they do not accept, and this is why they defeated the budget of the former minister of finance, is going too quickly to world prices. Consumers do not want the price of gasoline to increase too quickly.

I think Canadians are prepared to accept an increase in the price of gas. They are prepared to take more money out of their pockets to pay the price of gasoline, but with the rider that that money must come back to the government. It has to come back to the people in different ways. It has to come back through tax credits for low income people, and it must come back—I will talk more about this later in my speech—as a way of buying back control and taking public ownership of the Canadian energy industry with that money. If we told the Canadian people that when they pay that extra money for gasoline it is going to take control of their own industry, which has been sold out by previous Liberal and Conservative governments, they would go for that.

While I am on my feet, I want to deal with two matters of government policy which also come to light. Today in the House the hon. member for Central Nova (Mr. MacKay) asked the Prime Minister about a report that the governor of Massachusetts was talking about getting Canadian natural gas exports. Once again we are into a situation in which we are talking about selling out Canadian gas resources rather than using them here in Canada. Other than making a few speeches since he has been minister, the only thing I see that the minister has done has been to make one decision, and that was the decision on the pre-build of the Alaska pipeline. The minister opted for selling out Canadian gas resources in vast quantities to the United States, in this case Alberta gas resources. I say to Mr. "Ironclad Guarantee" that it now appears that there is even some thought of selling out more gas from the maritimes. Where were hon. members to my right

when I raised the matter of the pre-build in the House of Commons?

An hon. Member: Hiding.

Mr. Waddell: Half of them did not vote on the matter. The other half voted with the government and continued their policy of selling out Canadian resources.

Mr. Benjamin: Instead of looking after Canadians.

Mr. Waddell: This past summer I instituted a law suit against the Government of Canada, and it is now awaiting trial. In the suit the legality of the government's proceeding on the pre-build is challenged, and that matter will soon come to trial.

I visited the United States this past summer, and it became clear that the Americans have not—and I stress have not—arranged the financing of the full Alaska pipeline, contrary to what we have been told. There is some hope and some movement, but still there is no financial package in place, so right now we have a pre-build of the southern pipeline with no hope at the moment of building the northern part. We have a sell-out of Canadian gas resources.

This summer as well I, as federal NDP energy critic, and Ms. Evelyn Gigantes, who is a provincial member of the Ontario legislature from the Ottawa area and provincial NDP energy critic, proposed that instead of selling out these resources to the United States—or perhaps to Massachusetts now—we should be banking them in Canada. I recognize that some small companies have a problem with cash. They have explored and found gas, and they need to sell it. The minister can reply to my suggestion when he rises after me. What about taking that gas, having Ontario, the federal government and Quebec buy it from those small companies, bank it in Alberta, and then use it later on when there is need for it? I suppose that makes too much sense as an energy policy, but I suggest it to the government. Instead of selling out resources, I suggest that the government adopt that policy.

I want to say something about the industry in this debate. Industry-wide 1979 after-tax profits rose 53 per cent, to $4.7 billion. This money came from Canadian consumers who are having difficulty with unemployment and high inflation. These profits represent a rate of return of 33 per cent on stockholder equity. The cash flow of oil and gas companies has risen 45 per cent, to $7.1 billion. What does the Canadian consumer see? He sees fairly hefty profits and government tax breaks. Dome Petroleum pays no income tax, while the average Canadian consumer pays income tax, and he has no participation in this.

What is the policy of the government in this regard? So far there is none, but I suspect that next week the policy might be to Canadianize the industry. How will that get any money back into the pockets of the average Canadian? What is the point of replacing Andrew Mellon with, say, Bob Blair, or Rockefeller with Bronfman?

Mr. Lalonde: Or T. C. Douglas.

Mr. Waddell: There is no difference, in my view; it is not going to help the average consumer. The consumer sees the amount of a company's income tax and says that the saving grace is that all that money and cash flow will be used to find petroleum. Is that right? It is wrong because, according to the government's own monitoring report, industry-wide petroleum-related investment dropped steeply, from 93 per cent to 80.1 per cent of cash flows. What is happening is that these companies are making large amounts of money and are beginning to invest it in other industries. In other words, when we put gasoline in our tanks and pay for it, we are financing a further takeover of Canadian industry by foreigners. Any government worth its salt would tackle that right away and not wait.

We in Canada should have our own energy policy, and in the short time I have left I would like to state what the basis of that policy should be. The policy should be two-pronged. The first base should be that Canada be energy efficient. We must create an energy-efficient society. That should be the number one goal. Rather than talking about security or whatever, let us talk about Canada being energy sufficient. That should be the goal. That means conservation measures, and in the weeks to come my colleagues will be outlining some such measures. The hon. member for Vancouver East, who sits in front of me, will outline what energy efficiency means to the housing market and the housing industry. The member behind me from Regina will, in his own inimitable fashion, set out what it is like in terms of railways. The first and central goal is that Canada must be energy efficient. That would be the NDP cornerstone of the energy policy: Canada must be energy efficient.

● (1610)

The second goal is that we must have public ownership of our petroleum industry.

Some hon. Members: Hear, hear!

Mr. Waddell: This goal is what makes our party fundamentally different from my friends across the way. I ask the minister to reply to these arguments. He should tell my why his Canadianization is better than our policy of public ownership. If we have public ownership, it seems to me that we can develop a national energy policy according to public priorities, not according to private ones or the priorities of Mr. Blair, as much as I love him. I have slept on numerous floors with Mr. Blair up in the Arctic and I saw him doing very well in the corporate world. The point is that we could set public priorities and we would have lower costs, because the money would not flow out of the country and it would not flow to fewer shareholders.

Third, we could stop the financing of our own takeover by foreign industry. One dollar out of every three in profits in our total economy in 1990 will come from the gas and oil industry. They are using this money to expand. As the hon. member for Yellowhead (Mr. Clark) said, if we let this situation go, this could not simply end the country as we know it but could end

the country itself. That is the key issue today. Will we get control of our energy industry?

I ask the minister to reply. His own monitoring report shows that Canadian companies are investing outside Canada. How will more Canadianization solve that? I am in favour of Canadianization, as is my party, but my party is in favour of Canadianization through public ownership of the resource industry.

Some hon. Members: Hear, hear!

Mr. Kilgour: Mr. Speaker, I rise on a point of order. Would the hon. member for Vancouver-Kingsway (Mr. Waddell) permit a question? He has a little time left, I believe.

Mr. Deputy Speaker: He has a minute and a half left. Will the hon. member for Vancouver-Kingsway (Mr. Waddell) accept a question?

Mr. Waddell: Certainly I will accept a question from my friend, as long as he does not ask about our lunch today.

Mr. Kilgour: Mr. Speaker, I should like to quote from the comments of a head of a Canadian-owned company with whom perhaps the member has slept as well.

An hon. Member: Explain!

Mr. Kilgour: I will read the quotation and ask him for his comment. He said:

> It is possible to increase the amount of recoverable oil by 50 per cent from six billion barrels to nine billion barrels . . . it would happen if we began to pay the world price for oil. Somehow in Canada we think it is sound economics to pay the Arabs $40 to $42 a barrel for oil, and to pay $15—

It is now $16.75 per barrel.

> —a barrel for Canadian crude oil. It is madness, absolute madness.

Would the hon. member comment on that?

Mr. Deputy Speaker: In 30 seconds.

Mr. Waddell: Mr. Speaker, I will be glad to comment on that. When we were in Washington we got the same line from the president of Texaco who said, "Just give us more money and we will find all kinds of oil". I do not believe it, I simply do not believe it. We can do it. It seems to me we can find and develop heavy oil, the tar sands and all the things we have to develop through Petro-Canada and through Canadian public ownership. As I said, that is the direction in which we should go.

[*Translation*]

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Mr. Speaker, I would like to say how pleased I am to see that the Progressive Conservative opposition has decided to raise today such an important matter as energy. It is a matter which, of course, is of concern to all Canadians, and I hope that in the few hours the members of the House will spend on that matter they will have the opportunity to deal with the options open to us.

[*English*]

I must say I regret the hon. member for Etobicoke Centre (Mr. Wilson) has left the House. I was inclined to be a little bit harsh on him until I noticed that he does not have the responsibility for energy issues in his party and that the spokesman for the Conservative party on energy is absent from the House. There were so many distortions and a lack of knowledge of the real situation in the energy field in the speech of the hon. member for Etobicoke Centre that one would be very tempted to take to pieces the statement he put before the House. In fact I was rather surprised at the tone of the motion put before the House.

When I heard that the Conservatives wanted to debate energy today, somehow I expected the hon. member would relate it to Thanksgiving that took place yesterday and subconsciously he might be giving thanks that the energy policy of this country is under the direction of a government which has established national goals that will best serve the interests of every Canadian.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Lalonde: If one looks at the record of the Conservative party when it was in office last year, indeed its failure can be attributed to its failure to come to grips with the essential energy issues our policy is addressing. I do not want to spend much time on this, but if one looks at the sad record of the Conservative party during its eight months in office, one wonders how they can even raise the energy issue in the House. What does Mr. Speaker remember of their so-called policies on energy?

An hon. Member: Sweet nothing.

Mr. Lalonde: Well, a few things. First there was their attempt to destroy Petro-Canada. That was the first thing they put forward.

Then they allowed the oil stocks in this country to deplete to such a degree that in November and December of last year they were required to set up the Emergency Supply Allocations Board because we were concerned that there would not be enough heating oil to take us through the winter. That was the second element of the so-called energy policy of the Conservative party.

The third element was that they severely damaged our relations with our suppliers. Indeed there was concern as to what would happen over the next while in terms of our supplies from abroad. I do not have to spend much time talking about what that government did to our relationship with Arab countries with their famous Canadian embassy-in-Israel debacle. But the fact is that they seriously jeopardized our relations with all Arab countries and neglected to develop relationships that should have been kept very warm with the government of Mexico, a potential supplier.

Then there was the cherry on the cake, as we say in French, *la cerise sur le gâteau*. They came with their famous budget in

which they imposed savage taxation on Canadians with large price increases which fortunately both opposition parties at the time, ourselves and the New Democratic Party, rejected categorically.

Since they have been in opposition the Conservatives have continued very much the negative stance they adopted vis-à-vis energy, as was evident this afternoon during the course of the speech of the hon. member for Etobicoke Centre. What have we heard in the last few months? There has been the kind of haranguing we witnessed this afternoon during question period and during the speech of the hon. member for Etobicoke Centre, and the doom and gloom worries and predictions of members of the Conservative party. I could add to this their self-induced paranoia about the possible gas export tax. They do not even realize the electricity of this country has been taxed for something like 35 years between 1928 and 1963 and that we have had an export tax on oil in this country since 1974.

• (1620)

In effect, apart from calling for higher and higher prices and toeing the line of the fat cats with company-paid cars and expense accounts, the Conservative party has contributed—indeed, as one of my colleagues so ably said, "sweet nothing"—to the development of energy policy in this country. I do not want to spend much time on the demise of the opposition. I would like to talk about our record, our plans, what we have done and what we plan to do.

Mr. Andre: That will be a shorter speech.

Mr. Lalonde: I could take a lot of time, contrary to what the hon. member opposite has been saying. What we have done between 1974 and 1979 and what we intend to do over the next few years is to continue the policy of moderate price increases that will allow the industry to prosper, that will allow the producing provinces to see their revenues and wealth increasing but will also protect the consumer in this country and prevent inflation from running away in Canada. This policy which we have had in effect over the last few years has proven effective and, as it is even now, this year.

Everyone knows that in the fifties and sixties Canada's inflation rate was higher than in the United States. What we see this year, in good part, is that our energy prices are indeed lower than in the United States. The inflation rate in the United States at the present time is running at well over 12 per cent—12.8 per cent in August, 1980—while the rate in Canada was 10.7 per cent at that time. This is significant in terms of the Canadian standard of living as compared to the American standard of living.

What are our objectives? We have three objectives which we stated quite clearly before the Canadian public during the election and since—only the Conservatives have not heard them yet. The first one differentiates us from the Conservatives. I heard the hon. member saying supply was at the core of their policy. Supply is their obsession and, as a result, the only thing they can think of is giving more money to the companies, as if this would necessarily produce one more barrel of oil tomorrow. In effect, it has been proven that this was not necessarily the case. Even if you were to double the price of oil tomorrow there would not be more activity taking place in this country because, as hon. members well know, the industry has been occupied at full capacity over the last few years.

Mr. Paproski: That is not true.

Mr. Lalonde: The objective in this country should be to achieve energy security, which includes looking after supply. It also includes, just as much, looking after substitution, the development and encouragement of Canadians to go into other sources of energy rather than oil, of which we have an abundance. Second, is conservation. We should encourage Canadians to use energy in a much wiser way than we have done in the past. That is our first objective—energy security.

Our second objective is fairness, which means fairness between regions, between producers and consumers, and between levels of government.

Our third objective is to provide Canadians with an opportunity to participate in that industry which will make them not only employees but full partners in the oil and gas industry. These are our objectives.

We have already taken steps in those directions over the last few months, since we have been in office. The first step has been to save Canadian consumers from the infamous 18-cent tax the Conservatives wanted to impose upon Canadians in their budget of last December, a measure which would have cost the Canadian consumers this year over $2 billion more than they have had to pay since we took office.

Our second step has been to improve and increase the security of supply in Canada. We have re-established our traditionally good relationships with the OPEC countries and the other oil producing countries which are not members of OPEC.

An hon. Member: What about Iran and Iraq?

Mr. Lalonde: These steps have taken place over the last few months and we have succeeded in re-establishing those relationships which had been either destroyed or jeopardized by the stupidity of indifference of the previous Conservative government. And today, in spite of the Iran-Iraq conflict, Canada is probably the country in the world with the best balanced sources of supply with regard to its oil supply.

Mr. Andre: You didn't have anything to do with it.

Mr. Lalonde: We have not only relied upon our contacts with other countries in the world producing oil, we have acted inside Canada. One of our first steps was to encourage intensified activities in the Canadian oil and gas industry. In the last few months drilling in western Canada has gone up in comparison with last year.

Mr. Andre: That was planned years ago.

Mr. Lalonde: This year we estimate 8,300 wells will be drilled in western Canada compared with 7,400 last year. The hon. member may talk as much as he wants; the fact is they are there, and I invite him to look at them. If you look at Canada's offshore activities, there were nine wells drilled last year, and 19 this year. This is a clear indication of what has happened inside Canada in the oil and gas industry in the last year.

Mr. Paproski: What about the tar sands?

Mr. Lalonde: I am getting to the tar sands in a moment and I will have more to say about this than you will like.

In addition to encouraging oil and gas activities in Canada, we have given our full endorsement to Petro-Canada, an endorsement that had been sorely lacking under the Tories, and in effect we have reinstated to Petro-Canada the $80 million the Conservatives had cut off from that company. That company is now one of the most active and dynamic companies operating in the oil and gas industry in Canada, with the full support of the government.

Mr. Andre: Do you know they are drilling half as many as Pacific Pete?

Mr. Lalonde: I suspect the hon. member from Calgary is going to die from apoplexy and, if you could do something about him, Mr. Speaker, that would be quite helpful.

Mr. Andre: I want an energy minister that knows what is going on, for the sake of Canada.

Mr. Lalonde: I thought it was a case of apoplexy, but I regret to say it is only a case of lack of elementary courtesy. There is not much I can do about his lack of education.

Mr. Andre: Courtesy requires honesty in the House, too.

Mr. Lalonde: As far as the activities of this government are concerned, I have indicated that we have fully supported Petro-Canada and we intend to continue to increase that support. We have also indicated a full program for upgrading our refineries. The net result of the upgrading of the five Canadian refineries will mean that something in the order of 125,000 barrels a day of residual oil will be much better used in this country in the next few years. In this way we will be able to reduce our dependence on imported oil.

● (1630)

Finally, we put before the producing provinces last July a fair and generous offer. That offer meant that the western provinces would have obtained over the next four years something like $40 billion. And even more recently we decided to increase our offer further to $38 a barrel for tar sands and heavy oil, plus indexation of that price to the cost of living over the next few years, plus the possibility of reopening this agreement after five years of operation if for any reason it was found that this price was inadequate.

This, indeed, was a most generous offer, and it certainly answered the expectations of the proponents of the various tar sands and heavy oil plants. As a matter of fact, I can state in this House that this offer corresponded exactly to the request made to us by the proponents of the Cold Lake plant. So, let us not hear stories and arguments from the other side that the federal government is not co-operating with regard to tar sands and heavy oil development. Let us not hear stories that the federal government is delaying the implementation of those projects.

If there is any delay, it is not the fault of the federal government and it is not the fault of the proponents of those various projects. I leave it to the opposition to reach its own conclusion on whose fault it is if there is any delay at the present time.

[*Translation*]

Mr. Speaker, I indicated that our policy is first of all to ensure the security of supplies for Canadians, whether it be in the form of supplies from abroad or in the form of increased production within Canada. And I indicated we have already taken a number of steps in Canada to reach that objective, whether it be in the form of the massive support we gave Petro-Canada, the support we gave business to make sure the oil industry would fully develop under our leadership, or yet the extremely reasonable and adequate prices we offered the producing provinces to reach an agreement regarding the production of oil and gas in this country. But it is a matter not only of increasing production, but also of encouraging Canadians to change their habits as consumers and be less dependent on oil than they have been in the past by encouraging them to use other forms of energy.

Just a few months after taking over my department I announced a national objective for this decade which should enable us to arrive at a situation where only 10 per cent of the residential, commercial and industrial sectors would use oil which means that 90 per cent of those sectors would depend on natural gas, electricity or other forms of energy for their supplies.

In fact, if we could reach that objective—and there is no doubt in my mind we can—we could reduce tomorrow morning our oil consumption by 375,000 barrels a day which would be about the equivalent of our total current imports and the equivalent of the construction of three tar sands plants like Syncrude. That objective is fundamental to our policy, and we firmly intend to reach it. Indeed, we have again already taken steps in that direction. We have already announced the approval of the construction of the pipeline east of Montreal and for Quebec, and we have indicated we were also encouraging the extension of that pipeline to the maritime provinces as soon as possible.

I recently announced an additional program for the solar energy industry in order to help it achieve state-of-the-art

technology in this area, through federal subsidies and a very generous tax system.

I recently signed a new agreement with Saskatchewan and Manitoba as well as with the Yukon and the Northwest Territories concerning energy conservation and alternate forms of energy. These are some of the measures we have taken. It is our intention not only to encourage Canadians to substitute other forms of energy for oil consumption but also to encourage them, by all means available, to conserve energy even more.

For example we have allocated more than $200 million this year to the EnerSave Program, to encourage Canadians to insulate their homes much more efficiently than we have done in the past. We already signed some contracts to promote better insulation in federal buildings throughout Canada. We have launched a public education campaign whose significance the Progressive Conservatives are deriding, but that is most important to reach that objective. If I had a parallel to make, it would be with the policy followed by the Canadian government around 1974 or 1975, the new perspective on the health of Canadians, a policy that succeeded not only in Canada but also in other countries, a policy that has been internationally recognized as a breakthrough in government health policy. What we intend to do in the energy sector is something similar. What does this mean? It means relying on citizens, recognizing that citizens themselves, when given a sense of direction by government policy, can change their lifestyles and readily co-operate to reach clear and well-defined objectives that are both in their own interest and the interest of the country as a whole. That basic direction is the one this government intends to follow, even if it does not please the opposition, by calling upon each Canadian citizen to do his share to ensure that Canada will become truly and completely self-reliant in energy matters over this decade.

[*English*]

Therefore, Mr. Speaker, whether it is the question of increasing energy security through increasing supply, better conservation, or substitution of other forms of energy, all three approaches are fundamental to an energy policy for this country. These are the basis for our approach to the question on oil and gas. In a few weeks the federal government will release a national energy program which will supplement all the steps that we have already taken in the last few months and that the Liberal governments have taken since 1974.

What we will not do is follow the actions of the previous Conservative government which established a budget with all kinds of oil and gas increases, but without any program to ensure energy security for Canadians. What we will do is implement our objectives and commitments to the Canadian public concerning security, fairness, and an opportunity to participate.

Mr. Waddell: What about price?

Mr. Lalonde: With regard to energy security, we will stop Canadian dependence on imported oil well within this decade.

Some hon. Members: Hear, hear!

Mr. Lalonde: With regard to fairness, first of all we will put a price on oil in Canada which will be related to Canadian cost of production and which will not depend on the gyrations of the international cartel, OPEC.

• (1640)

Mr. Crosby: Why don't you call it a "made-in-Canada" price?

Mr. Lalonde: Yes, it will be a "made-in-Canada" price based on the Canadian cost of production.

An hon. Member: Is that the same one you talked about a year ago?

Mr. Lalonde: In fairness, we will also introduce a better and more fair division of revenues between the federal government and the governments of the oil producing provinces.

My colleague, the hon. member for Vancouver-Kingsway (Mr. Waddell), has referred to the present division of 45 per cent to the producing provinces, 45 per cent to the industry, and 10 per cent to the federal government. I should like to put on record what the situation is in other federal states where the resources are owned by the component states or provinces. In Texas, for instance, a federal state just south of here, the situation—

An hon. Member: Oh, oh!

Mr. Lalonde: I hear a Tory is worried over there; he does not like the fact. In Texas the revenue shares are approximately 48 per cent to the producer, 17 per cent to the state government, and 35 per cent to the federal government. That is in the United States, which our friends are so happy to talk about.

An hon. Member: What about Alaska?

Mr. Lalonde: If you look at Alaska you will find that the situation is very similar. I invite you to look at it and find what is happening there.

In Australia, where the situation is very much like that in Canada, what do we see?

An hon. Member: That they have an elected senate.

Mr. Lalonde: The share is 37 per cent to the producer, 15 per cent to the state government, and 48 per cent to the federal government. Australia is a federal state where—

Mr. Deputy Speaker: Order, please. The hon. member for Athabasca (Mr. Shields) on a point of order.

Mr. Shields: Mr. Speaker, would the minister entertain a question at this time or at end of his speech?

Mr. Lalonde: At the end of my speech I will be happy to entertain a question, Mr. Speaker.

I ask the House and the people of Canada if it is fair that when the federal government, which has to bear all the cost of incentives to the industry to expand its activities in the oil and gas field—

An hon. Member: Like DREE programs in Quebec.

Mr. Lalonde: —where the federal government has to pay higher equalization costs, where the federal government has to pay for the oil compensation fund, where the federal government has the responsibility to provide the national infrastructure in the field of energy, it should be left with only 10 per cent of what Canadian consumers pay for oil and gas? We say that is not fair.

We must look at what is happening elsewhere—what is happening in the United States and what is happening in Australia. I challenge members of the opposition to look at what is happening in any other federal state in the world. They will find that national governments have a much larger share of those revenues than Canada has in order to fulfil its responsibilities.

An hon. Member: But you don't know what to do with it.

Mr. Lalonde: Finally, Mr. Speaker, not only are we going to ensure fairness as well as security of supply through this policy, we are going to ensure an opportunity for Canadians to participate in the ownership of the oil and gas industry in this country.

Not only will 1980 be the year that the Constitution of Canada is patriated, it will also be the year when Canada begins, in a systematic and determined way, to patriate the oil and gas industry.

Some hon. Members: Hear, hear!

Mr. Shields: Mr. Speaker, the hon. minister would have us believe that when he went to Alberta to talk with the oil companies and the Alberta government regarding the development of the tar sands—first he offered $32 per barrel to the oil companies—

An hon. Member: Question.

Mr. Shields: I am getting to my question. Are you afraid to listen?

An hon. Member: We want a question, not a speech.

Mr. Shields: Your minister wants to listen.

Mr. Deputy Speaker: Order, please. Remarks should be addressed to the Chair. The hon. member for Athabasca (Mr. Shields) has the floor for the purpose of asking a question.

Mr. Shields: The minister would have us believe that the government is not at fault in any way for delaying the tar sands project, but he was told very clearly by the companies which wish to develop it that they must have world prices. They are saying, "We will refund. All we want as a return on our investment is 12 per cent. You may tax it at the top." That is what is done in the United States. Would the minister not consider that more feasible?

Mr. Lalonde: Mr. Speaker, I appreciate the hon. member's interest in this issue. I am happy to tell him that the offer of $38, plus indexation according to the cost of living, is exactly the request made to me by the proponents of Cold Lake, a request that was also put forward to the government of Alberta. Exactly.

Mr. Deputy Speaker: The hon. minister's time has expired. I shall recognize the hon. member for Edmonton East (Mr. Yurko).

Mr. Yurko: Mr. Speaker, I wanted to pose a question to the minister to get some clarification on figures that he gave, but if his time has expired I shall have to do it some other way.

Mr. Deputy Speaker: The hon. member may put his question with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Yurko: The minister quoted the distribution of revenues from oil in Texas as 17 per cent to the state, 48 per cent to the private sector and, I believe, 35 per cent to the federal sector. Could he advise the House of the basis of those percentage figures? Are they based on crude oil at the world price level, or are they on the basis of gasoline at the pump? Perhaps the minister could clarify this.

Mr. Lalonde: Mr. Speaker, we used the same basis of comparison for Canada as for Texas. We have not used two different bases. Obviously that would have been very unfair. What we have used for the purpose of comparison is exactly the same basis in the two countries, and the figures obtained are those that I have mentioned.

Mr. Deputy Speaker: The hon. member for La Salle—Joliette!

[*Translation*]

Hon. Roch La Salle (Joliette): You are nearly correct, Mr. Speaker, we could perhaps call it La Salle's constituency!

Mr. Speaker, I would like to make a few comments on an undoubtedly serious matter, and I shall try to do so as modestly as possible since, compared with other members of this House, I am not that knowledgeable when it comes to energy. First of all, I believe I should remind the Minister of Energy, Mines and Resources (Mr. Lalonde) that the absence of the official critic is due to the fact that he is now in Paris for a meeting of the Association of French Language Parliamentarians. Moreover, I am happy about it. The member who opened the debate was supposed to be in Toronto this evening, and the

minister must be aware that there is something important going on in Toronto today.

I would like to say immediately that while listening to the arguments of the minister, we ourselves had the impression—and any Canadian who has not followed politics in the last few years would also have had the impression—that we were hearing a new minister within a new government speaking about new objectives. The problem, Mr. Speaker, is that this government has been in power a long time. I recall hearing very similar comments ten years ago.

An hon. Member: That is not a speech; it is a question!

Mr. La Salle: For the moment, I am not putting a question to the minister. I am beginning my comments. This disturbs the hon. member. I can excuse the absence of the minister convinced as I am that he has important responsibilities. Mr. Speaker, I heard similar comments some ten years ago and this government which was then in power had begun to speak about energy self-sufficiency. I do not forget the practical wish expressed by the minister to the effect that Canada should be autonomous in energy matters. We entirely agree about that, the difference being the means to be used. There is no doubt about it. We had considered and suggested some steps aimed at energy self-sufficiency in the interests of Canadians. Nobody can prevent us from repeating it. This was still clear a few months ago.

● (1650)

However, what happened in the past ten years? This is why we can condemn the government for failing to practise several years ago what they are now preaching. This is not a new problem, Mr. Speaker. The minister mentioned 1974 to 1979. I remember that in 1978 and 1979, for merely partisan reasons, this government deferred general elections on three occasions, thus delaying the implementation of essential steps which are still required to get close to world prices.

I think present members of this House or those who sat from 1974 to 1979 will remember perfectly well that there was a period of eighteen months over which the election was deferred three times before being held in 1979, and the Minister of Finance refused to apply certain increases that were necessary to meet the budgetary requirement for energy self-sufficiency.

I believe we must remind Canadians that that was the sinister doing of the government that is still leading the country at this time. So when the minister talks about his efforts, his proposals, the importance of self-reliance for Canada and less dependency upon foreign countries, there is a ten-year lapse the government must live with and be blamed for and that is what we are going to do. We must recall we have an urgent need of a policy that will enable us to reach and maintain self-reliance.

Mr. Speaker, I would like to talk more particularly about my province. A few moments ago, an hon. member talked about Ontario. Others will also take the floor. So I would like to tell you for a few minutes about modern Quebec. In order to do that, one has to acknowledge the clearly economic character of its evolution. It is true that cultural and linguistic considerations have stimulated modern Quebeckers in their efforts and that that has caused an acceleration in the evolution of Quebec in the sixties. But let us not allow the acknowledgement of the French fact in Canada to blind us and make us forget about the economic problems which are at the root of the Quebec quiet revolution.

The Quebeckers of today and especially the workers aged between 34 and 45 have benefited from a period of growth in North America which gave them a lifestyle their parents had never enjoyed. The universality of education and television placed them before an opened window on the world and consequently, like it or not, they are fully aware of the values currently defended in our times.

Mr. Pierre Laurin, Director of Hautes Études Commerciales, this dynamic Quebecker who embodies so well the virtues of this generation I am talking about, reminds us of this often and proudly. The Quebec entrepreneur, and here I also include our outstanding Quebec women who so successfully harmonize the qualities of the heart and of the mind, the Quebec entrepreneur emerged during the last two decades. Whether a technocrat, an industrialist or owner of a small business already dealing in exportations, or a leader in our labour unions, this entrepreneur, and here I use the word in its largest definition, is much more concerned with the present and the future of Quebec than his grandfather was concerned with its past. Quebeckers today are living intensely in the present and are looking forward with great energy to the future. They can afford to do so because they have had the wisdom to weigh the respective merits of a cherished past, a present they want to enjoy fully, and a future they would like promising and secure.

And now, Mr. Speaker, if you will allow me, I would like to get to the heart of the matter we are discussing today, that is energy as a resource, since up until now I have spoken of the creative energy of Quebeckers.

Energy has been the key that opened the door to modern day Quebec just as its abundant production lead to the industrialization of the province in the nineteenth century. We all recall that the creation of Hydro-Quebec represented an important phase in the evolution of Quebec. The majestic and powerful rivers of Quebec prove beyond the shadow of a doubt that God smiles favourably on my native province. The fact that Quebeckers recognized the economic potential of these rivers also fills me with pride. Manic, that gigantic power station which provides energy to Quebec, was created by French-speaking engineers, technicians and workers, which disproved once and for all the shameful misconception about the ability of Quebeckers.

Nobody today can claim that French-speaking Quebeckers are strangers to science, entrepreneurship, and leadership in the business community, the big guys in other words! There is no doubt today that French-speaking Canadians are just as competent in the marketplace as in the realm of ideas. And as if this were not enough luck in itself, natural energy resources ensure the present economic viability of Quebec as well as its future self-sufficiency. For the hydro power of Quebec, the potential of its gas and uranium reserves, the latter giving an indication of its future nuclear capability, the studies on alternate sources such as solar energy of the treatment of waste materials along with the use of a growing technology oriented manpower, all these elements hold in store a definite energy-oriented future for Quebec.

Unfortunately, just as its purely economic future had been jeopardized by the narrow conceptions of a number of previous administrations which, due to a spirit of adventure or by sheer neglect, had gone astray from the natural evolutionary trend of Quebec, this energy future is now in compromised. The federal Liberal government, by appealing to the needs of Quebeckers for economic security during the referendum campaign got a reprieve or, as people said, the last chance for federalism. Those same Liberals have now forsaken them. The lack of courage and honesty of the federal Liberals, their neglect with regard to their economic and energetic fate are quite scandalous, Mr. Speaker. It is indeed true that Quebeckers would rather have a constitution that is really theirs, home made in Canada and reflecting their pride. But just as they rejected the hang-ups of previous administrations which no longer cared about their real needs, or rather about their real needs as a whole, both those of the heart and of the body, Quebeckers should reject the narrow views of the present federal administration. To those who claim that man does not live by bread alone, I would simply answer that they probably always had all the bread they needed and can afford to make such a selfish comment.

The economic future of Quebec will ensure the cultural and linguistic future of Quebec, it is as simple as that. They are interrelated, and Quebeckers know it. This is why so many of them are thinking of getting hold of the economic levers to achieve their aims. This is why so many demagogues play also with the feelings of Quebeckers when it suits them while others play with their fear in economic terms. Sometimes, some people succeed in persuading Quebeckers to put their needs in terms of economic security and growth in the background and to follow their hearts. But Quebeckers pull themselves together eventually. This time, however, I am afraid that they do not have enough time to do so.

Without a secure energy supply, Quebec will miss the boat. Besides, energy is the greatest challenge Canada has ever faced as well as the main factor in its future economic development. In terms of energy, Canada is behaving now as an underdeveloped country, while it should prepare for the most glorious times in its history.

Our dependency on foreign oil imports is increasing instead of decreasing contrary to what the federal Liberal ministers generally, and especially the minister concerned, would have us believe. Quebec is dependent on foreign oil by as much as 60 per cent. Quebeckers know what is going on now in Iran, Mr. Speaker. Like all other Canadians, they can watch it on television. But are Quebeckers aware that not so long ago, Nova Scotia, Quebec's neighbouring province, was fully dependent on Iran for its oil supplies? And I am not talking here about the requirements of corporations or faceless groups, but what Canadians need to heat their homes and fill up their gas tanks.

Canada is importing oil from abroad, from Venezuela, Mexico and Saudi Arabia. It is in the latter area that Iran and Iraq are fighting their war. These supplies of fuel oil and gasoline are not intended for western Canada or even Ontario for the most part, but for Quebec and the maritimes. Should there be another war, another revolution, like in Iran, or even a natural plague like an earthquake, where would Quebec find its oil? Today Quebec depends heavily on oil for its heating, automobiles and industry.

• (1700)

An hon. Member: Where were you last summer?

Mr. La Salle: I am used, Mr. Speaker, to hearing certain comments from the other side but they are also invited to express their concern about the absence today of guarantees of self-sufficiency in the area of energy. Quebec depends on oil for 75 per cent of its heating. Cars run only on oil and industry uses mainly oil. Indeed, 78 per cent of all energy consumed in Quebec comes from oil. Some 200,000 barrels of oil enter Quebec every day from foreign countries; 300,000 come from the producing provinces in western Canada.

Is the Minister of Energy, Mines and Resources at least concerned with making sure the supplies coming from within this country are assured, as he is certainly not able to assure the supplies from outside countries? No, the Minister of Energy, Mines and Resources aggravates the dialogue between Ottawa and the producing provinces. At the same time, the Prime Minister (Mr. Trudeau) laughs at the complaints of the producing provinces which want to obtain maximum protection for their resources and thus assure the economic welfare of their people. Those gentlemen who are supposed to be representing the interests of Canadians and Quebeckers so passionately are insulting the oil producing provinces of western Canada that must nevertheless heat Quebec homes this winter and enable Quebeckers to go to work.

During the last election, Mr. Speaker, Quebeckers who were convinced by the Liberals in Ottawa that to pay 18 cents more a gallon for their oil was a useless sacrifice will not have any oil for their cars no matter what price they are willing to pay.

In the meantime, the same Quebeckers that were convinced to reject an 18-cent increase, a small short-term sacrifice required to ensure Quebec's and Canada's economic future, achieve self-sufficiency and guarantee oil supplies to Quebec, these same Quebeckers have just gone through the 15-cent increase since February 18, 1980. Moreover, the former finance minister's budget that Liberals used as an excuse to defeat the Clark government also proposed to give Quebec families tax credits to offset all price increases. Right now this Liberal government is increasing oil prices 15 cents, without any tax credit.

In April, 1980, each Quebec family with revenues below $21,000 would have received a $15 per child and $40 per adult tax credit, with $30 per child and $80 per adult in 1981. So the average Quebec family would have received in 1981 a $220 tax credit, whether they paid taxes or not. Since that time Quebeckers saved 3 cents per gallon with the 15-cent increase for which they are receiving no tax credit, which they had to pay without hope of recovering it. They had to absorb the total increase needed without any compensation based on their revenue, low or otherwise. All paid equally, and the increase does not apply only to all but heating fuel. Our excise tax did not apply to heating fuel.

In the meantime, Liberals in Ottawa promised not to increase the cost of oil as much as Progressive Conservatives were proposing in order to ensure Quebeckers safe supplies of oil and develop Canadian wells to replace foreign ones. We were proposing a $4 increase for 1980 and a $4.50 one for 1981 and 1982. Until now, without the benefits of our integrated program that would have led to self-sufficiency in 1990, Liberals here in Ottawa would have allowed a $3 per barrel direct and indirect increase, but the price is now $4 more per barrel. In the meantime, the cost of subsidies we are paying on foreign oil is increasing tremendously.

In conclusion, Mr. Speaker, because you are indicating that my time is coming to an end, Quebeckers will have saved 3 cents to find themselves confronted with the danger of losing the free use of their cars if foreign oil becomes scarce. Mr. Speaker, the oil matter is basic in Quebec as elsewhere. The essential supply of oil must be ensured until Quebec can partially rely on its alternative regional resources.

We are aware of the importance of the debate. I deplore the fact that we have been discussing this matter for ten years. I cannot accept that the government should give, or try to give, the impression that it has found a new formula. Today, the blame lies with the fact that this government has been in power too long. It has not had the foresight to give Canada the autonomy we all wish for on both sides of the House.

To my mind, it is our duty to remind them of their faults and failure with regard to that foresight, which has been sadly lacking in parliamentary debates. If they were to make proposals to achieve self-sufficiency by taking into account private enterprise, because here in Canada private enterprise is important, they could get some form of support. But it is our duty to call them to order when they do not offer any guarantees or enough aid to the underprivileged when the time comes to make proposals in energy matters.

Mr. Demers: I should like to ask the hon. member for Joliette (Mr. La Salle) if he will allow me a question.

The Acting Speaker (Mr. Blaker): With the permission of the hon. member for Joliette.

Mr. Demers: The hon. member for Joliette claims that since the Liberal government took over power on February 18 last, the price of gas has gone up by 15 cents a gallon. I should like to know whether, had his own party stayed in power, Canadians and Quebeckers in particular would not now be paying roughly the same increase, that is 15 cents a gallon plus an excise tax of 18 cents. I should like to be enlightened on that point.

Mr. La Salle: Mr. Speaker, the hon. member for Duvernay (Mr. Demers) has surely read the proposal of the last budget where it is clear that we were about to legislate an increase as well as a tax credit for those who earn $21,000 or less. Our position was very clear. It was aimed, precisely as the minister said today, at ensuring self-sufficiency in the field of energy. As a result, we wanted to encourage Canadians toward a very specific goal, that of saving energy. We needed millions of dollars—the minister spoke about it today—to achieve that self-sufficiency, that self-reliance. I believe we were protecting those who were unable to pay. We were asking Canadians to recognize the need to make certain sacrifices. The difference was that we had the courage to explain their needs to Canadians while the Liberals hid behind an increase which will come one way or another.

The Acting Speaker (Mr. Blaker): The hon. member for Témiscamingue (Mr. Tousignant) on a point of order.

Mr. Tousignant: Mr. Speaker, I would like to ask the hon. member for Joliette (Mr. La Salle) if he would accept one more question?

Mr. La Salle: Yes, certainly.

Mr. Tousignant: The hon. member recognizes that the Progressive Conservatives had suggested an increase of $4 a barrel. At the present time, oil prices have increased somewhat less. During the election campaign, the Liberals forecast that the price of oil might increase by the amount mentioned by the Progressive Conservatives but perhaps by less. In view of the 18-cent tax and the 7-cent reimbursement tax for those who use vehicles for commercial purposes, which makes 25 cents a gallon, can the hon. member figure out how much on a gas tank of 20 gallons these 25 cents a gallon, which we have saved Canadian taxpayers, represent?

Mr. La Salle: Mr. Speaker, I believe the hon. member is asking what this represents on the one hand, but he has forgotten to mention that our tax credit was geared to the problem that this would cause to low-income Canadians. In this case, I could perhaps ask him if he has figured out what the tax credit, which could come to $250 a year and correspond perhaps to 40,000 miles in view of the increase that we had suggested, represented for an average family of three children. I believe we had a solution which the Liberals refused to use. The hon. member says that reference was made to an oil price increase during the election campaign, but I must say that in my constituency, the Liberals did not talk about any oil price increase. I reminded Canadians and people in Joliette that there would be an increase in any case, but we all know how they responded.

• (1710)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Blaker): Before recognizing the hon. Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. MacLaren), I should deal with the late show this evening.

It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Halifax West (Mr. Crosby)—Energy—Oil—Price increases for home heating; the hon. member for Saskatoon West (Mr. Hnatyshyn)—Nuclear Energy—Inquiry respecting nuclear policy—Request for tabling terms of reference; the hon. member for Winnipeg-Birds Hill (Mr. Blaikie)—Health Care—Hall Report—Recommendation respecting extra billing by doctors.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 58—ALLEGED GOVERNMENTAL MISMANAGEMENT OF ENERGY SITUATION

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

That this House condemns the government for its mismanagement of Canada's energy situation with the consequent loss of economic development opportunities and increased threat to the nation's energy security.

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I am pleased that we have this opportunity today, an opposition day, to discuss energy questions. These questions will, of course, be before the House again very soon, in a matter of weeks, when the new energy policy of the government is set forth. I am sorry, however, that my neighbour to the south in Etobicoke, having introduced this motion and having made a number of broad generalizations about the energy policy of the government, is not in the House and apparently was unable to stay for this discussion, even in fact to hear the reply of the minister to his earlier statements.

Be that as it may, I would wish to point out to the hon. member who introduced the motion that Canada is, after all, an energy-rich country, having an abundance of resources, and that we are, indeed, a net exporter of energy. Certainly in that sense there is no energy crisis in Canada. For example, we had in 1978 an excess of exports over imports of almost $2 billion. The cost of imported oil was more than offset by our exports of natural gas alone. In all areas, except oil, Canada has today a surplus of energy: in natural gas, hydroelectric power, coal, and uranium for nuclear power. Indeed, we export natural gas and we are negotiating the export of additional coal. On current account, in other words, we export more energy than we buy.

The challenge to Canadians in a sense is a challenge of managing abundance. This is an enviable position in today's energy-scarce world.

The current problem, of course, is in respect of oil and not the other areas of energy that I have mentioned. In that specific area of oil, Canada was until fairly recently self-sufficient. In light of the then estimates, we were even an exporter of oil. Unfortunately, that self-sufficiency has temporarily disappeared, but certainly the potential is there, especially in the oil sands, the offshore and the Arctic regions. Unlike almost all other industrial countries, Canada has enormous potential and enormous opportunity in energy.

Conventional sources in Alberta are expected to decline, but vast reserves in our oil sands, offshore, and in Arctic regions promise Canadians once again self-sufficiency. When cheaply produced oil in Alberta was available so too was cheap offshore oil. With those two sources, Canadians were provided with ample oil resources. With the suddenness of OPEC price increases, however, Canada was faced with the challenge of rapidly developing its non-conventional sources, a challenge which involved costly and technologically novel methods.

The results are now beginning to show in the oil sands, in the vast gas reserves identified in the Arctic, and in the offshore reserves of oil and gas on the Atlantic coast. The gap between when we were and when we again shall be self-sufficient has required imports of oil for which we have had to pay increasing amounts. We have subsidized those imports to ensure a gradual increase in price and to ensure equality of costs for all Canadians across Canada. Today we are at a stage when we need to phase in yet higher oil prices in Canada—let no one be mistaken that there will be higher oil prices—to compensate for our import costs and to ensure that the necessary further development of our petroleum industry continues

unabated. There will be higher prices, but they will not be world prices. We are committed in this government to maintain a made-in-Canada price which will blend the lower cost of conventional oil, the much higher cost of non-conventional oil and the imported oil, the price over which we have no control.

On the question of non-conventional oil pricing, there can now be little disagreement in principle. The minister pointed out that the government has proposed a price of $38 a barrel, plus an inflator which will provide the necessary funds to ensure that the additional oil sands projects go ahead as planned without interruption.

On the question of conventional oil, we all agree that the price must increase. There has, however, been some disagreement about tying that Canadian price to world levels. It is not our intention to do so and we are committed to a policy which will maintain a made-in-Canada price.

We have had some discussion this afternoon about matters which might better be described as fiscal rather than energy policy. We have talked about the division of oil revenue among the producers, the provinces, and the national government. As the minister pointed out, in all other federal states the revenue accruing to the central government is much greater in proportion to total revenue than here in Canada. Quite obviously there is a need at the federal level for more revenue to meet our obligations in respect of redistribution through equalization payments. There is obviously a need for more national revenue to reduce and eventually eliminate the oil compensation import program, and there is a need to ensure that energy projects receive the essential stimulus of the national government.

In addition, while we recognize the need of industry for funds to develop non-conventional sources, we see that there are also real requirements to move quickly and substantially in the direction of greater Canadian participation in the petroleum industry.

During these past days we have been discussing the patriation of our constitution. We have yet, in my view, to patriate our economy, and one part of that goal will be achieved by our energy policy which aims directly at the question of greater Canadianization of the oil industry.

In introducing this motion the hon. member for Etobicoke Centre (Mr. Wilson) referred to possible supply problems and painted a rather gloomy picture of possible disruptions in the supply to Canadians of their essential oil requirements. I would remind the House of the success of this government in negotiating and completing arrangements for the import of new sources of oil from Mexico, the delivery of which I am pleased to say will commence very shortly.

● (1720)

In addition, in Canada today we have Canadian oil inventories of approximately 160 million barrels, and that amount is by no means negligible. Those reserves amount to about 90 days of oil consumption and over 1,000 days—three years—of our current net oil imports.

Nevertheless, the government is also committed to alternatives which will also assist Canadians in being assured that their offshore oil supplies will be adequate to meet all essential needs. We are, for example, currently considering alternatives for establishing an emergency oil inventory. I might point out that given Canada's relatively modest oil imports, this emergency inventory need not be too large. An emergency stock of from 15 million to 25 million barrels would provide from six months' to one year's protection from a loss of 10 per cent to 20 per cent of our current crude oil imports. Even with larger disruptions, this inventory would provide time to evaluate the situation and implement, if necessary, our emergency allocation procedures.

Also in connection with the possibility of emergency supplies, which the hon. member raised earlier, we have made significant progress in the preparation of contingency plans for the allocation of crude oil to refineries and petroleum products to wholesale consumers. Should an emergency become so severe that rationing became necessary, plans are available for that as well.

I might also add that in the international arena we have engaged, with other industrialized countries of the western would, in a third international test to appraise the procedures of the allocation of oil under the International Energy Agency. This may suggest further improvements which might, as necessary, be made to our present procedures.

The hon. member opposite also spoke this afternoon about conservation and renewable energy. I should like for a moment to turn to those two subjects as a further illustration of the ways in which this government has acted, is acting, and will act to provide Canadians with a new energy policy capable of providing the security and fairness of supply which all Canadians have a right to seek.

In the context of energy conservation, the Government of Canada has recently moved, with the provincial governments, in co-operative programs intended to develop promising energy savings or alternative energy technologies. Most recently, an agreement was signed with the government of Saskatchewan. In total almost $120 million has been allocated for joint projects with provinces under this promising conservation program.

Industry is one of the major consumers of oil in Canada. We have worked out co-operative programs with various industry sectors, which has led to substantial savings already in the amount of oil they use, particularly in the manufacturing sector. In co-operation with industry, we have engaged in setting new targets which look for a 23 per cent reduction in the amount of oil consumed by Canadian industry over the base year 1975.

I hardly need remind the House—in any discussion of conservation—of the success of the Canadian Home Insulation Program. CHIP has made more than $200 million available to Canadians for more energy-efficient homes. As has already been announced, new arrangements and additions are being made to that program to ensure greater efficiency and further extension.

On the question of alternative sources, I was pleased that the hon. member opposite raised some questions in his opening statement because the record of the government in this area has been one of constant improvement since the first efforts in, for example, the solar area in 1978. The House may recall that at that time government funding of almost $400 million was offered to assist new research and development in renewable energies, particularly solar. Those programs have already begun to show results, although solar technology is not yet at a stage where it can be widely applied in oil saving procedures. There is no question in my mind that, while not looking for dramatic immediate pay-offs, we must make such investment in what is a Canadian industry offering real potential for the future.

More recently, the Minister of Energy, Mines and Resources (Mr. Lalonde) announced further expansion of the federal programs intended to develop solar technology in Canada, including a program which will provide for the construction of a number of dwellings heated in part or in whole by solar water heaters.

In this area of solar energy, as indeed in the areas of a number of other renewable energy resources such as wind, tide or biomass, we are still at an early stage of technological development, but with the significant funding which is becoming available through the federal government in support of these programs I have no doubt of their ultimate success.

I might say in addition that we on this side of the House welcome the recent announcements of the Ontario government regarding its commitment of substantial new funds toward the same end of promoting renewable energy sources in Canada.

I might also note that the government announced in the Speech from the Throne the creation of a renewable energy corporation. That Crown corporation has a mandate to provide essential support for the promotion of renewable energy technologies beyond the demonstration stage and particularly to benefit smaller Canadian companies. The new corporation is now on its way to inception. Funding has been provided for its initial activities, and Petro-Canada is providing, for the moment, necessary administrative support while the new corporation comes into being.

With these few comments on our energy wealth and potential, and with one or two remarks about policies to ensure all Canadians adequate supplies of energy sources, I hope that I have indicated the government's general policy approach to the provision of energy in Canada. I hope, too, that by referring to the conservation initiatives and the new programs in renewable energy I have given substance to our commitment to the need as well to act on the demand side of the equation. In our view, it is not adequate simply to search for new sources of conventional energy within Canada. It is also essential that Canadians recognize and develop methods for conservation and for renewable sources.

With these references to the government's energy policy principles and objectives, to the evidence of the dynamic growth of our energy economy and to the many initiatives we have taken in the past six months, I trust that the House will recognize that our management of Canada's energy situation is fully in accordance with our best national interests. The actions we have taken as a government have greatly reduced the threat to our national energy security experienced in the not too distant past. We will be announcing in the very near future new energy initiatives on the basis of the planning and decisions of the past six months which in our view will enable Canadians to meet the very serious challenges of energy supply and price, the problems of price impact on inflation and on the economy generally facing all countries in 1980. But I believe we in Canada have the opportunity to meet those challenges in a way that is unsurpassed by any other industrialized country.

• (1730)

Some hon. Members: Hear, hear!

Mr. Pat Nowlan (Annapolis Valley-Hants): Mr. Speaker, I am very happy to participate in the debate on the motion moved by the hon. member for Etobicoke Centre (Mr. Wilson). In order to refresh the minds of hon. members as to what we are debating on this allotted day, it is an opposition procedure by which the opposition can pick a subject and in effect debate the merits and demerits of that subject; it is sort of a replacement of the old supply procedure. But for those people in the television audience, this is one of the few opportunities the opposition has to bring to the fore issues which can be debated because it feels they carry a rather high priority.

Earlier this afternoon the hon. member for Etobicoke Centre ably led off the debate by moving the following motion:

That this House condemns the government for its mismanagement of Canada's energy situation with the consequent loss of economic development opportunities and increased threat to the nation's energy security.

Other than perhaps what is going on in Toronto today where the premiers are talking about the constitution, and what will take place tomorrow when the House recommences the debate on that topic, I do not believe there is a more fundamental question which affects the unity of this country than the question of energy and the policy, or the lack of one, from the federal government. When the scales are weighed up yonder, regardless of what happens to the Constitution of Canada and/or its reform and renewed federalism, there is no doubt in my mind that the policy or lack of policy of the present government on energy will be its single most important substantive indictment. Frankly, that covers a fantastic field because there are many other areas about which we can talk in which the government has not moved with much decision or knowledge. Naturally we in the opposition would think that.

I have only a brief remark to make about the comments of the hon. parliamentary secretary. I was a little disappointed that he reflected on the absence of the hon. member for Etobicoke Centre who moved this motion, it is nevertheless the minister's responsibility to be in the House and participate in the debate. He has a responsibility to the Canadian taxpayer and those who cannot pay taxes because they do not have enough money—there are almost more of those than taxpayers. If the minister has developed the arrogance of which many

have quite rightly accused him, if he can speak and then disappear, he has almost reversed what Caesar said when he came to Gaul. He would say, "I saw, I conquered and I left".

The Minister of Energy, Mines and Resources (Mr. Lalonde) condescended to sit here and listen to the hon. member for Etobicoke Centre move the motion. He listened to the hon. member for Vancouver-Kingsway (Mr. Waddell), the energy critic of the NDP, when he spoke. Perhaps he has good reasons in his mind for not being here today to discuss this fundamental issue of energy, but it is most unfair for the parliamentary secretary to the minister to stand in his place and comment on the absence of a member of the opposition who does not hold a ministerial post and is not paid an extra stipend by the Crown to discharge government business. I have another comment to make about the remarks of the Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. MacLaren). Again it is just a brief reference to Toronto. It is not just facts and figures or the writ of a constitution that makes constitutions or countries. It is an atmosphere; it is really a feeling which goes a long way toward getting into the intangibles of a constitution. But it is easy to understand why we have problems with the constitution and/or an energy package when we hear the minister of energy or his parliamentary secretary stand in the House and say that there is no crisis in energy. That was the purport of the minister's remarks earlier—that there is no crisis in energy. Mr. Speaker, I do not know where one would have to go in the western world today to find a country which does not have an energy crisis, unless one finds the foxhole Alice in Wonderland slid down years ago in that famous little book Lewis Carroll wrote, which I think the minister and the parliamentary secretary must have read, and lives in a fool's world. There is not a spokesman worthy of his salt who does not appreciate that every western country is confronted with an energy crisis regardless of how one might want to particularize. We talk about the export of gas and the parliamentary secretary says we are only a little short of oil. The parliamentary secretary only has to go east. He can go through the province of Quebec and certainly to Atlantic Canada, and when he is talking about a little deficiency in the supply of oil, he is talking about 80 per cent of the generation of energy in Nova Scotia and more than that in Prince Edward Island. That is real cause for concern in the minds of those in Atlantic Canada and, I would think, among many people in Quebec. It is the basis for what any moderate person would say is a crisis in energy. Whether one wants to talk about conventional sources, gas, solar, alternative supply or conservation, there is not a responsible person in the western world who does not realize that this is a problem on which we do not have a handle because the supply in so many cases is beyond our shores. As was intimated by the parliamentary secretary, the sad thing is that we have the potential, if developed, of developing a sufficiency of supply, and the previous government tried to do something about that. There is an honest difference of opinion. This was expressed in the vote last year and certainly it was expressed in the vote in February by the people of Canada. Perhaps, with respect, they did not understand the full implications of what was attempted in the budget of December last year. The hon. member for Etobicoke Centre had to go to Toronto on parliamentary business. I think it is the height of hyprocrisy for the parliamentary secretary to comment about his absence when the minister responsible for the whole energy field is not in his place and perhaps we will not see him again for the rest of the day.

The minister made an allusion to Thanksgiving and offered some rejoinder as he started. When I heard his remarks, I thought he might have been speaking on April Fools' Day, poking fun, making jests and April Fools' jokes along with some of his larger generalizations. The minister can be a likeable person away from the House. I do not intend this personally, but in the discharge of his ministerial responsibilities, whether in the House or talking to fellow ministers in the provinces, this minister has a capacity to give a turkey indigestion when he tries to explain the problems in the energy field. Looking ahead in the holiday field—and again this is not a personal reflection—in the discharge of his duties outside the House he is a very affable and most humble man who has much about which to be humble; but in the House and dealing with his fellow counterparts in the provinces he has the capacity to make Santa Claus on Christmas Day into Scrooge. Instead of using his energy to develop the policies or the security of supply about which he talks, I submit he is creating discord and division across the land as great as any we have ever known outside Quebec in terms of our future and in terms of the constitution.

Worse than that, there is an element of deception in almost everything he says. I say this with reluctance because I do not want to deliberately accuse a minister of deceiving the House, but this is what is going on, whether it is intentional or unintentional and, frankly, the minister has more brains than a lot of people give him credit for. I do not believe it is unintentional. I believe it is very intentional and we saw several examples of it here today. All right, it can be a matter of debate for him taking pride in so many more wells being drilled this year but the minister knows that in order to drill a well this year you have to plan for it the year before. The real test of this government's mandate will be how many wells are drilled next year. If there is not a satisfactory oil pricing agreement I would venture to say—and I am prepared to bet the minister when he returns to the House—that there will not be as many wells drilled next year as this year if there is not an oil pricing agreement, and we have not seen one yet.

• (1740)

The parliamentary secretary commented on figures and the minister used figures. We all know—government members know, opposition members know and I think the public out there in televisionland know—that any politician worth his salt can play with figures. Figures lie or liars figure, but figures do not lie. Take the precise example the minister used in terms of deception—and I am not talking about the television ads across this land which are trying to lull Canadians into a false sense of complacency that we have security of supply—that we

have all those great reserves and resources out there. Getting around to developing them may be another question but do not worry too much. When you see that type of ad how interested are you going to be in conservation? I know what my children think when they see that ad. They ask me: Dad, don't we have a problem with oil in Atlantic Canada? I have to say yes. They ask: Then what is that ad telling us that everything is all right?

You can talk about all your programs—and the insulation program is good as far as it goes—but there have been some other projects involving alternative energy. I think of the Fundy tidal project which used to be in my riding and is now in the riding of the hon. member for Southwest Nova (Miss Campbell). That was an experimental project involving some $42 million, $25 million of which might be the forerunner of the development of tidal power in Canada. Certainly, in Atlantic Canada that could be an alternative source of energy.

But where is the incentive to develop those alternate sources or follow any conservation program in our daily life when there are ads on television which say it is all right, don't worry, Canada is the greatest and there is lots of potential under the ground and under the sea? The exercise defeats its own purpose, Mr. Speaker.

But let us look at the figures used by the minister today. He talked about Texas. I am not the expert in terms of figures but I have these from a fundamental source. The very fraction that he talked about he compared to Texas. He was talking about Alberta. This deception is repeated and repeated so that people think that Alberta is the only bad boy in this picture. The minister knows, even if the parliamentary secretary does not, that it is not 45 per cent that goes to Alberta from the first dollar to the last dollar. The hon. gentleman over there smiles and I take it the smile is in acquiescence. He does know it is a weighted figure. I have heard 45 per cent at federal-provincial conferences, I have heard it on radio, I have heard commentators use it and until I heard the minister use it again today and then went behind the curtains to talk to a couple of members who are more knowledgeable in this field than I am, I did not fully appreciate how deceptive that figure is. The 45 per cent that Alberta supposedly gets is a weighted figure. The province does not get 45 per cent of every dollar that flows into their coffers. Of the first four dollars they only get 16½ per cent. And the figure is weighted up to the 45 per cent. The average, Mr. Speaker, is 37 per cent.

What does that 37 per cent do on $16-a-barrel oil in Alberta? Let us not talk about paying the Mexicans $34 or $36 a barrel. That money would go out of the country and would not develop a thing in Canada. Let us just talk about the $16—less than half the world price—that we pay our fellow Canadians. Thirty-seven per cent of the $16 works out to $5.92 a barrel. The 17 per cent that the minister says is paid to the Texan state government, because they are getting much more as their wholesale price, works out to $6.46. If my figures are wrong I hope the minister will stand in this House tomorrow and ask me to correct this calculation. I have it from a man in our opposition who knows much more about oil than I do and I take his figures as being correct. I saw the charts behind them. But, Mr. Speaker, I am willing to stand and be the one to be rebuked if I am in error. This is just an example which, on my information, shows the deception in regard to this whole energy picture. I find it a very interesting situation when the minister relies on the Texas reed and realizes it is a broken reed, a broken straw.

There are so many other things one could say in the brief time allotted. The minister said he was going to talk about three points. I hope he will start by talking to the Prime Minister (Mr. Trudeau). In that memorable speech which the then leader of the opposition, now the Prime Minister, gave during the election campaign before the Board of Trade in Halifax on January 25, the Prime Minister did not talk about three commitments, he talked about seven major commitments. There were seven major commitments and I am going to talk about one, the Q and M pipeline. Only two have even come close to being acknowledged. Let us take the minister's words. Forget about the Prime Minister who made seven commitments only two of which have even been acknowledged, and let us take the three the hon. gentleman mentioned here today. He talked about security of supply, alternatives and conservation.

I won't repeat some of what I have said but in terms of supply we have not got an oil pricing agreement, we have not got the development of the tar sands and our supply picture is questionable. Wayne Cheveldayoff, in an article he wrote for *The Globe and Mail* on May 12, 1980, before he became assistant to the governor of the Bank of Canada—and I think everyone in this House and certainly members opposite would agree with me that Wayne Cheveldayoff would be a very objective commentator on the energy scene—said that within six years the conventional supply, in effect from Alberta, will be used up unless we develop some of those frontier supplies. We are talking about Canadianizing the oil industry. If we do not get down to developing our oil industry, Mr. Speaker, we will have no oil industry to Canadianize.

The minister's second point was fairness between regions. I want to ask the parliamentary secretary how fair is it to end the Q and M pipeline in Quebec and not extend it to Atlantic Canada, though the Prime Minister promised he would do so in the campaign; the Liberal party in a full page ad after the Prime Minister spoke in Halifax promised, in point three, that there would be a natural gas pipeline to ensure all Canadians access to their resources. It said:

> Liberals would take immediate action to begin negotiations for construction of a natural gas pipeline to Quebec City and the maritimes.

To quote the Prime Minister's words which appear on page ten of his speech—it was one of the few printed speeches in the campaign:

> I am announcing today, as part of our program, that a Liberal government will take immediate action to ensure the full co-operation of all parties in the construction of a natural gas pipeline to Quebec City and the maritimes.

Mr. Speaker, the cabinet can either accept or reject a National Energy Board decision. I charge the Minister of Labour (Mr. Regan), the Minister of Finance (Mr. MacEachen), the two ministers from Nova Scotia in this minis-

try—and I do not know who else is from Atlantic Canada because we do not hear about them down there—with selling out the interests of Atlantic Canada by not rejecting the NEB report.

• (1750)

The NEB says that the need for environmental studies is the reason we should not proceed. They know and the minister knows that gas pipelines, and there are all sorts of them buried across this country with grass growing on top of them, would follow the hydro lines which are a worse environmental eyesore. The fuel being transported is gas, which is a heck of a lot less polluting than coal. If there were a break in the pipeline or any other problem, we would know, as he knows and they should know, that in terms of environmental impact the blow-off of methane is a heck of a lot less harmful than many other spills.

They tried to justify not extending the Q and M pipeline by saying there might be something offshore in Sable. We in Atlantic Canada know, as the minister and the NEB should know, that any development offshore would be within a three-year to four-year range which would coincide with the building or construction of a pipeline beyond Quebec if it got under way today. The environmental studies are merely an excuse for the minister. I believe the NEB did a disservice to Atlantic Canada, but it is supposedly beyond parliamentary criticism. I am starting to wonder if it should be.

The whole matter is a political question for the same reason as the building of the CPR to the west to tie it in with the rest of Canada back in 1867 was a political question. It should be a political decision made by a government with fibre in its soul and an interest in all of Canada, not just pieces of Canada, to make sure that that pipeline goes from coast to coast and certainly beyond Quebec into Atlantic Canada.

I cannot get very excited over what the minister said today about fairness to the regions. He need not talk to me about fairness to regions. I am sure there are members on the other side from the province of Newfoundland who must be embarrassed at the present position of the federal government in not allowing the government of Newfoundland to transmit power across Quebec from Churchill Falls. What is the rationale? How can there be a double standard, letting pipelines cross provinces yet not allowing a hydro line to cross Quebec?

Mr. Tobin: Mr. Speaker, a point of order.

Mr. Nowlan: I am very limited in the time I have left, and that man spoke some time ago. He wants to ask a question.

Mr. Tobin: Mr. Speaker, may I ask a question of the hon. member?

The Acting Speaker (Mr. Blaker): Order, please. I appreciate that the hon. member for Annapolis Valley-Hants (Mr. Nowlan) may be correct in that the interruption is pursuant to the desire of the hon. member to ask a question, but the Chair cannot know that before we find out.

Mr. Tobin: Mr. Speaker, the hon. member has already answered my question. He has anticipated it, and I must say that it is very convenient for him—

The Acting Speaker (Mr. Blaker): Order, please.

Mr. Tobin: I am going to ask a question which he can certainly answer with fact.

The Acting Speaker (Mr. Blaker): Order, please. I am informed by the hon. member for Annapolis Valley-Hants that if it is the intention of the hon. member to ask a question—

Mr. Tobin: It certainly is that.

The Acting Speaker (Mr. Blaker): —that the hon. member does not accept the proposition and does not intend to answer questions while he is speaking. This being the case, there seems to be no point whatsoever in encouraging a question which will not be answered.

Mr. Nowlan: Mr. Speaker, I do not have to take any barb from the hon. junior member for Humber-Port au Port-St. Barbe (Mr. Tobin), who has made some very interesting and dynamic contributions in his own way. However, that young member does not need to talk about the truth to me. I am not going to follow the rabbit tracks of the hon. member when I am after bigger game.

Mr. Nielsen: Mouse traps.

Mr. Nowlan: I am not going to follow mouse traps when I am talking about the minister or even the parliamentary secretary. When the hon. member from the back side comes up to the front side, then I might condescend to listen to him.

Mr. Tobin: Oh, oh!

Mr. Nowlan: I do not think that I have much time left, Mr. Speaker, but I hope that you do not include these last remarks in the time I have used. In terms of fairness we in Atlantic Canada—and I am disappointed and amazed that the hon. member from Newfoundland does not understand—

Mr. Tobin: Oh, oh!

Mr. Nowlan: —and this is one reason why you have had your birthrights sold out, because you have not stood in your place and complained about the fact that you could not get the hydro line from Churchill Falls, Newfoundland, through Quebec. It is members like this, Mr. Speaker, who are not speaking for Atlantic Canada and who are doing a disservice to Atlantic Canada. I hope his constituents will recognize that instead of asking me questions, he should be questioning the Minister of Energy, Mines and Resources on why there is no transmission of power from Churchill Falls so that the government of Newfoundland could get some dollars to help develop the other section of the project. That is to whom the questions should be directed.

Some hon. Members: Hear, hear!

Mr. Nowlan: In conclusion, because I know my time is just about up, I will talk about offshore rights which the present government will not honour. I would like to draw attention to an article in the Halifax *Chronicle-Herald* of October 4 which deals not only with the offshore problem today but with some of the history of this country and points out facts which make our offshore situation even more accute and compounds the sense of unfairness which we in Atlantic Canada feel.

As other provinces came into confederation, be it Manitoba, Saskatchewan, Alberta or Quebec, vast territories in the north were given to them by act of this Parliament. We do not begrudge this. But, for example, one of the most important developments in Quebec, the James Bay project, is located in this territory. Much of the development which took place in Alberta and Saskatchewan is found in such northern areas. The size of these territories is immense, with approximately 379,000 square miles going to Quebec, approximately 382,000 square miles to Ontario and approximately 237,000 miles to Manitoba. Alberta and Saskatchewan each received 250,000 square miles of new territory.

If one turns to Nova Scotia, which has only 20,000 square miles of territory in total, one can begin to appreciate why in the deep east, if we have any feeling for the deep east and are true sons of the deep east, we feel there is a double standard. We do not mind other provinces getting the territories which make up their present boundaries because it has obviously helped us with regard to equalization grants.

What we cannot understand is why there is not some recognition of the mineral wealth off our shores since those other provinces, through those extra gifts of land, received so much wealth. I would hope the minister will come back into the House and address his mind to a couple of the matters which I have raised.

The most interesting and ironic situation came up when the minister talked about the third item.

I have a different clock from yours, Mr. Speaker, but since yours is the one that governs us, I gather you are indicating that my time is up. In conclusion, the third item mentioned by the minister had to do with Canadian participation in the oil industry. There are reliable assessments that, based on the known supply in this country at the present time, we will not have any oil within a ten-year period unless we develop non-conventional resources. The interesting thing which the minister did not tell us is that it was the fledgling oil industry in the west, when Turner Valley was first discovered during the 1940s, which came east to look for financing. That industry came to the Government of Canada of the day for financing. It happened to be the same type of government in power, a Liberal government, as is the case now, and has, unfortunately, been the case for so long.

Because of the lack of financing from eastern financiers and the government, the oil industry had to go south of the border for financing to develop its fantastic oil potential. I hope that some of the deception, discord and division which is constantly being sown by the minister on this issue will be directed to resolving problems rather than to creating more problems.

[*Translation*]

Mr. Bujold: Mr. Speaker, I am pleased to take part in this very lively debate, but as Your Honour will see, it is six o'clock.

[*English*]

The Acting Speaker (Mr. Blaker): If that is agreed, the Chair will call it six o'clock. It being six o'clock, I do now leave the chair until 8 p.m.

At 5.59 p.m. the House took recess.

[*Translation*]

AFTER RECESS

The House resumed at 8 p.m.

The Acting Speaker (Mr. Ethier): Order. When the House took recess at six o'clock this evening, the hon. member for Bonaventure-Îles-de-la-Madeleine (Mr. Bujold) had the floor. The hon. member for Îles-de-la-Madeleine-Bonaventure now has the floor.

Mr. Rémi Bujold (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, I do not know whether you have ever been to the Magdalen Islands but I can see that you have adopted the same attitude as the "Madelinots": you have just said "Îles-de-la-Madeleine-Bonaventure" which will make them very happy because they have been raising Cain with a view to getting a single riding at the federal level; they will be very pleased indeed to see that the Speaker of this House has started speaking of the Îles-de-la-Madeleine riding.

Mr. Speaker, I am indeed very pleased to participate in this extremely important debate and, as my friend, the hon. member for Annapolis Valley-Hants (Mr. Nowlan) was saying this afternoon, this debate is just as important as the other because the two go together. However, my hon. friend took offence at the fact that the Minister of Energy, Mines and Resources (Mr. Lalonde) had to leave the House after having heard a representative of each of the two parties of the opposition, in order to get to Toronto and attend the meeting he had convened a few weeks ago, precisely to discuss the extremely important matter that energy is. Our friend took offence at the fact that the minister left his parliamentary secretary to take over in the House; let it be said, in passing, that he does an extraordinary and exemplary job of helping his minister in this tremendous task. But what I find even more regrettable is that our friend, in making such gratuitous affirmations, should have overlooked the fact that his colleague, the energy critic, was not present here in the House. The energy critic of the official opposition is somewhere, in Canada I trust; in addition, the hon. member, his colleague, who presented the motion of non-confidence, left the House immediately after having finished his remarks. He did not even

deign to stay in the House to hear the NDP representative and added to the insult by leaving before the minister responsible could reply to the parties of the opposition.

Mr. Speaker, I do not think that our friends on the other side have anything to teach us. The Minister of Energy, Mines and Resources, who especially now has awesome responsibilities to bear, has always shown great respect for the House of Commons and the Canadian people and he will continue to do so, I am sure.

I would also like to refer to another point that my friend made in his speech when he was disagreeing with our government's statements on revenue sharing in the oil field. He objected to the figures we quoted, specifically to the fact that the provinces and the industry each receive about 45 per cent of revenues while the federal government receives 10 per cent. Obviously if we go back to the fifties or even the sixties those figures are no longer valid. Even at the beginning of the seventies, revenue sharing had not reached those percentages. We are only considering the figures for the period 1975 to 1979 during which the oil crisis reached its peak throughout the world. If we go back on these years, Mr. Speaker, we note that the provinces' share of the revenues for those five years was 36 per cent in 1975, 40.8 per cent in 1976, 47.1 per cent in 1977, 46.3 per cent in 1978 and 46.5 per cent in 1979. I think, Mr. Speaker, that averages around 45 per cent.

What about the industry's share? In 1975, it received 53 per cent of the revenues, in 1976, 48.8 per cent, in 1977, 41.3 per cent, in 1978, 44.2 per cent and in 1979, 43.4 per cent. As for the federal share, I said earlier 10 per cent. In 1975, it was 10.4 per cent, in 1976, 10.4 per cent, in 1977, 11.6 per cent, in 1978, 9.5 per cent and in 1979, 10.1 per cent. Those are the figures published by our department and which our minister has quoted many times. In view of the figures provided, I feel that those who claim the federal government is putting forward inaccurate data are wrong. Moreover, Mr. Speaker, the federal government's share during the crucial years of the energy crisis has been, as I said, approximately 10 per cent. On top of this, because of our government's involvement in the oil industry, which has increased its responsibilities, it is true that our revenue in that area is not very high.

● (2010)

Mr. Speaker, it is clear that whenever the energy issue is raised in the House, it seems to bother and disturb our hon. friends opposite. And with reason, I think. This afternoon, our friend, the hon. member for Joliette (Mr. LaSalle) dealt with the so-called surrender of our government in this area and he tried to make the point that the gas tax had increased in spite of our commitment to the contrary; we must not forget, however, the increase the official opposition wanted to impose when it was in power. If we had been compelled to bear this increase on top of the other, the total increase would have been over 18 cents a gallon. But our friend from Joliette also said that the federal government, our government, had done nothing about the oil situation. Mr. Speaker, I would like to give some dates and facts. Obviously, I shall not go back to 1963, when we came to power, because I think it would put some of our friends to shame. Let me go back no further than February 1973, when the Hon. Donald Macdonald announced that from then on oil exports be regulated by the National Energy Board and be constantly monitored. On September 4, 1973, the Right Hon. Prime Minister (Mr. Trudeau) announced a price freeze on oil products and suggested abandoning the 1961 national oil policy which, by the way, had been put into place by the former government of the Right Hon. John Diefenbaker. On October 1, 1973, a tax was imposed on oil exports. In January 1974, the oil import compensation program was implemented.

A compromise was reached and it was agreed that the price of Canadian oil would be frozen until March 31, 1974, and that eastern Canada consumers of imported oil would be subsidized, to standardize the domestic price of crude oil. On January 14, 1974, two important bills were given royal assent, Bill C-236, the Energy Supplies Emergency Act, and Bill C-245, the Oil Export Tax Act.

On March 27, 1974, the oil price was raised to $6.50 a barrel effective April 1. On April 8, 1974, the then minister, Mr. Macdonald, tabled the Petroleum Administration Act and on October 25 of that same year the act received royal assent, that is after the 1974 general election. On July 30, 1975, the famous Petro-Canada Act received royal assent. On December 12, 1975, the general agreements on oil price increases were signed. On June 23, 1977, the then minister, Mr. Gillespie, announced the new curves prices would follow until January 1 1979, in other words from July 1, 1977, domestic price for crude would increase by $1 a barrel every six months until January 1, 1979. On November 30, 1978, once again the minister announced that oil prices would go up as expected on January 1, 1979. On February 8, 1979, the minister then announced an emergency plan and on March 29 Bill C-42, the Energy Supplies Emergency Act received royal assent.

Briefly, Mr. Speaker, those are the actions the Liberal government has taken since 1973 with respect to oil.

If you will allow me, Mr. Speaker, I would like now to look at the performance of our friends across the way when they were in power. On June 20, 1979, the then minister of energy, mines and resources, Mr. Hnatyshyn, announced an increase in oil prices. On October 8, 1979, Premier Lougheed and the then prime minister, Mr. Clark, could not agree on an oil price. On November 14 of the same year, the meeting between Premier Lougheed and the prime minister failed.

On November 23 of the same year, the then prime minister threatened to take unilateral action. On December 27 of the same year, there was still no agreement between Premier Lougheed and the prime minister. And as you know, Mr. Speaker, on December 11, 1979, the minister of finance of the government of the day introduced his disastrous budget, and

we know what happened after that. The government was defeated and the people of Canada saw, after looking at such a performance, that they had no choice but to return the Liberal government to power, a government which knew how to take its responsibilities and carry through all its undertakings. It is obvious, Mr. Speaker, that in one area our government has always been and will continue to be in the years to come a responsible government which will take its responsibilities in this area.

This brings me, Mr. Speaker, to a particular point of the whole energy policy, namely the extremely important area of natural gas. Our government took extremely important decisions in this area. One only has to recall the agreement this government gave on the construction and the extension of the pipeline to Quebec City; it also urged the extension of the pipeline to the maritime provinces.

This also brings me to talk about another fact that was noted by the hon. member for Annapolis Valley-Hants. He complained this afternoon that the government had not acted on this extremely important matter of extending the pipeline to the maritimes. Yet he should know that his colleagues in the House of Commons regularly ask questions about this and that the Minister of Energy, Mines and Resources has always answered adequately, and that there is now an appeal before the National Energy Board. We hope that a decision will be made in the near future and that it will favour an extension of the pipeline to the maritime provinces. Mr. Speaker, this would mean that our government is truly taking its responsibilities seriously and give great importance to the natural gas sector of energy, to show how our country will be able in the future to stop depending on oil producing countries for its energy needs.

Mr. Speaker, I would like to underline briefly the importance that this pipeline, especially the part from Montreal to Quebec City, and then the extension to the maritimes, will have for my region, eastern Quebec, and especially the Gaspé Peninsula. As our region is rather remote from major centres, it must accept enormous deficits for residential heating, and oil is very expensive to transport. We have to accept some slight increases compared with major centres.

The extension of such a pipeline will obviously eliminate all these cost increases. This is precisely why this Liberal government is taking its responsibilities by wanting to extend part of the energy distribution system in Quebec, especially east of Montreal and in eastern Canada, because these are the regions where unemployment is the highest, and which suffer most from their remoteness, and this is why our government has undertaken to see to it that the population of these areas can have access to the enormous supplies of Canadian natural gas.

I find it difficult to understand another criticism that I heard this afternoon concerning the possible running out of conventional oil within six years in Alberta. Mr. Speaker, it is a fact that, according to our figures, if we compare proven reserves to consumption this year, these reserves will last from six to eight years.

I think this is forgetting most important energy factors, namely the Canadian energy situation—they forgot that each year we have significant oil discoveries—and neglected all the efforts made by our government in energy conservation. There has been much talk about government advertising in that area. Mr. Speaker, I feel that the advertisements put out by the Department of Energy, Mines and Resources and the Canadian government each week, each day in the newspapers and each week in weeklies is most important. The aim is simply to make the people understand and realize the need to conserve energy.

Another action by our government is the 10 per cent reduction in the use of oil for home and commercial building heating in Canada, to be replaced by natural gas. These are actions by our government, and in order to explain briefly that such a six to eight-year figure for oil reserves is wrong, our actions in that area must be considered.

This leads me to refer to our natural gas reserves. We know they are important to our energy potential, but we also know that in the late fifties and the early sixties demand for natural gas was not very high. However, a much steeper price increase for oil than gas resulted in significantly higher volumes of natural gas consumption, which experienced a threefold increase between 1962 and 1972. The consumption increase was nearly 12 per cent per year, and the over-all natural gas consumption doubled. Up to 1970, new discoveries more than offset annual production rates, that went from some 35 billion cubic feet in 1962 to nearly 57 billion in 1970. However, at the end of 1974, proven reserves remaining in Alberta and the area were estimated at some 57 billion cubic feet.

However, to continue to maintain the price of natural gas as it was would have greatly hindered discoveries in that sector. This is why our government has stated on several occasions that it would like to increase the price of natural gas. Such a policy has promoted prospecting for natural gas so that in 1979 our known reserves amounted to 80.4 billion cubic feet, good for 52 years. Our reserves also figured out in 1979 were 260 billion cubic feet, enough for 179 years. It therefore means, Mr. Speaker, that the federal government has assumed its responsibilities in the field of natural gas, so that our dependency especially on oil is likely to be reduced. The great efforts that we will be making in the years to come in that area, as the minister said this afternoon, will enable us to reach that self-sufficiency which we seek and all want.

Mr. Speaker, I would like finally to point out another very important fact in the field of natural gas, that is its anti-pollution effect in the sectors where it is used. It is evident that hardly any pollution can be traced to natural gas.

When it comes to regions such as Gaspé and eastern Canada where fishing is a very important and almost vital activity for the people, the use of natural gas will have a definite impact

on this area. When we come to the issue of acid rain and consider all the resulting problems in that area, we must make an enormous effort so that natural gas, this natural energy product which does not produce much pollution, be accepted in this country. This is why, Mr. Speaker, our government is taking its responsibilities and we hope that in the forthcoming years the use of natural gas will have increased considerably, especially in eastern Canada.

● (2020)

[*English*]

Mr. Bill Domm (Peterborough): Mr. Speaker, even a brief review of the energy and industrial opportunities awaiting this country will impress anyone with the folly of failing to produce a national policy to match our Canadian economy. Month after wearying month has gone by while this government sits in thumb-twiddling repose contemplating its constitutional navel.

Is there not one of the members opposite, one of true vision and sincerity who will admit that the strength of a country is derived of substance, of things, of the industrial and social facts of its economy? Perhaps it is the Liberal philosophy to erect a facade of grand and lofty constitutional rhetoric to the world to cover the crumbling ruin of the building it hides. Perhaps it cares more for developing its advertising technique to create false hope than it does to developing the tar sands to create genuine hope.

I am sure the huge irony of the Liberals having watched five increases in the price of gasoline since they came to power on a promise of keeping prices down has not been lost on all Canadians, whether they live in the west, central or eastern regions of this country.

The Liberal demi-gods have been presiding over one of the most divisive rifts between the provinces and the federal government this country has ever seen. Hostilities between different parts of the country have been fostered, encouraged and even initiated. These animosities between the people of Canada need not exist. I can assure this House, and my colleagues from western Canada will bear me out, that there exists an interdependence and a mutual feeling of co-operation between all working people and their families right across the land. There is nothing that unites these people of Canada more than their frustration with the absolute lack of initiatives in the field of energy development on the part of the Liberal government.

Certainly, the people of my own riding of Peterborough and all those who live in the industrial heartland of Ontario, can see very clearly that what is good for the producing provinces is very good for the so-called consuming provinces. For they do not just "consume", they are not just ravenous non-producers wanting a free ride from Alberta; they work, they produce, they conserve, and ultimately they will help move this nation towards a fine and truly national balance of equalization.

The government might also care to ask an Ontario worker whether he would care to choose between losing his job because of lost orders to his firm, or paying a few more cents at the gas pump on his way home from work? I know that the workers at one Dundas area company, for example, who made the bucket wheel reclaimers for the Syncrude plant, are all for Alberta's oil industry getting the green light on revenue infusion for capital investment. That is the only way to keep their orders coming. I am sure these workers would rather not sit at home and debate the merits of section 42. I am sure, too, that they would rather see geese over the end of their shotguns on well-deserved hunting weekends than watch them flap over their TV screens in slow motion.

In my own riding of Peterborough, that city's major industry, the Canadian General Electric plant, depends very heavily on our indigenous energy package. I spoke the other day to a representative of the CGE plant, which employs 4,800 people. He told me that "any expansion in any area where electricity is involved will benefit us". "Our whole market," he said, "is based on the expansion of industry, and the more developments and capital investment projects, the better it is from our point of view".

● (2030)

How is this electricity produced in Ontario? Some 45 per cent of Ontario's total energy requirement is based on oil. Canadian General Electric at Peterborough, for example, can produce pump motors, industrial controls, wire and cable for the resource exploration and development market. This is what is really meant by Ontarians being Canadian; a two-way railroad of goods, services and capital between the west and all parts of Canada. It is not the bird's-eye view gained from the Liberal dirigible gliding through the constitutional clouds.

I must impress upon the government and upon the people of Canada that holding up the development of the oil industry in Alberta or indeed in Newfoundland or anywhere in Canada where oil may be found, is holding up industrial development and economic security for the whole nation, and that is very clear. Second, how can we dispel the horrible misconception throughout the country, especially in central Canada, that the most important thing, the one paramount element in this whole mess, is the cost of a litre of gas for the family wagon or, in Mr. Trudeau's case, a tankful for the Mercedes?

The consumer is already paying a fair portion of the true price, the price that should be displayed on the pumps anyway, through the massive $1.5 billion subsidy payments in 1980 alone, and this because of lack of honesty and sincerity. This amount has to be paid on oil imported from offshore to supply Canada east of Ottawa. As the Ottawa *Citizen* noted on September 29:

> If the world price keeps rising and Canadian prices are kept artificially low, the cost of the federal oil subsidy, currently $3.5 billion, will keep rising. so will the federal deficit.

Why not pay what we are paying anyway directly at the pumps, approach the world oil price, attract back expansion and exploration capital, achieve our goal of self-sufficiency in the 1990s, and at the same time protect our jobs and industries in central Canada? As the west and east expand so does

central Canada, and as they wither in the west and east so does central Canada.

The production manager of Mobil Oil of Canada recently told delegates to a Halifax mining conference that markets will have to be developed in Quebec and Ontario once offshore gas comes into production. The maritimes have offshore natural gas coming into production. Ontario can supply only .2 per cent of her total energy requirements from her own gas sources.

Premier Bill Davis of Ontario is quoted in *The Globe and Mail* as saying the Ontario government must "actively advance the interests of the people of Ontario." Is it not apparent to everyone in this House that while doing this in Ontario we are advancing the interests of the people of the maritimes? Co-operation, not confrontation over resources, is what the federal government needs to achieve.

Gulf Canada filed a brief with the National Energy Board a short time ago stating that "Canada has only a remote chance of becoming independent of imported oil" in the 1990s. Gulf Oil stated that if appropriate government policy decisions are not made soon, Canada will need to import up to 500,000 barrels per day throughout the 1990s and the cost of these imports could be $15 billion a year.

Of imported oil, Imperial Oil said in its brief to the National Energy Board that:

—continuation of today's uncertain investment environment relative to energy pricing, revenue sharing and the regulatory system will mean that investments will not be made to achieve self-sufficiency.

I have been in touch with Imperial and have discussed the critical nature of this situation in very real and human terms as well as harsh financial ones. The Cold Lake project alone, for example, is accounting for $10 million a month in running, development and support costs. Imperial reckons that this can continue at the outside for only four months under present Liberal government policy. When that time runs out, all the skilled labour and technical research staff will leave Canada to be flung over all parts and corners of the world, wherever there is a climate of expansion and co-operation.

Turning once again for a moment to Ontario, the area which possibly has the most to gain or the most to lose in the long term in this whole question, I doubt if there is one industry or service in Ontario that is not affected by the oil industry. Non-residential construction, for example, accounts for about one-tenth of Canada's gross national product and is one of the few areas of growth anticipated in the 1981 economy. As the vice-president for Stelco of Hamilton said in Toronto the other day, as reported in *The Globe and Mail:*

"For this growth to happen, governments must allow the price of Canadian oil to approach world levels and remove the many regulatory roadblocks to petroleum and natural gas development".

The people of Ontario and all people of Canada are anxiously awaiting the forthcoming budget which they hope will restore national confidence, national will and true national pride in the opportunities that await them. The president of the Housing and Urban Development Association of Canada said recently:

Lack of consumer confidence is our main concern and the forthcoming budget can be a very important element in restoring confidence.

Uncertainty about our national energy goals cannot continue. As the Alberta chamber of commerce recently pointed out, Shell's Alsands project alone will inject 23.5 billion into Canada's gross national product; 6.2 billion of that would accrue directly to Ontario. The impact of the Alsands project alone on Ontario industry is enough to dispel the suspicious doubts about provincial motives on the part of any Canadian in central Canada. For example, $800 million would go to the iron and steel industry in Hamilton and other places; $370 million would go to metal fabrication and machinery in Toronto; $740 million would go to manufacturing and processing; $325 million would go to transportation equipment in Ontario; $370 million would go to finance industries; $750 million would go to trade and services, and so on. Naturally this massive infusion would spill over into other areas of the economy and stimulate consumer spending.

We do not even dream at the moment of a producing well that might be found somewhere under the 5.1 million acres presently under exploration in Hudson Bay whose coastline is shared by Manitoba, Ontario and Quebec. That would make some provincial governments dance to a much different tune.

I need not tell anyone in this House that Canada possesses enormous potential for the development of all her energy sources, particularly gas and oil. It cannot be reiterated often enough that Canada's industries, particularly those in central Canada, are ready and willing to move ahead. High inflation, unemployment, a massive trade deficit, and a national debt which now exceeds $100 billion demand action by this government. They demand more than the sanctimonious, highfalutin camouflage which this government presently is indulging in. This tries the patience of the country and it tries the patience of members of this House, and I can tell you that our growing dependence on foreign oil is far more humiliating than the alleged humiliation we suffered on the few occasions—very few occasions—when this country has had to involve Westminster in the last century.

● (2040)

It is humiliating for a forward-looking country to be the highest per capita consumer of gasoline when all other countries in the western world are making conservation a national priority.

The previous Conservative government had the courage and the vision to put forward a budget which sought to confront the trauma which is felt when habits and lifestyles of individuals are changed in a very visible but ultimately not very significant area, at the gas pumps. The Liberals took advantage of this momentary trauma and exploited the immediate fears of Canadians by pretending that their long-term ones did not exist. As the budget last December stated, low prices have led to excessive consumption, and Canadians pay proportionately less now for gasoline than they did 25 years ago. Consumption of gasoline over the first nine months of 1979 was up 4.3 per cent and down by 4 per cent in the United States.

The Crosbie budget also stated that the oil and gas industry, and I quote:

—would receive $33 billion net of all production costs and taxes. The funds flowing to the industry should be ample to support all needed new energy investments. If this does not turn out to be the case, adjustments will be made to ensure sufficient cash flow to the industry for all needed energy projects.

This was a position which I submit coincides very well with what the oil and gas industry and all the other related industries across Canada are asking for today, and would have been given if the Liberals had not landed this red herring of gas prices hook, line and sinker.

Hon. Judy Erola (Minister of State (Mines)): Mr. Speaker, I am very happy to rise and comment on the ludicrous motion of the opposition in this House. Hon. members opposite are clearly out of touch. Nothing could be further from the truth than their conventions.

I have not yet heard about the subject of coal. The Canadian government is actively seeking solutions to the very many important problems we face in terms of energy security and consequent economic revitalization. My colleagues have referred to aspects of our energy policy upon which I shall not dwell at this time. I would, however, like to take this opportunity to outline to this House and to the Canadian people the very positive steps taken by the government in the past several years in an effort to stimulate the Canadian coal industry and, in doing so, assist us in our commitment to energy self-sufficiency.

Coal, once out of favour, is now a born-again fuel. After years of relative neglect in the energy industry coal has emerged as a much needed alternative fuel. Spurred on by the dramatic price increases of OPEC, the development of coal resources has taken on renewed urgency. And Canada has large resources of coal. Measured resources are estimated to amount to some 50 billion tons of all types.

However, in 1979 coal contributed only 9.3 per cent of Canada's primary energy supply. Canadian coal production last year amounted to 33 million tons, yet Canada remained a net importer. This situation will likely reverse itself as early as 1982 or 1983 due to the expected increase in demand for Canadian thermal coal on both the domestic and export markets. However, Canada has been a net exporter of metallurgical coal for a number of years, and it is worthy of note that Canada exports a higher percentage of its coal production than does any other country—indeed, 45 per cent in 1978.

Currently, coal is used for two major purposes in Canada. About 75 per cent of the coal consumed is used to produce electricity, and the remaining 25 per cent is used in the steel industry to produce coke, the necessary fuel of the blast furnaces. There is now no doubt that the importance of coal in the Canadian energy economy will continue to grow in the next decade and that by the year 2000 production will exceed the current level by three to five times.

The Canadian coal industry is primarily divided geographically into two sectors, one operating in western Canada and the other operating in the Atlantic provinces. The government has been active recently in both areas. In the western region we have taken a leading role in the development of the northeastern British Columbia coal deposits. We have committed ourselves to the Roberts Bank expansion in co-operation with the provincial government, and dredging work will begin in 1981. The Ridley Island terminal has been identified as an integral part of the future development of the northeastern British Columbia reserves, and we are ready to play our part. Railway line expansion, upgrading and construction will play an important part in this development.

On the east coast, in Atlantic Canada, the government has been working through the Department of Regional Economic Expansion in an effort to identify methods by which the viability of the Cape Breton coal industry may be revitalized. The Cape Breton Development Corporation should be commended for its efforts in working closely with DREE on this matter. The Elfstrom report into the accident at No. 26 colliery is presently under consideration, and the recommendations of the commission have been accepted by my colleague, the hon. Minister of Labour (Mr. Regan) and are currently under active review.

Further to that, I am pleased to tell the House that I am currently participating in and, indeed, encouraging the establishment of a research centre in Cape Breton as a direct result of the Elfstrom recommendations. Clearly, we have been responsive and active in both areas.

My department has been especially active in the development and encouragement of coal as an alternate energy source. Significant new opportunities exist to increase the use of coal in the Canadian energy economy in addition to the present electrical and metallurgical markets. This will be of special benefit to Atlantic Canada and, as this House is aware from previous policy pronouncements of my colleague, the Minister of Energy, Mines and Resources (Mr. Lalonde), the federal government is prepared to assume a large proportion of the technical risk in the introduction of new technologies—indeed, up to the point of commercial use.

There are presently two new technologies of interest for which we are financing research and development initiatives in the near term. They are fluidized bed combustion and coal in oil combustion.

The fluidized bed combustion process offers an improved way of burning coal for utility, industrial and institutional needs. This technology permits the burning of a wide range of coals in the same equipment—including the combustion of colliery wastes—and at the same time makes possible a significant reduction in the release of sulphur dioxide through the addition of control agents such as limestone to the combustion bed. Studies are currently under way to introduce this technology to allow the better use of the higher sulphur coals of eastern Canada.

In co-operation with the Department of National Defence I am sure the House will be happy to know that we are planning the replacement of a plant heating unit at the armed forces base at Summerside, Prince Edward Island, with fluidized bed combustion technology. We believe this technology will allow

the use of the higher sulphur Cape Breton coals in an environmentally acceptable way.

The new unit will also use wood chips, to take advantage of the forest resources of the island not now being worked to their full potential. Canadian process design teams are involved and equipment will be manufactured in Canada. Current expenditures for this project are in the neighbourhood of $11 million.

The development of coal in oil combustion technology allows the use of coal in facilities originally designed to burn oil only. While this possibility has been known for many years, a number of technical problems have yet to be resolved to allow widespread use of this technique, and these are being addressed in Canada and elsewhere. The Canadian coal in oil combustion trials have been undertaken in co-operation with the New Brunswick Electric Power Commission, and combustion studies are under way in the ten megawatt facility of the commission at Chatham, New Brunswick. This particular investigation has been directed to the possible use of the limited quantities of very high sulphur coals produced in that province. A new process developed by the National Research Council known as the spherical agglomeration process has been incorporated into the preparation system. This process has the unique capability of using the oil itself as a mechanism by which sulphur-bearing impurities in the coal may be rejected. Another possibility for Canadian coal currently under investigation is its suitability for use in the tar sands heavy oil projects as the make-up fuel to supply the necessary steam.

● (2050)

One matter of primary consideration, of course, is the manufacture of synthetic fuel from coal. The coal liquefaction option for Canada will be determined in part by international and domestic developments in the field of synthetic fuels production technologies. While the process has been known for some time, its economic viability is still in question. This brings me to the subject of CANMET.

I am surprised members of the House are unaware of the research work being conducted in Ottawa by the research division of my department. Early in the spring I invited every member of the House to visit the CANMET research centre. I believe only a handful showed up including, I think, just one member of the official opposition. If members had visited us at CANMET, they would have learned of the extensive work being carried out in that department, work which is essential and which has proved that we in Canada can encourage and enter into many programs which will be economically viable.

CANMET is actively pursuing a variety of research projects. We are continuing research into coal liquefaction and gasification. These research projects are being conducted here and across the country as well, particularly in Alberta. Research into clean-burning coal is very important to Canada because our coal, like all coal, has very specific characteristics and qualities that must be considered. In fact, we know definitely that coal from the east coast has a higher methane content and is therefore combustible in that area, while the metallurgical coal of the west coast is highly combustible but offers fewer methane problems. We must develop the specific technology for our Canadian coal.

I am very proud to say this has been done in a great spirit of co-operation with the provinces, particularly with the province of Alberta. CANMET has been working with Alberta in coal research for some time through the Alberta-Canada Energy Resources Research Fund where moneys are being made available for the development of a major coal mining research centre in Edmonton. Also, moneys are provided through this fund for construction of the Energy Resources Building adjacent to the University of Calgary campus and for the Energy Resources Research Building in Devon. I am sure most of the members from that area are aware of these projects.

Under the Canadian coal conversion program the federal government shares the cost on a 50-50 basis with other funding bodies. I have referred to programs financed under this program already, but they are categorized under a multitude of headings, which I would encourage members to read and discover—economics, exploration, strata mechanics, mining methods, underground environment, equipment safety, coal preparation, carbonization, combustion, gasification, liquefaction, coal slurry transportation and environmental aspects. All this work is being conducted here in Canada.

Also, I would urge members of the House to read the book entitled: "Coal—Bridge to the Near Future". In it, coal experts from this country and indeed from my department have offered much-needed advice which has been heeded by many experts in the world. We have been declared to be one of the foremost countries in the development of coal. It is a very interesting book and I would urge all members to look into it, particularly the role Canada must play.

Canada has participated in the world coal study and was party to the conclusions which the study outlined in relation to the world coal system. Incidentally there are a number of projects under way which we would be very happy to describe. The document entitled: "The Current Coal Research and Development Projects in Canada" published recently by my department would bring members up to date on just what is happening in coal.

The conclusions of the world coal study are quite interesting. Perhaps I have time to go into seven of its recommendations. Coal is capable of supplying a high proportion of future energy needs. It now supplies more than 25 per cent of the world's energy. Economically recoverable reserves are very large—many, many times those of oil and gas—and capable of meeting increasing demands well into the future. The coal study went on to indicate that coal will have to supply between one-half and two-thirds of the additional energy needed by the world during the next 20 years, even under the moderate energy growth assumptions of the study. To achieve this goal, world coal production will have to increase 2.5 to three times and the world trade in steam coal will have to grow ten to 15 times above 1979 levels. Many individual decisions must be made along the chain from coal producer to consumer to ensure the required amounts are available when needed. Delays at any point affect the entire chain. This emphasizes

the need for prompt and related actions by consumers, producers, governments and other public authorities. It is interesting to note that coal can be mined, moved and used in most areas in ways that conform to high standards of health, safety and environmental protection by the application of available technology and without unacceptable increases in cost. The present knowledge of possible carbon dioxide effects on the climate does not justify delaying the expansion of coal use.

Coal is already competitive in many locations for the generation of electricity and for many industrial and other uses. It will extend further into these and other markets as oil prices rise. The technology for mining, moving and using coal is well established and steadily improving. Technological advances in combustion, gasification and liquefaction will greatly widen the scope for the environmentally acceptable use of coal in the 1990s and beyond. Finally, the conclusions of the world study indicate that the amount of capital required to expand the production, transport and user facilities to triple the use of coal is within the capacity of domestic and international capital markets, though difficulties in financing large coal projects in some developing countries may require special solutions. Of course the protection of the environment remains one of the primary considerations in any decision to go ahead with large-scale coal development and use. The problem of acid rain can be met through the application of methods now becoming available to limit the release of sulphur and nitrogen compounds. The technology exists.

In co-operation with the provinces interested in coal, we are negotiating an improved agreement on coal technology with the United States department of energy. The Government of Canada was a party to the "Principles for Global Action re: Coal" adopted by the governing board of the International Energy Agency in 1979. It is heartening to the government that our support of these principles was, in the words of the Coal Association of Canada, "adequately representative of the views of the association", and as such they adopted them as a statement of their own policy. So, reality is far removed from the substance of tonight's motion.

In closing I should like to mention that my department is seeking ways to stimulate the educational institutions of this land so that they might begin again to produce qualified Canadians in the very important field of coal mining engineering. Last Friday I participated in a seminar where it was brought out that there are no real coal engineering schools in existence in this country; if we need a real coal expert we have to go to England or the United States, and if we want to train some of our mining engineers specifically in the field of coal we must send them offshore. I think this is a shame. Canada produces many hard-rock miners, but unfortunately there are major differences in both mining technology and in safety considerations when one enters a coal mine. I would hope that through our research station plant in the Cape Breton area we would develop some sort of training at the higher level, as well as at the mining level, for those in the trades. We have relied on foreign expertise for the most part in this field but clearly the future trend now suggests our emphasis in this area must change and our universities must meet the challenge, as I am confident they will.

● (2100)

In the near future—not later than the mid-1980s—a comprehensive international market for coal will be operating. The maturing of the international market for energy coal will yield a new international energy reference price. How Canada chooses to react as a supplier in this emerging international market will have important implications for the stability of that market and important implication for the resilience and depth of Canada's own energy supply capabilities. The Canadian government has not and will not abdicate its responsibility to take a leading role.

Mr. Deputy Speaker: The hon. member for Lethbridge-Foothills rises on a point of order. I might point out that the time of the hon. minister has almost expired and there are many other members wishing to be recognized.

Mr. Thacker: Mr. Speaker, the hon. minister knows that in Lethbridge-Foothills Petro-Canada is developing a test mine in coal. We have millions of tons of low sulphur coal. My question, which I wonder whether she would consider answering, is: what is the minister and her department doing to encourage the Ontario government, which presently imports over 20 million tons of high sulphur coal from the United States, to switch that to importing low sulphur, Alberta coal, something which would provide part of the answer to our trade balance deficit, as well as to the acid rain situation?

Mrs. Erola: Mr. Speaker, I would like to tell the hon. member that Ontario, indeed, has been discovering its own coal and that at the present time our own CANMET is co-operating with the Onakawana Company to investigate the possibility of an electrical generating plant very close to the source. They will probably be operating within five years.

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, one is tempted in the course of a debate on energy policy in general, especially speaking at the end of the day as I do, to take time to refute many of the things that have been said over the course of the debate, particularly by members on the government side.

Perhaps all I will do in commenting on the debate thus far is to congratulate the government on a well-arrayed barrage of papers prepared by the civil service, by the officials in the Department of Energy, Mines and Resources for the various Liberal members who have spoken today. It has been a fine display of how the bureaucracy runs the government in this country.

As the hon. member for Vancouver-Kingsway (Mr. Waddell) mentioned earlier this afternoon, we thought it appropriate in a debate on energy that a particular topic which has not received very much attention in this House be at least brought up during the course of the debate today. My responsibility is to say a few words about the whole question of nuclear power. In my view, any debate on energy policy would have a fatal

flaw in it if it were not to take into account the reality of nuclear power and the difficulty of the questions which that particular source of energy raises for us. I find this to be a topic which is often left out of energy discussions, almost as if it is something one does not mention. We talk about off-oil policies, for instance, but we act as if everyone knows what we mean by 'switching to other sources'. We do not really want to talk about it. The words "nuclear power" almost carry, the same stigma as cancer had 20 years ago. It is almost unmentionable.

Today we want to mention it within the context of the obvious commitment of this government to nuclear power as an integral part of the energy strategy for Canada. The Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. MacLaren), with whom I have debated in the past, particularly over the experimental vault which they are using to study the effect of long-term radioactive waste disposal in Lac du Bonnet gave on the late show one night what I considered to be a most uncritical description of the role of nuclear power in Canada. It was really disgraceful to hear a member of the government coming out with such a naive innocent view of nuclear power. He did not even acknowledge there were any serious questions attending the subject of nuclear power. I think that is bad.

My contention this evening is that nuclear power should be the subject in this country of a genuine political debate. It is too important an issue to be pursued uncritically by this or any other government, dependent upon the advice and, more important, the world view of the people who are involved in the nuclear industry. Nuclear power is not just a technical question, it involves a way of seeing the world and understanding how we want to move into the future. Topics of these kinds are appropriate subjects for political debate and this is what I wish to suggest this evening to the House of Commons. If we want to do our job properly, and if the government wants to enable us to do it properly, then somehow, in some context, the subject of nuclear power should come before the House for open and intelligent debate.

My colleagues to the right, the Progressive Conservatives, when they were in power were willing to hold a parliamentary inquiry. We would prefer a public inquiry—a much larger exercise into the whole question of nuclear power—but at least, as the hon. member for Vancouver-Kingsway said earlier, they were willing to acknowledge that there was dissension and concern about this particular subject. I give them credit for that. It may have been the case—as I suspected at the time—that the committee would have been force-fed with documents from Atomic Energy of Canada Limited. It would not really have come to any startling conclusions, but nevertheless there was the acknowledgment there of the issue.

We in the NDP are in favour of a moratorium on the construction of further nuclear reactors until such time as a real debate can take place. We feel that without such a debate the Canadian people will be led down a particular energy path they would not wish to follow if they had the opportunity to really think about the matter in any great depth. I prefer—and as an individual member of Parliament I will have a private member's bill coming before the House to this effect—that we have a referendum on the use of nuclear power. At least if there were a referendum there would be a conscious choice to be made. The Canadian people would have the opportunity to choose whether or not they wish to have a nuclear future. I know the subject of referenda is quite controversial these days, but I nevertheless personally support such a course in this case.

In the debate on metrication in this House, I said that one of the things which needed to happen if politics was to continue to be an alive and vital process in this country, was that the parameters of political debate needed to be expanded; more and more of the decisions which have traditionally been made by the bureaucracy have to be brought into the political process. If people are to continue to have a feeling that political processes matter, if they are to continue to feel that this House of Commons matters—if, indeed, they still feel that—then the parameters of political debate have to be enlarged. This is part of the general malaise which besets us—the parameters are so small that people feel that too much happens automatically without any real debate. This may be the fault of the people as well. However, it is also because they are being falsely comforted on issues such as energy. For instance, in the area of energy, they are being falsely comforted by the advertising campaign of the government, by assurances that we have what it takes, that it is just a matter of relying on the structures, the values and the goals that we have now and our energy needs will be looked after with no problem at all.

• (2110)

Why then is nuclear power such an important question? Why should it be set aside as different from other energy decisions for a specific debate, a debate which might take the form of a moratorium—followed by a decision-making process such as a referendum or perhaps merely a decision of this House or some other process? Actually, nuclear energy is not all that different from any other form of energy in the sense that all energy decisions involve the kind of moral and political decisions which we contend are involved in this issue.

Nuclear power, like any other energy form, cannot and must not be discussed only within a technical framework. The minute we begin to do this we narrow the scope of the discussion and in doing so we miss many of the important points which must be taken into consideration. The form of energy we use determines many aspects of our life, from our relationship to others to our relationship to the environment, our relationship to the future.

In terms of our relationship with others, for instance, and its effect on the structure of our society, nuclear power is a highly centralized form of energy which creates dependence and destroys the self-reliance of communities and regions. Nuclear energy creates the need for security to protect the installations from, for example, the theft of radioactive material. Nuclear energy involves a highly technical and capital-intensive infrastructure in order to maintain and operate the system, not to

mention all the other hidden costs into which any inquiry should look. On these grounds alone we need to debate the topic of nuclear power.

Nuclear power has many effects on our relationship to the environment. There are many concerns about its effect on, for example, uranium miners, which in the end may be the most important environmental consideration of the whole question of nuclear energy. There is the effect on the environment as such, particularly in the area of the long term and unsolved problem of how to dispose of radioactive waste. This long-term problem of the potential of this waste material for contaminating ground water, for example, is what distinguishes nuclear energy from other forms of energy. And it is the long-term risk which makes it the appropriate object of a special political debate, and that is what I am calling for tonight. It is dishonesty on the part of Atomic Energy of Canada Limited, Ontario Hydro or anyone else to suggest otherwise and to trivialize the qualitative difference between the risk involved in nuclear power and the risk involved in other forms of energy. It is that long-term uncertainty which must be taken into consideration.

This brings me to the third point which I raised about the way in which energy forms affect our relationships, and that is with regard to the future. Nuclear power affects our future through long-term uncertainties which cannot be allayed by any false faith in science and technology. God knows, they have gotten us into enough trouble already. So, as in the case of other energy forms, the decisions we make have an effect on our future. Our decision to use up all the conventional oil reserves uncritically and foolishly for no better reason than to adopt a way of life that cannot be sustained and will eventually have to be abandoned was a decision which affected our future. It means now that the people in the future will not have the petroleum resources they may need in order to manufacture plastic goods essential for medical technology or the fuels which are necessary to agriculture for the production of food.

All these energy decisions which we made in the past have affected the future, and nuclear power will be no different except, and here again I want to make the point about the qualitative difference, that there is an irretrievability about the effects of nuclear power which makes it different from other forms of resource depletion or pollution. The half-life of many of the substances about which we are talking is beyond our ability to guarantee structures that will enable us to deal with the risk inherent in their exploitation.

This leads me to say that the government has a responsibility to provide the context for a conscious political choice on the part of Canadians so that they may decide what they really want, what kind of society they want to live in, whether they want the kind of society which nuclear power implies, whether they want the highly centralized, capital intensive, etc, kind of society which is involved, whether, indeed, they want to take those kinds of risks with regard to the environment and the future. These are the topics which I think the Canadian people should be given a chance to debate openly, without feeling that the nuclear power program of this country seems to be going on inevitably in any case, and perhaps we should set aside time for debate in Parliament even though it seems we have already decided. The Prime Minister (Mr. Trudeau) said in response to a question by me some time ago that we are either in the game or out of the game. The government is obviously in the game.

I contend that this decision should not have been made without the appropriate political debate. We call on the government at this time for an opportunity to debate this topic. Having the opportunity of choice is particularly important to Canadians because we do not need nuclear power. We are not in the position of a Third World country which has its back to the wall in the area of energy and is in a moral dilemma and must make the decision between all the moral and environmental implications of nuclear power and whether or not they will have enough energy to bring up the standard of living for their people to the barest minimum. That is not the position in which we find ourselves.

Canadians have other choices. If half of the money invested in nuclear power were invested in renewable energy resources and other alternative energy resources which are more environmentally responsible, then perhaps we would not need this debate at all. We in the NDP are ready for this debate, but that is not to say we are unanimous in our position.

The question of nuclear power crosses ideological boundaries. There is debate within our party on nuclear power with regard to, for example, the policies of the government of Saskatchewan vis-à-vis uranium mining in the north of that province. We are not afraid to admit that this topic is the subject of debate within our own ranks. I personally am proud to stand up and say that within the New Democratic Party of Canada the subject of nuclear power is taken seriously enough that we are divided on it, that we debate it and that it is still a matter of conscientious debate when it comes up on the convention floor.

We are not a bunch of uncritical sheep like the other parties, both of which would in the final analysis allow Atomic Energy of Canada Limited and Ontario Hydro to go on completely unchallenged, and I have no hesitation in saying that.

Mr. Paproski: Broadbent has a divided party.

Mr. Blaikie: I encourage the government to create the environment for the kind of healthy, political and philosophical debate on nuclear power that we in our party have had up until now and no doubt will continue to have.

Mr. Doug Lewis (Simcoe North): Mr. Speaker, my comments today are motivated by both a specific concern for 33 people and a general concern which I am sure is shared by all members of this House for the health of a Canadian economy.

● (2120)

There is a company in my riding called Fahramet Limited and it is a Canadian company. It has four plants in Orillia, Ontario. It is a high alloy steel foundry employing a wide variety of production methods. It manufactures heat corrosion

abrasive resistant castings, items which are used in the petrochemical industry. It recently opened a $4.3 million extension and at that opening I discussed the company's prospects with the general manager. He told me he was proud of his company's ability to produce its products, and that it had the people and the equipment to handle far more orders than the current demand. He said it wanted to increase its share of the petrochemical industry and get into the business of supplying equipment to drilling rigs. He said that drilling is on the decline in Alberta, however, and that the prospects are it will decline even more in the future. This means less demand for pipe for steel castings. Last week the company laid off 33 men in my riding.

I believe very strongly, Mr. Speaker, that if we were to treat the energy situation as an opportunity rather than a problem, those 33 men would still be working or would not have as much difficulty as they are presently finding in getting a job.

I welcome the opportunity to intervene in this debate. In my opinion the discussions in this House, in the media and indeed, across the country, have focused for far too long on the benefits that natural gas and crude oil bring to the place in which they are found. For far too long the focus has been on price; the time has come to focus on what those natural resources can do for the country as a whole.

As Canadians, we have been too narrow in our viewpoint. We have lost sight of the tremendous benefits that these resources could bring to Canada. We have failed to put them to work for Canada.

Crude oil and natural gas were originally found in Ontario. Shortly after World War II, far richer and more vast quantities were found in the west. The expansion of the drilling industry, the pipeline industry and the oil industry in the west is a success story of which every Canadian is proud. It has raised the sights of everyone in the west. There is a sense of pride and vision there which excites everyone who goes to the west.

Canadian technology, ingenuity and resourcefulness have enabled us to find further reserves in the Arctic and off the shores of Newfoundland. Despite the wide geographical sweep of the finds of natural gas and crude oil, the Liberal government remains narrow and unimaginative about the development of these resources. We have the necessary ingenuity and resourcefulness in the field but the bureaucrats in the Department of Energy, Mines and Resources certainly do not share these qualities.

Because the government has no energy policy, every Canadian is suffering; every province is suffering. I do not mean because of price and I do not mean because of supply. I mean from good old opportunities lost. Those are opportunities which exist in the production and refining industries, opportunities which exist in the manufacturing industries that use crude oil derivatives as a raw product and opportunities which exist in the various product and service industries which bring these megaprojects on stream.

This government has failed to reach a fair domestic price agreement with the producing provinces. As a result, the Alsands projects have cancelled the $50 million winter works program and suspended its 1981 budget. The Cold Lake project is still on schedule but could be cancelled if there is no agreement.

What do these tar sands projects mean to Canada, Mr. Speaker? If a tar sands project is delayed one year it means one more year of foreign imports of 140,000 barrels per day at a cost of $1.9 billion; it means inflation would add $700 million; it means 8,500 direct and indirect jobs will not come on stream. One tar sands plant, Mr. Speaker, creates an annual average of 11,500 jobs.

My colleague, the hon. member for Peterborough, (Mr. Domm) told the House what the $6.2 billion which would be spent in Ontario would do for the economy if the Liberal government concluded an agreement. Household income in Ontario would be increased by $1.8 billion. Ontario is the industrial heartland of Canada and wants to participate in these opportunities. Ontario wants some more of the $738 million that was spent on the Syncrude oil sands plant. We know large sums will be spent in Ontario because it produces the necessary products.

I suggest that the next time the government brings in an energy policy, the next time an oil sands plant is brought on stream, it examines the amount of Canadian content in those projects. As the member for Simcoe North I do not want to see reformer tubes brought from the United Kingdom through a subsidiary company; I do not want the Celanese company bringing them in through the United States through a subsidiary, Mr. Speaker. I want to see them produced in my riding.

The lack of action on the part of the government boggles the mind, Mr. Speaker. I am not an expert on crude oil or energy but I am fortunate inasmuch as 21 members of our caucus are experts. The problem is that these people from Alberta are shy and retiring; they will not tell us what the deal is and we have to read about it. When I do read about it, I find that the drilling companies are going elsewhere. They cannot get $40 per barrel for their oil so they will not drill here. Can they be blamed?

I see the Minister of State for Science and Technology and Minister of the Environment (Mr. Roberts) has come in, Mr. Speaker and this will be of interest to him. Are we going to repeat the tragedy of our research and development program? Over the years there has been a decline in the share of the gross national product which is spent on research and development. At one time our aerospace industry led the world. We produced water bombers, small jets, research rockets and sophisticated communications systems.

Where has the Liberal government concentrated its efforts, however? On the car industry, Mr. Speaker. Loans to have been guaranteed to Chrysler—a company which got into difficulties because it produced a car which was too big. What did this government do? It bailed them out. Next, it gave $60 million to Michelin so that it could produce tires in Nova Scotia where it had not produced them before. This defeated

the Ontario tire industry. The government has completely ignored the consumer, claiming it must protect the textile industry in the province to the east of us.

The government is completely ignoring what could be in the energy situation but this is not surprising when we consider who represents the industrial heartland of the country in the cabinet. As far as the three musketeers from Windsor are concerned, if a product does not have wheels it is not a manufactured product. The minister from the steel city travels around the country. The minister from Toronto, the heartland of manufacturing, travels the country and goes to see the Queen. The other minister is in charge of propaganda. Of course, he is very busy with the advertising campaigns for legislation which is before the House. We must give him full credit for that.

Ontario does not want a handout, Mr. Speaker. It wants an energy policy which will help Canada realize the opportunities which exist. It is shortsighted to view the present situation as a crisis for consumers; it is a crisis for the worker. Jobs are being lost at great cost to the Canadian consumer at this moment. It is small comfort to have cheaper gas if you do not have a job and cannot afford a car. We need jobs to produce the money with which people can buy the gas.

Hon. members opposite did not ignore the energy situation in the past. On October 10, last year, the Prime Minister (Mr. Trudeau) was very loquacious and suggested that this party did not have a policy. He said we were offering lame excuses. He complained that Canadians wanted to know where we stood on the question of energy prices. "Where does the government stand?" he asked. The hon. member for Ottawa Centre (Mr. Evans) who was in the House until a moment ago said the government had had five months in which to establish its energy policy. Mr. Speaker, the present government has been in office eight months and it still does not have a policy. I should like to know where it is.

In the Speech from the Throne the following passage appeared:

> My government's energy policy is critical to the success of all its economic policies. Energy policy is as important for Canada in the 1980s as railway policy was in the 1880s. Like railway policy in that earlier era, energy development has the potential to create growth and prosperity across Canada.

I agree, Mr. Speaker—but now, not some time in the future. That is what they said. They indicated the country would be presented with an opportunity rather than a crisis and promised they would do something about energy. Then what happened? People know that railways have tunnels. This government has tunnel vision when it comes to energy. We were told we would have a made-in-Canada price. That is a terrific idea they said. Also, that we would shut our eyes to market prices and have a made-in-Canada price. They just wanted the industry to agree that this was a good idea. One hundred dollars invested in the United States returns a fair profit to everyone involved, but with $100 invested here no one knows where they stand.

• (2130)

The Speech from the Throne went on to say that the government is vigorously pursuing a policy consistent with its energy policy commitment. Where is that vigour leading? We have had eight months of vigour and nothing has happened. While this Liberal government fiddles and diddles, at least the Ontario Progressive Conservative government, which some members opposite have been so quick to criticize, is taking action. Last week a plan was announced to invest $165 million in the energy field to encourage conservation and the development of alternative transportation fuel. The development of solar energy would be stimulated and help would be given to local governments to convert heating systems to accept new forms of energy. A lot of things will be done in Ontario. Specifically, what will be done? First, $75 million will be spent. Also, 6,000 man-years of work will be created. That is what we want in Ontario. We do not want any more stalling from this federal government. We want an energy policy. We want work. We do not want handouts. Stuart Smith, the economic genius in Ontario—he has a Ph.D. in something and that makes him a genius—called the policy that of nickels and dimes. If that is a nickels and dimes policy, you Liberals have nothing. I say you do not even have a "cents" policy. The Liberals have done nothing to produce a policy. When will we have one?

An hon. Member: Tomorrow.

Mr. Lewis: The hon. member says tomorrow. I heard "a few weeks" mentioned by another member a minute ago. I ask hon. members: is that vigour? Ways in which the insulation program will be improved were talked about in the Speech from the Throne. That was in April. It is now October. Hon. members can tell from my voice that it is cold and that I am getting one. But we are waiting for improvement. I would be glad if I could just get the forms, let alone wait for the program. There are three million housing units in Canada built between 1961 and 1976 that would be eligible. If we had a comprehensive program to provide insulation for those homes or to improve the insulation in them, we would save energy. Home owners would benefit and we would provide work for Canadians in the production and installation of insulation materials. A background paper produced for CMHC as part of the material I have as housing critic indicates that manufacturers of insulation material would consider increasing their capacity if there were a significant increase in demand by the public. We have to understand that we cannot get that capacity increased until we have a program from the Liberal government.

Canadians must begin to understand the benefits which self-sufficiency in crude oil would bring to every one of us. We would be freed of the need to depend on foreign resources and our lack of stability, well known to Canadians because we do not have a plan, would be gone. Moreover, we are presently paying close to $3 billion a year to purchase foreign crude oil and the effect of this on our balance of payments is horrendous. If we were to develop what we have, we could reduce our

dependence on foreign oil, we could reduce our deficit, we could reduce our balance of payments problems. Most important of all, we could create an estimated 350,000 jobs for Canadians.

That is the energy situation. That is the energy opportunity. And it is about time we started to treat it as an opportunity and not just as a situation.

Mr. Maurice Foster (Algoma): Mr. Speaker, I am glad to have an opportunity to speak this evening on the motion put forward by the hon. member for Etobicoke Centre (Mr. Wilson) relating to energy policy. I was surprised to see the hon. member put forward a motion of this type and I am surprised the official critic is not here to support this motion of the official opposition. Even the hon. member for Etobicoke Centre did not stay around very long after he had made his speech. However, it is rather interesting to note this hon. member alleging there is really a great lack in energy policy when just twelve months ago if we examine the energy policy put forward by the former Progressive Conservative government during the course of their tenure from May 22 to December 13, it was not remarkable for any great amount of policy, as I recall.

Mr. Deputy Speaker: Order, please.

The hon. member for Victoria is rising on a point of order.

Mr. McKinnon: Mr. Speaker, the hon. member speaking just now referred to my seat-mate, the hon. member for Etobicoke Centre as leaving shortly after making his speech. The hon. member for Etobicoke Centre had a long-standing commitment in his constituency and he has left for Toronto to fulfil it. I assume there is a similar reason for several other seats in the chamber being vacant.

Mr. Foster: Mr. Speaker, if we look back at one of the very first actions taken by the Leader of the Opposition as prime minister a year ago, I believe the day on which his government was sworn into office an announcement was made that the Canadian embassy would be moved from Tel Aviv to Jerusalem. We all recall what a fiasco that was and how it poisoned relations with the Arab states from which we get much of our oil. It is rather interesting to note that the hon. member for Etobicoke Centre was the minister of trade at that time, and he spent most of his six or eight months in office trying to rectify the negative impact of that action. If we think of some of the other actions taken by that government during the brief tenure in office, we do not see much energy policy emanating from it. During the 1979 election campaign there was a clear commitment by that government to dispose of Petro-Canada as soon as it came to power. But soon after that, that decision was reversed. As I recall, the plan was to sell part of PetroCan and then to give away part of it or, finally, to sell part of it so some of it could be given away and some could be kept. That national petroleum corporation which is so active in many fields in exploration and in developing transportation systems etc. was thrown into limbo during the course of the nine-month period of the Clark government.

If we look at the budget of December 13, much of it related to energy. But it was rejected first by the House of Commons and then by the country in the general election which ensued. That budget really did not set up much of an energy policy except to raise the price of oil dramatically, both the price per barrel and the excise tax which, I think taken together, amounted to $8 or $10 per barrel equivalent, although most of it was in the excise tax.

If we examine that budget and look at that nine-month period, I ask hon. members where do we see the actual policy statements and policy announcements? Where do we see that interest of the federal government being protected? If we look at the share of benefits we find that over a five-year period I believe it was some $48 billion would go to the producing provinces, some $29 billion to the industry and only $17 billion to the federal government which had the responsibility for the oil compensation program and many other energy initiatives across the country. During that nine month period, not a single major energy project was announced.

• (2140)

However if, we look at some of the Liberal actions during the past four or five years, we see a number of programs relating to energy saving. I think of the Save 10 per cent program. In 1976, the federal government decided to save 10 per cent of its energy needs during the next four years. During the period 1976 to 1980, the consumption of energy by the federal government was reduced by 10 per cent per year. It resulted in a $100 million per year saving in energy costs for the federal government. The government is committed to retaining that 10 per cent reduction during the next ten years in spite of growth in the civil service and government activities. This is a real success story for the federal government. It is a good demonstration for the entire country.

In 1975 the Liberal government set up ten task forces in the major industries of the country. The objective was to reduce the consumption of energy by 12 per cent over the course of five years, 1975 to 1980.

They recently set a new target. During the next five years energy saving is to go from 12 per cent to 23 per cent, an increase of 11 per cent. There are now 15 task forces in the various industrial sectors working to reduce energy consumption in Canadian industry. This is a good example of the federal government and industry co-operating in a voluntary way to save energy and money, and make Canadian industry more competitive and efficient.

There are a number of other areas in which we can make substantial improvements in the conservation of energy. I hope that when the minister announces the full energy policy later this month action will be taken.

The CHIP program should be improved. There should be better inspection. I would like to see mandatory car mileage legislation. This was forecast in the Speech from the Throne. Great pressure should be put on provincial governments to implement the building code recommendations made in 1978, or perhaps something might be done through the mortgage

system for which the federal government has a responsibility. There are demonstration houses in various provinces such as Prince Edward Island, Nova Scotia and Saskatchewan, which have a super-energy saving of 70 per cent. We should move toward implementing building codes across the country in co-operation with the provinces to ensure that these savings are effected in the case of new houses. Task forces should be set up in other areas, such as that of commercial buildings. There is an opportunity for tremendous savings there.

This afternoon the minister indicated a number of initiatives which the federal government has already taken, major initiatives in the energy field like the pre-build of the Alaska pipeline the Quebec City pipeline, the increase in the PetroCan budget, solar energy and technology development policy which was recently announced, and an increase in the EnerSave program. All this, of course, is without even getting into the major policy statement which the minister will make later this month.

I want to mention two other important programs announced by the minister a few weeks ago. In the oil substitution program, the federal Liberal government has set a goal involving a very substantial reduction in the use of oil by industry and other major users. This would mean a substitution from oil to gas, electricity and renewable energy resources. If this program is implemented, over the next few years the saving across the country will be 375,000 barrels of oil per day. That is equal to two tar sands plants, or $12 billion. It would be a tremendous saving to the country, utilizing natural gas, electricity and renewable resources which are in good supply rather than crude oil which is in short supply and is rising in price.

Likewise, the policy announced by the minister to upgrade residual oil is a tremendous policy. Much of this residual oil is now used inefficiently and should be replaced by other sources such as natural gas. Much of it is exported. With a capital investment of $3 billion, we could effect a saving of 125,000 barrels of oil a day, the equivalent of one tar sands plant. With a capital investment at various refineries across the country of $3 billion, we could save the equivalent of a $6 billion tar sands plant.

These are some of the actions the Liberal government has taken in its determination to build an energy policy that is fair to the consumer, the producers, the provinces and the federal government. When the full policy is announced later this month by the Minister of Energy, Mines and Resources, I am sure it will be apparent to every member of this House that there is no substance to the opposition motion placed before us today.

Hon. J. Robert Howie (York-Sunbury): Mr. Speaker, in participating in the debate tonight, I congratulate my colleagues from all parties who have taken part with vigour, and in some cases, understanding. I thank the participants for the arrangement which allows me to participate this evening.

The problem of the Atlantic provinces has, regrettably, been featured for many years by high unemployment and regional disparities. The aspect of regional disparities is recognized in many ways. One is that the many segments of our labour force, Canadians who live in Atlantic provinces, earn two-thirds of the wages that are paid in other parts of the nation.

One of the reasons for the slender and fragile industrial component of our economy in the Atlantic provinces is the high cost of electrical energy. Prince Edward Island has the dubious distinction of having the highest energy rates in Canada. The number two position is held by Nova Scotia. The other two Atlantic provinces fare a little better but because of their dependence to a great degree on oil-fired thermal plants they are closing the gap at a rapid rate.

Clearly what we need in Atlantic Canada is a blueprint which integrates the efforts of governments and government departments at all levels, along with the private sector and the labour movement, in arriving at a strategy to resolve these difficulties and formulate a program for moving forward progressively to see that the ingredients of regional disparity are erased once and for all.

Another feature of regional disparity is that one-half the total revenue of the governments in the Atlantic provinces comes from Ottawa. This is a reflection on the ability of the economies to generate the dollars needed to carry out basic fundamental government services. One feature of any such blueprint has to be an enlightened energy policy, particularly in the field of electric energy which is the lifeblood of our industrial economy in Canada, most certainly in Atlantic Canada.

A principal and fundamental element of any such policy has to be the ability of governments in the Atlantic provinces to use economies of scale in the creation of thermal electrical producing facilities. To do this we in the maritime provinces have interlocked our electric energy systems by submarine cable between Prince Edward Island and New Brunswick, and by high voltage transmission lines between Nova Scotia and New Brunswick.

● (2150)

I view with regret the fact that the Maritime Energy Commission really did not get off the ground, because it would have been a vehicle to supply a pool creating a larger market which would permit us to use economies of scale in building more efficient thermal generating plants. The Maritime Energy Commission, had it got off the ground, would have provided a natural financial vehicle to enable us to move forward with the design stage of the great Fundy tidal power development facility which has been under study and talked about for so very long, and would have allowed the maritime provinces to become the powerhouse of North America.

The spin-off from a development of this nature would attract chemical and metal-based industries on an unprecedented scale, creating good jobs for Canadians living in the maritime provinces. How could we accomplish this with our slender financial resources?

The successor to the MEC may well still achieve this purpose, but what we must have in Atlantic Canada is a solid

financial commitment from Ottawa which will enable us to move in this direction.

About ten years ago the premier of Ontario speaking at a federal-provincial conference, and they seem to be going on all the time, suggested that we borrow on the credit of the nation $1 billion to help put the maritimes on their feet. Reflected in the declining purchasing power of the Canadian dollar that comes to about $2 billion today. I think it is a good idea and I would like to tell you how I would use less than that if we had the opportunity.

New Brunswick is just finishing construction, and we hope to bring on line next year, a thermal nuclear plant which will produce 640 megawatts of power. If Ottawa could pay for the capital cost of that plant, which is capital intensive, we would have 640 megawatts of cheap electric power that would impact on a system of only 2,000 megawatts and give New Brunswick and Prince Edward Island, because it is tied to New Brunswick by submarine cable, the lowest energy rates in Canada, creating a climate that would really be attractive to industrial growth.

Nova Scotia is in the process of building two thermal plants at the mouth of the Lingan coal mine. This means they do not have to handle coal twice and they can buy it cheap. Those two plants combined will produce 300 megawatts of electric power, and they have two more on the drawing board, which would give Nova Scotia 600 megawatts of power. If we could pay for those plants Nova Scotia would have 600 megawatts of cheap electric power, but their 600 megawatts would impact on a system of only 1,600 megawatts because Nova Scotia has a service-based economy whereas New Brunswick is resource based. That would give Nova Scotia cheap electric power too and would enable us to create a climate which would really be attractive to energy and industrial expansion. However, where is the money going to come from?

Eastern Canada, thanks to a serious error in judgment made some years ago, is completely reliant upon imported foreign oil. Eastern Canada imports 500,000 barrels of foreign oil every day. The Atlantic provinces use 300,000 barrels of this; the province of New Brunswick uses 90,000 barrels. At a subsidy of $20 per barrel Canada is paying $10 million a day in subsidies on imported oil and the Atlantic provinces are completely reliant on this insecure supply source. Would it not be much better to displace much of this imported oil and give the Atlantic provinces the tools to pull up their boot straps and solve their own problems? That is the recommendation I make to the government tonight.

In terms of renewable energy, the government has expanded its system of grants, and I commend it for that. Over the past few years we are spending more money on research and development of new technologies in this field of renewable energy. However, I think the renewable energy program should be given a development dimension, because by any criteria, the Atlantic provinces do not receive their fair share of these projects and this research. This is one area that is not reliant on transportation policies or freight rates which cripple the Atlantic provinces. This is one area where they could be productively used and put to work.

I shudder when you move, Mr. Speaker, because I have one eye on the clock and the other on you.

We have the natural resources which can provide the basis for such research. We have an abundant supply of coal that could provide a research opportunity for the gasification and liquefaction of coal. We have oil shale in abundance. We should research various means to find the most efficient way of getting the oil out of the oil shale and thus make a contribution to our national economy.

We have the agricultural products, the waste wood and the biomass that could develop a methanol industry. We should move in this direction because our national economy needs it. We have an abundance of wood that now, at long last in New Brunswick, is being properly managed, and it, too, could provide a renewable energy source. We have seen some experimentation in New Brunswick in geothermal research; I think it has proved very successful, but the technology has to be improved. This is one area in which I think we could make a productive contribution.

One man who lives in my riding, in Millville, has developed a means of using sawdust blown into the furnace to create a low cost heat source. He has an alternate oil and sawdust burner which I think is a tremendous thing. He has made it out of his wife's sewing machine, her vacuum cleaner and all kinds of parts he has put together. I believe people like this should be harnessed in the national interest to help us by making a contribution to the solution to our problems.

In my view the cornerstone of any intelligent energy policy applicable to the Atlantic provinces should give serious consideration to the harnessing of the tides in the Bay of Fundy. These are the highest tides in the world, and our studies so far, involving the government of Canada and the provinces of New Brunswick and Nova Scotia, indicate it is feasible to do this. The big question is, what do you do at that point when the tides are balanced and are still? In an enlarged electric grid, a power pool, the energy from the tides in the Bay of Fundy could become firm power by integrating its development and use with the development of Gull Island in Labrador, or Muskrat Falls below it, or, indeed, with the Dickey-Lincoln Dam in the State of Maine, if that development moves forward.

The attraction of huge blocks of energy like this for industry has been well demonstrated throughout the world. Metal and chemical-based industries use huge blocks of energy in their development. My plea to Parliament is to take a good look at this source. Help us in the Atlantic provinces help ourselves. Give us the financial commitment necessary so that we can move forward with this development and share in the good things this great nation has to offer.

One research aspect is that we could use, at will, power from the Fundy development to take part in the scientific experiment now going on in other nations of the world whereby electrolysis is used to develop hydrogen for experimental pur-

poses as a possible gas source as well as oxygen which already has a ready market.

• (2200)

One thing about Fundy which I would like to mention is that the full development of the 4,000 megawatts of power in Fundy would take 20 years. During that period, plants erected around the perimeter of the development could be contributing the electric components to the market, which is the development itself.

I thank you for your patience, Mr. Speaker, and for your endurance.

[*Translation*]

Mr. Deputy Speaker: Order, please. It being 10 p.m., it is my duty to interrupt the proceedings on the motion, pursuant to Standing Order 58(11).

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

ENERGY—OIL—PRICE INCREASES FOR HOME HEATING

Mr. Howard Crosby (Halifax West): Mr. Speaker, on June 12, 1980, I asked the Minister of Energy, Mines and Resources (Mr. Lalonde) what he proposed to do about the expected increase in the cost of home heating oil. At that point fuel oil retailed in Halifax West for 75 cents per gallon. Today it is at least ten cents more a gallon, at 85 cents. I wanted to know then—and I still want to know—how lower income people across this country, senior citizens and those on fixed incomes can be expected to pay increases of this kind.

Let us remember that many Canadian homes, especially in eastern Canada, still use fuel oil for space heat and for heating water. There are over 7.5 million homes in Canada, and approximately 3.1 million are heated by oil. Another 2.8 million are heated by natural gas, so any increase in the cost of home heating oil presents a problem to a great many Canadians.

More important, those in the lower income bracket spend twice as much on home heating in terms of percentage of their total income as do upper income Canadians, yet we face this great increase when we are told the now-famous "made-in-Canada" oil price is to be established in the future. It is certain that the cost of heating a modest bungalow of, let us say, 1,200 square feet, will rise from its current level of about $800 to approximately $1,000 and involve an increase of about 25 per cent. How will the average Canadian face this $200 increase in his family expenses? Many families across Canada will face even higher increases in their home heating costs.

I ask again today, what will the government do to help those who cannot pay this increase? Unfortunately, I expect the same answer which was given when I asked the question back in June, which is that the government intends to do nothing. Those who faced increases in mortgage interest costs in 1980 know the kinds of answers the government gives to such problems. They, too, went without assistance.

There is another equally serious problem in eastern Canada, particularly on the east coast. We not only face a drastic increase in the cost of home heating oil, but we are also in doubt about the supply of heating oil products. As the hon. member for York-Sunbury (Mr. Howie) has just pointed out, we are totally dependent for home heating oil on foreign sources. The crude oil which is refined into home heating products comes from foreign sources and we are cut off from access to Canadian oil and other energy supplies. This means we must have an alternative source of energy, which, at this stage of our development, means natural gas.

Natural gas, as hon. members may know, is priced in Canada at approximately 85 per cent of the basic cost of petroleum products. In a city like Toronto a householder can heat his home with natural gas at approximately 75 per cent of the cost of heating with oil. Of course he will incur conversion costs, but these are in the area of $1,200 for a new unit and something like $450 for a converter unit. We on the east coast are without this option at the present time. In order to put us on a parity with the rest of Canada, there must be an extension of the natural gas pipeline to the east coast.

• (2205)

At present the situation is that the application to extend the natural gas pipeline to the east coast was turned down by the National Energy Board. However, the province of Nova Scotia has entered an appeal from this decision and hopefully the matter will be considered in the very near future. What is of concern and should be underlined in the House with respect to the dealings before the National Energy Board on the matter of the pipeline extension is that the Prime Minister (Mr. Trudeau) while campaigning in Nova Scotia in January of 1980 promised at a public gathering the extension of the natural gas pipeline to the east coast. Not only did the Prime Minister promise it in the furore of an election campaign, but in September of this year the Deputy Prime Minister (Mr. MacEachen) came to Halifax and underlined and repeated the same promise. Yet while the National Energy Board is now deliberating on this very question the government is silent as to what support it will lend to this undertaking.

In terms of the financing, as the hon. member for York-Sunbury (Mr. Howie) just pointed out to the House, we are spending approximately $3 billion of our national resources in subsidizing foreign oil used in eastern Canada, particularly on the east coast. This money would be better spent in subsidizing a natural gas project if indeed subsidies are required. The ultimate effect would be to make energy available on an equal

basis across Canada so that those on the east coast will have the same access as other Canadians to the supplies necessary to heat their homes.

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, the hon. member for Halifax West (Mr. Crosby) is understandably concerned about the impact of oil price increases on consumers, particularly as they may affect low-income people in the maritime provinces whose annual home heating bills approximate $800.

I appreciate this concern, and the government is fully aware that the fuel price increases which inevitably must take place could create hardships for a number of Canadians. For this reason the government is including a number of programs in its energy planning to alleviate the burden of rising energy prices. I should like to refer briefly to two or three of those programs.

The supply of natural gas to the maritimes is a matter of high priority for this government. Gas supplies to the maritimes will be provided at the earliest possible date. The Atlantic region is fortunate in its future supply opportunities because gas could be supplied from either western Canada, east coast offshore, or the Arctic islands, or a combination of all of those sources. In any event, we can expect by the mid-1980s at the latest that natural gas will be available to maritime residents.

Nova Scotia has important coal resources. Several programs will be implemented to provide for the use of this coal in electric power plants in place of high cost imported oil. As an example of the type of developmental research now under way, combustion plants which use local coal are planned for Summerside, Prince Edward Island, Dartmouth, and Point Tupper, Nova Scotia. Plants at these locations will be converted to coal and will be equipped with facilities which will permit them to burn the high sulphur Cape Breton coals without resultant environmental hazard.

The federal and New Brunswick governments are co-operating on an assessment of New Brunswick peat resources to determine their feasibility for use as a replacement for imported oil in the generating of electricity.

• (2210)

Even with rising fuel costs annual fuel bills can be kept close to present levels with great attention to conservation measures. The federal government's home insulation program is proving to be very beneficial in this respect. The grants available enable home owners to insulate their homes resulting in fuel savings in the range of 25 per cent to 50 per cent. Such savings cancel out a significant part of heating fuel cost increases.

NUCLEAR ENERGY—INQUIRY RESPECTING NUCLEAR POLICY—REQUEST FOR TABLING TERMS OF REFERENCE

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, as you fully appreciate, proceedings on the adjournment of the House of Commons are reserved for those of us who ask questions of the ministry and who are dissatisfied with answers received during the course of the question period. The particular topic I intend to raise this evening is a prime example to you and to all here of the kind of inadequate and ridiculous responses one gets from the minister of energy from time to time with respect to very important matters in our nation's affairs.

Mr. Speaker, you may recall that the government of which I had the honour and privilege to be a part, initiated and brought forward in the name of my colleague who is in the House tonight, the hon. member for Nepean-Carleton (Mr. Baker), the terms of reference for a national inquiry into nuclear policy of our country. The purpose of that proposed inquiry was one that has been sadly neglected over the course of many years of Liberal administration. The federal government, which claims to have jurisdiction over matters relating to nuclear policy, was virtually the only government which did not consult with the people of our country, give leadership or get its own act into line with respect to national policy; it lacked the will and motivation to take an in-depth look at the policy which should be developed for our country in terms of nuclear industry both domestically and internationally. The terms of reference we brought forward and presented to the House for debate and reference to a committee composed of representatives of all parties in the House were broad; they dealt with the issues which should be dealt with in terms of national nuclear policy and they received the general acclaim of all people within the industry as well as the general public concerned about these matters.

I should point out that in addition to the broad basis on which the inquiry was to be held and the broad terms of reference, there was provision for this inquiry to report and make its recommendations within one year. I think that is significant when one looks at what is happening today in respect to this government, which is taking no action, no initiatives and no steps other than to reverse itself at every opportunity.

I raised my question initially with the Prime Minister (Mr. Trudeau) and he indicated to me that the energy issue is of such pressing concern to the government that it could not take the time for a national inquiry and that such an option was out of the question in so far as his government was concerned. Instead, he said they would have what is termed "an internal inquiry". I subsequently raised the matter on June 11 with the Minister of Energy, Mines and Resources (Mr. Lalonde) during the course of the question period that day. I asked him what the terms of reference for his internal inquiry might be, what would be the provisions with respect to public input and what kind of inquiry was envisaged. I asked him to describe it generally and to make some announcement. Indeed, I asked if he would table those terms of reference in the House. In his response the minister indicated that the policy was being reviewed, that there was no formal task force that would be set up with specific terms of reference but that if I wanted further details he would certainly give them to me. I took the invita-

tion to heart, Mr. Speaker, and wrote to the minister on June 18 asking him what exactly he had in mind.

I received a response by letter of August 19, 1980. I would read part of it into the record as it is germane to the question tonight. The minister said in part as follows:

As you are aware, slower economic growth in Canada and throughout the world has reduced the growth rate of electricity demand. This, in turn, has reduced the demand both in Canada and abroad for AECL's Candu reactors. In consequence, I have asked that in the first phase of our nuclear policy review, emphasis be placed on the status of the industry and its prospects over the decade. As part of the review, we will be examining the policy options open to the government should it appear that support is required beyond that which current policy entails.

There are, of course, other significant areas which need to be examined as part of the policy review and, subsequent to completion of the industry's study later this year, we will turn our attention to them. Included in the list are radioactive waste management, revisions to the Atomic Energy Control Act, and uranium export policies.

You inquired about public input into the review process. Once the study of various aspects is further advanced, I intend to release documents for public comments. It might also be advisable to set up a parliamentary task force to review those documents. In addition, officials of my department have recently been in contact with several non-governmental organizations with an active interest in energy issues in general and nuclear energy in particular.

● (2215)

We now have the situation where the Prime Minister (Mr. Trudeau) has indicated there will be no parliamentary review and the minister has indicated that he is considering a parliamentary review on this particular topic. One year has gone by since the government gained the opportunity to deal with this matter. It is incumbent upon us now to ask what are the terms of reference and their content, when does the government intend to bring them down and what about the parliamentary task force. Or are we to wait for maybe another year before the government acts on this matter?

I would remind the parliamentary secretary that if our resolution had been passed and the matter referred to committee, we would now be in the position of expecting a report in the very near future. Delay and inaction on nuclear policy is the trademark of this government to the detriment of the Canadian public.

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, on the matter of representations to the government relative to nuclear industry, issues which the hon. member for Saskatchewan West has raised, the Minister of Energy, Mines and Resources explained in the House on June 11 in response to an earlier question by the hon. member that a formal task force with specific terms of reference has not been established for the nuclear industry review now under way within the government. He noted, however, that there will be an opportunity for public input when documents dealing with a series of nuclear industry related questions are completed and released.

The interdepartmental study on nuclear industry issues is being conducted as part of the development of a broad energy strategy. Although formal public hearings are not part of this nuclear industry review, the government has had the benefit of extensive hearings held elsewhere in Canada and, in any case, it is the intention of the government to be fully cognizant of views coming from the public on the nuclear industry issues before making policy decisions.

When the decision stage is reached, we shall examine ways in which Parliament and the public can best express their views about proposals put forward at that time. Views of members of this House or organizations and individuals outside the House will certainly be welcomed and taken into consideration.

We believe nuclear energy can play an increasingly important role in helping to meet Canada's future energy needs. There remain, however, questions in the minds of some regarding its application on a larger scale. The government's energy program is designed to come to grips with those questions in the context of a total national energy strategy.

The assessments to be completed in the coming months will provide the policy framework for the decisions required to ensure an appropriate role for nuclear energy in the future. The decisions regarding that role must serve the national in all respects and, accordingly, will encompass informed public views. The government expects to issue background papers on nuclear industry matters in the near future. These papers will help to provide the basis for the development of informed public views on important nuclear industry questions.

● (2220)

HEALTH CARE—HALL REPORT—RECOMMENDATION RESPECTING EXTRA BILLING BY DOCTORS

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I am here tonight to try and obtain from the Minister of National Health and Welfare (Miss Bégin), or from her parliamentary secretary on her behalf, a clear enunciation of what she intends to do in order to bring about one of the main recommendations of the review by former Justice Emmett Hall on medicare in Canada, the outlawing of extra billing.

There are many other recommendations of Mr. Justice Hall that we in the NDP would like to see implemented. I mention briefly just some of them—the abolition of premiums, the promotion of community health care models, the abolition of user fees, the promotion of preventive and rehabilitative medicine, and cost-sharing with poorer provinces to widen the scope of health care services in these provinces. We agree with Mr. Justice Hall that the original vision of a comprehensive health care system in Canada has not been fulfilled, and we will do our part to ensure that eventually it is.

But the recommendation to outlaw extra billing, the practice whereby doctors charge their patients over and above what medicare pays, must be dealt with immediately. Its continuation will, as Mr. Justice Hall rightly points out, lead to the eventual destruction of medicare as we have come to know it by creating a two-tier system of health care in Canada. If it continues, then some people will move to insure themselves against this extra cost through private insurance schemes. This, we submit, would be the beginning of the end of medicare.

Thus, Mr. Justice Hall recommends amendments to the Medical Care Act—which would have to be made by the federal government—declaring extra billing to be contrary to the intent and purpose of the act. We support this recommendation and we support it in the full knowledge that it is part of a package which also recommends a mechanism to ensure reasonable compensation to physicians, including binding arbitration if necessary, as long as it comes at the end of due process by which doctors and provincial governments have had ample opportunity to come to a voluntary agreement.

The medical associations do not run this country and ought not to run the medicare system. Doctors must realize at this point in our social development, that their special status is a thing of the past; that they have no more right to send extra bills to patients than railroad workers in my riding have to "extra bill" the CNR because they are not happy with their incomes or because their standard of living is not what it used to be, or think it ought to be.

The minister said last night on the program "The Watson Report", that public opinion in the provinces would have to protect medicare. This insight into the importance of public opinion must not be used by the minister as a way of abdicating her own responsibilities as Minister of National Health and Welfare and, therefore, as the person in charge of maintaining the medicare system in Canada, responsible for ensuring that we have national health care standards and that over a period of time the vision of a comprehensive health care system in Canada will be fulfilled. The public will do its job with regard to medicare and, in fact, has already done so in various provinces.

Any political party that dared to suggest it might want to tamper with the principles of medicare has consistently been rebuffed by the electorate from time to time. So I am not worried about the public, Mr. Speaker. But the government should be worried about public opinion. It should be worried about what will happen a couple of years from now when the public finds that much of the rhetoric and many of the promises made regarding medicare by the Liberal party in the last two campaigns have not been lived up to and that action has not been taken. We hope action will be taken, however, and that is why I am here tonight, not to ask, as the minister constantly does, what our position is or what that of other people is. We are making our position clear and the public position is clear. We want to know when the position of the minister will be made clear and when she will begin to do her part to stem the erosion of medicare.

Mr. Doug Frith (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, in reply to the question raised by the hon. member for Winnipeg-Birds Hill (Mr. Blaikie) I should like to express once again the position that the Minister of National Health and Welfare (Miss Bégin) expressed in the House last week with respect to the recommendations in the report of Mr. Justice Hall on extra billing by doctors.

I think the hon. member pointed out that two of the major recommendations made in the Hall report dealt with the concept or problem of extra billing and its twin, binding arbitration.

• (2225)

The minister strongly supports Mr. Justice Hall's view that the practice of extra billing is unacceptable. It should be noted, however, that the whole report states clearly that any action to ban extra billing must be twinned with a mechanism to protect the legitimate interest of doctors with regard to reasonable compensation. Accordingly, he recommends to the provinces that they implement a system of binding arbitration. He acknowledges that the federal government cannot impose such a system on the provinces. That is why he does not recommend that this particular mechanism be specified in the proposed amendment to the federal legislation.

As the Minister of National Health and Welfare (Miss Bégin) mentioned in the House last week, immediately following receipt of the whole report, she convened a federal-provincial conference of health ministers in Winnipeg. This meeting was the first step in a process of consultation to be followed by a meeting of deputy ministers of health in November and by a meeting of ministers in February. In the coming weeks the minister and her officials will be meeting frequently with representatives of the users of health services in the medical profession.

This is an issue of great complexity and of vital importance to all Canadians. A deliberate, thoughtful and determined consultation must take place. The government believes that precipitous legislative action at this time could seriously disrupt the nation's health care system. The government's aim is to preserve and strengthen medicare. The Minister of National Health and Welfare has assured hon. members in this House and, indeed, all Canadians that she is personally giving the highest priority to this issue in order to find resolutions to the problems in our health care system.

I think the minister stated very clearly last week that the federal government will not be disposed to act in a unilateral manner. She has given assurances to the deputy ministers of health and to her counterparts provincially that we hope to address this whole problem of extra billing and the binding arbitration mechanism over the months ahead and that we intend to do it by a consultative method.

[*Translation*]

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

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

HOUSE OF COMMONS

Wednesday, October 15, 1980

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

ENVIRONMENTAL AFFAIRS

SASKATCHEWAN—REQUEST FOR REVIEW OF WEATHER FORECASTING FACILITIES—MOTION UNDER S.O. 43

Mr. Doug Neil (Moose Jaw): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the fact that weather forecasting in Saskatchewan has deteriorated to the extent that it is considered by many residents of the province as completely unreliable, and in view of the fact that many Saskatchewan residents facing winter are expressing concern that there will be little accurate forecasting of storms and blizzards with resulting danger to the travelling public, I move, seconded by the hon. member for Assiniboia (Mr. Gustafson):

That the Department of the Environment do an immediate review of the forecasting facilities in the province with a view to upgrading and improving the accuracy of weather forecasting.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

AUTOMOTIVE INDUSTRY

CALL FOR TABLING OF AN ANNUAL REPORT—MOTION UNDER S.O. 43

Mr. Otto Jelinek (Halton): Madam Speaker, pursuant to the provisions of Standing Order 43, I rise on a matter of urgent and pressing necessity. Yesterday during question period the Minister of Industry, Trade and Commerce (Mr. Gray) made it quite clear that he was as confused about the direction the auto industry was taking as the industry's own uncertainties imply. In view of the fact that confusion and uncertainty do in fact exist within the auto industry as a result of the major overhaul taking place in the United States and around the world, I move, seconded by the hon. member for Brampton-Georgetown (Mr. McDermid):

That this House instruct the Minister of Industry, Trade and Commerce to produce and table an annual report of the over-all aspects of the auto industry in Canada as recommended by the Reisman report on the auto industry as a first step to assuring that Canada receive its fair share of the industry, particularly in the area of parts and components for the so-called world car concept.

Madam Speaker: For its presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

CANADA PENSION PLAN

CALL FOR COVERAGE OF PARENTS OF YOUNG CHILDREN—MOTION UNDER S.O. 43

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, I rise under the provisions of Standing Order 43 to raise an urgent matter concerning the rights of parents to pay and pensions. Since the most exploited Canadian workers are parents who work long hours caring for young children with no pay, no benefits and no pensions, and since most parents working in the home full-time are women, many of them raising children on their own, who face insecurity and poverty in later years, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the Minister of National Health and Welfare immediately implement Canada Pension Plan coverage for such workers and consider pay for parenting of young children as a policy priority for the near future.

Madam Speaker: This motion, for its presentation, requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE ENVIRONMENT

RECOGNITION OF WORK OF NON-GOVERNMENTAL ORGANIZATIONS—MOTION UNDER S.O. 43

Mr. Tom McMillan (Hillsborough): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In accordance with a 1971 act of Parliament, this is Canadian Environment Week. It is an opportunity to celebrate the richness of Canada's natural

environment and to pay tribute to those who have enhanced it. Accordingly I move, seconded by the hon. member for Esquimalt-Saanich (Mr. Munro):

That this House reaffirms its commitment to the preservation and enhancement of Canada's environment and recognizes, in particular, the excellent work performed by Canada's non-government environmental organizations.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

RELIGIOUS CULTS

CALL FOR INQUIRY INTO INSTITUTE OF APPLIED METAPHYSICS—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds-Grenville): Madam Speaker, I rise on a matter of urgency concerning a Tweed, Ontario, religious cult known as "I Am", the "Institute of Applied Metaphysics", an acknowledged mind-bending cult promoting parental hatred and operated by Dr. Winnifred Barton who, among other things, has claimed to have visited the lost continent of Atlantis. I move, seconded by the hon. member for Peterborough (Mr. Domm):

That this House requests an immediate and full inquiry into the fact that the religious cult known as "I Am", through a subsidiary known as "Pro-Painters", has completed approximately $75,000 worth of government work for Canadian Armed Forces, Ottawa, and is about to decorate the Langevin block, occupied by the Prime Minister and the Privy Council, such work having been obtained by subcontract, at least in part, from Burnley Contractors; and finally, that the government is hereby called upon to justify allowing such access to defence establishments and to a high security area such as the Langevin block, especially when such cults have shown in the past an insatiable appetite to gain access to secret government files.

Madam Speaker: This motion, for its presentation, requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

INCOME TAX ACT

CALL FOR AMENDMENT RESPECTING UNMARRIED COUPLES—MOTION UNDER S.O. 43

Mr. Simon de Jong (Regina East): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the fact that existing tax laws discriminate against unmarried couples by excluding them from the dependency tax deduction and discriminates against single fathers by excluding them from deducting child care expenses, and considering that the Human Rights Act has no power to prevail over the Income Tax Act, as a single parent I move, seconded by the hon. member for Skeena (Mr. Fulton):

That this House instructs the Minister of National Revenue to introduce legislation that would amend the tax law to grant unmarried couples the same tax benefits as legally married persons.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

TERRORISM

CONDEMNATION OF ATTACKS ON JEWISH COMMUNITY IN FRANCE—MOTION UNDER S.O. 43

Mr. Roland de Corneille (Eglinton-Lawrence): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. I believe, Madam Speaker, that we are all aware of the grave danger of the growth of terrorism and of our becoming callous to these concerns. I therefore move, seconded by the hon. member for Burlington (Mr. Kempling):

That this House condemns any and all acts of terrorism anywhere in the world, and especially at this time the several recent and outrageous terrorist attacks on Jews in France; that this House conveys its deep sympathy to these innocent victims and to their relatives, and expresses support for the French government in its determination to protect French Jews and urges that all security forces immediately co-operate internationally in an all-out effort to protect Jews from any further suffering and insult at the hands of national socialists and other extremist groups.

Madam Speaker: Presentation of this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Motion agreed to.

* * *

AUTOMOTIVE INDUSTRY

CALL FOR APOLOGY FROM MINISTER—MOTION UNDER S.O. 43

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the fact that yesterday the Minister of Industry, Trade and Commerce (Mr. Gray), in this House, confirmed suspicions that his interest in the problems of the auto industry extends only to those of the Chrysler plant in his own riding of Windsor West, and in view of the fact that it appears from his actions that the government loan to Chrysler was made to preserve the hon. minister's constituency but has not aided the 600 workers to be laid off, on behalf of the auto workers at American Motors in Brampton, General Motors in Oshawa, Ford in Oakville and St. Thomas and others throughout the

country I move, seconded by the hon. member for Halton (Mr. Jelinek) and the hon. member for Elgin (Mr. Wise):

That the minister apologize to Canadians for his apparent bias, and if he cannot encourage Canadians to buy cars made in Canada and not just in his own constituency, that his resignation be submitted forthwith.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

RESTRICTIVE TRADE PRACTICES

RESUMPTION OF COURT ACTION RESPECTING WHOLESALE DISTRIBUTION OF GASOLINE BY PETRO-CANADA

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, I rise under the provisions of Standing Order 43 to ask for the unanimous consent of the House to introduce a motion concerning a matter of urgent and pressing necessity.

In view of the fact that the government has decided to drop its charges against Imperial Oil, Irving Oil and Petrofina Canada allegedly engaged in restrictive trade practices in their dealings with the Perrette company by refusing to supply gasoline to its stations and considering the harassing and threatening tactics of large oil companies against independent oil dealers in Quebec, I move, seconded by the member for Selkirk-Interlake (Mr. Sargeant):

That the House ask the government to reconsider its decision to drop its proceedings and to entrust the bulk distribution of oil with Petro-Canada.

Madam Speaker: The House has heard the motion of the hon. member. For presentation, such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1415)

[*English*]

ENERGY

CALL FOR RESIGNATION OF MINISTER—MOTION UNDER S.O. 43

Mr. Bill Domm (Peterborough): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity, which was confirmed last night in a special report on the CBC national news. It is exceedingly clear from this and from other widely available data that the present government's non-policy on energy matters is directly responsible for the oil and gas industry abandoning this country in droves, with the result that everyone suffers—industry and the population in general—because of the lack of jobs. Since this government has failed to produce a comprehensive energy policy and has rather derived its position from a bird's-eye view gained from the "Liberal dirigible" drifting around in a constitutional cloud, I move, seconded by the hon. member for Cambridge (Mr. Speyer):

That this House demand the immediate resignation of the Minister of Energy, Mines and Resources.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF PREMIER OF PRINCE EDWARD ISLAND

Madam Speaker: I would now like to draw the attention of the House to the presence in our gallery, in the event he slips away, of the former member for Malpeque, the present Premier of Prince Edward Island, the Hon. Angus MacLean.

Some hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

THE CONSTITUTION

REFUSAL OF PRIME MINISTER TO REFER RESOLUTION TO SUPREME COURT

Right Hon. Joe Clark (Leader of the Opposition): Angus, you know you are welcome here!

Some hon. Members: Hear, hear!

Mr. Clark: Madam Speaker, my question is for the Prime Minister. The Prime Minister will recall that yesterday when I asked him about a reference to the Supreme Court for its opinion on the constitutionality of his constitution resolution, he said as reported at page 3630 of *Hansard*:

—it is not the intention of the government to ask the courts to decide upon a matter which Parliament itself has before it.

The Prime Minister will also remember that two years ago he agreed to refer Bill C-60 to the Supreme Court, even though that bill was before Parliament at the time. He did so because he agreed, to quote him directly from his letter of September 13, 1978 to Premier Blakeney, as follows:

—it seems undesirable to allow allegations of uncertainty in this regard to continue to impede concentration on the substance of the question.

My question to the Prime Minister is this: why is there a double standard? Why would he agree to make a reference on a question in 1978 before the House of Commons and refuse to make a reference on the constitutional resolution now before Parliament?

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I attempted to explain that yesterday and I will attempt again to indicate to the Prime Minister—

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

An hon. Member: Resign!

Madam Speaker: Order, please.

Mr. Trudeau: I apologize to the Leader of the Opposition.

I indicated that the former case had to do with the present Constitution of Canada, knowing whether section 91, first paragraph, permitted us to amend provisions regarding the Senate through Parliament acting alone or not. This was a matter which properly should be referred to the courts because it had to do with the section in the constitution now.

● (1420)

What we are engaged in at this time, Madam Speaker, is a debate as to whether the Parliament of Canada has the right to go to Great Britain without the unanimous support of the provinces. This is not provided for in any written or unwritten section of the British North America Act, as I explained yesterday; therefore, that is not a matter which, in my view, can be adjudicated upon by the courts. As the hon. leader himself was careful to point out, this is a political battle. It is a different view of different kinds of Canada. I think it is wrong to get the courts to make decisions, not on conflicts of law which are derived from the constitution, but on conflicting views of Canada. That is the present debate.

REQUEST THAT LEGAL OPINION BE MADE PUBLIC

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, just in case anyone missed that, the Prime Minister was saying that the constitution is not a constitutional question.

Some hon. Members: Oh, oh!

Mr. Clark: He has tried to perpetuate a double standard regarding references to the Supreme Court, but we know his position. He refuses to make that reference.

Let me turn my attention for a moment to the Minister of Justice. We are all aware that the practice has always been in this House that legal opinions made available to the government are not made public to the House of Commons or to the public. However, in view of the special and serious nature of this issue, will the Minister of Justice agree to waive the normal confidentiality which attaches to government legal opinions and allow Parliament and the people of Canada to see the advice on which he says the Government of Canada is acting?

[*Translation*]

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, I intend to appear before the committee, and hon. members, if we do one day go into committee, will have the opportunity to question me on the matter. The answer the Prime Minister gave a moment ago is self explanatory. The constitution does not provide for its own patriation. Everyone knows that it is the British parliament which must legislate in the matter. And as I have often said, we will go only once and then we can solve all our problems in Canada.

[*English*]

Mr. Clark: Madam Speaker, there are some of us here who believe that the Constitution of Canada should be the business of the Parliament of Canada and not the business of the parliament at Westminster.

Some hon. Members: Hear, hear!

Mr. Clark: I take it that the Minister of Justice has now declined to make available to the House of Commons and the people of Canada those legal opinions of which he is so sure but which he will not allow the Supreme Court of Canada to test. I ask either the Prime Minister or the Minister of Justice whether it is the position of the government now that Parliament and the people of Canada should bow to the government's will on the basis of advice that the Minister of Justice insists on keeping secret, and the validity of which he refuses to submit to the basic test of the Supreme Court?

Mr. Chrétien: Madam Speaker, I just said a minute ago that we are very anxious to go in front of the committee and the members of this House and of the other house will be able to question me on the matter and I will reply to their questions. These are the practices that have been followed in the past and I intend to follow them in the future—

Some hon. Members: Oh, oh!

Madam Speaker: Order, please. The minister should be allowed to complete his answer.

Mr. Chrétien: —especially when the Leader of the Opposition cannot make up his mind about patriating or not patriating the constitution.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

REQUEST FOR WITHDRAWAL OF SECTION 42 OF CONSTITUTIONAL PROPOSALS

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, we at least believe that Canadians should determine their own future, not the parliament of another country.

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: I wish to direct my question to the Prime Minister. Given the indications in this House over the course of the last week, and yesterday by virtually all of Canada's premiers, and there is growing public opinion, that section 42 of the government's constitutional proposals must not be proceeded with because—and I quote Premier Blakeney on this—"it gives the federal government such a potent weapon that it would threaten the provincial partnership upon which Canada rests", will the Prime Minister now withdraw that especially offensive section in the government's proposals now before Parliament?

● (1425)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, you will recognize that we are being questioned about the bill itself. I am very happy to participate in this debate but, as the Minister of Justice just said—

Some hon. Members: Oh, oh!

An hon. Member: Answer the question.

Mr. Trudeau: —we thought we would be debating this question in committee. With regard to the particular section which the hon. member finds so offensive, if you will allow me, Madam Speaker, I will try to explain to the hon. member why it is there.

Mr. Lawrence: Why don't you make a speech on it?

Mr. Trudeau: Now I have a member who does not want me to make a speech.

Mr. Lawrence: No, why don't you make a speech?

Mr. Baker (Nepean-Carleton): Get into the debate.

Some hon. Members: Hear, hear!

Mr. Trudeau: I thank the House for unanimous consent for me to make a speech at this point.

Some hon. Members: Hear, hear!

Mr. Trudeau: Section 42, which some of the premiers and the Leader of the Opposition find so offensive, is, as I have explained before, a deadlock-breaking mechanism.

An hon. Member: The only person who believes that is Ed Broadbent.

Mr. Trudeau: It is something to which we would have recourse in cases when there is a deadlock between the federal and the provincial governments. If, as hon. members opposite have said repeatedly, there are two levels or two orders of government, experience has shown us in the past that these two orders of government cannot always agree with unanimity on any particular course, and this lack of unanimity, which pre-dates every one of us sitting in this Parliament since it goes back to 1927, has prevented Canada from having its own constitution in spite of 53 years of effort. The reason for that has been a deadlock between the two orders of government. It is because we respect those two orders of government that we say—

Some hon. Members: Oh, oh!

An hon. Member: Tell us another one.

Mr. Trudeau: It is because of that that we say a deadlock cannot be broken unilaterally by the federal government once the constitution is in Canada and, therefore, there must be some mechanism to break a deadlock lest it last another 53 years.

Some hon. Members: Hear, hear!

Mr. Trudeau: I cannot see how anyone sitting in this chamber would find it offensive for the constitution to provide that in the case of a deadlock—

An hon. Member: It does not provide that.

Mr. Trudeau: —we will appeal to the Canadian people.

An hon. Member: That is not true.

Some hon. Members: Oh, oh!

Mr. Trudeau: This seems to me the only recourse we can take in order to break a deadlock.

Mr. Baker (Nepean-Carleton): That is not true and you know it.

Mr. Hnatyshyn: Madam Speaker, certainly I am not any more clear in respect of what the Prime Minister has in mind. What is involved is not a question of lack of unanimity but a question of trying to obtain a consensus so we do not have chaos following in this country. I would again quote Premier Blakeney who said last night on television:

—I think the mood of the country is building into a confrontational mood.

He went on to state:

—we have a situation which is beginning to be more than disquieting. In fact, it begins to be dangerous.

In light of that sentiment being expressed—

An hon. Member: Read the rest of it.

Mr. Hnatyshyn: I will read the rest. If you will just give me an opportunity I will give the same speech as the Prime Minister gave.

An hon. Member: That isn't possible.

Mr. Hnatyshyn: In light of that kind of sentiment being expressed, is the Prime Minister intending to communicate with the provinces again to see whether consensus can be obtained in this area, and to review with them the proposal before Parliament, or is he determined to move unilaterally to lead to a situation which Premier Blakeney says is dangerous to the continuance of Canada as it is today?

Mr. Trudeau: Madam Speaker, the hon. member is suggesting, and I agree with him, that consensus would be better; but he knows consensus has not been achieved over 53 years of efforts by six different prime ministers and dozens and dozens of premiers who have tried to find a way of bringing the constitution back. That consensus has not been found.

● (1430)

I am asked by the hon. member why I do not continue working at it. My reply is very simple. The premiers themselves have not reached any consensus on the best amending formula, and that is why we have provided in the resolution before the House that we would offer the people a choice—

Mr. Clark: That is not what the resolution says, and you know it.

Mr. Trudeau: —either of the Victoria formula, which is the most recent formula in Canada which had the agreement of all 11 provinces—

Mr. Beatty: Eleven provinces?

Mr. Trudeau: Eleven governments. It is the most recent one. It dates back to 1971, and that is why we have put the Victoria formula in as one option. The other option will be an option which the provinces among themselves can agree to present to the Canadian people, and surely if they have one they should be prepared to test it with the Canadian people.

That is why the proposed resolution suggests a referendum to be held between two and four years from now so that the people themselves can decide, not the courts. If Parliament and the legislatures and governments of the provinces cannot agree, then we should not go to the courts to tell us how to do it. We should go to the people so that they can tell us which of the two formulas to use.

Some hon. Members: Hear, hear!

Madam Speaker: Order. Although this applause might be justified in the views of many—and it has been happening on both sides—it cuts the time of the question period, and there will be fewer members who will be in a position to ask questions.

WAR MEASURES ACT

REQUEST FOR STATEMENT ON 1970 INVOCATION

Mr. Edward Broadbent (Oshawa): Madam Speaker, my question concerns an event which was set in motion exactly ten years ago tonight. I refer to the imposition of the War Measures Act to combat what was described by the Prime Minister that day as "an apprehended insurrection" in the province of Quebec. The then justice minister said, and I quote:

> It is my hope that some day the full details of the intelligence upon which the government acted can be made public, because until that day comes the people of Canada will not be able to fully appraise the course of action which has been taken by the government.

After a full ten years will the Prime Minister assure us, let us say, within two weeks, that Parliament will be presented with a detailed written explanation of this extraordinary event?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Leader of the New Democratic Party refers to something described by me as an apprehended insurrection. I remind him that that was stated only after the government of the province of Quebec and the administration of the city of Montreal had written to the federal government describing the situation as that of apprehended insurrection.

An hon. Member: It was your decision.

Mr. Trudeau: At their request—I might say at their pressing and repeated request after a period of several days; Mr. Bourassa has stated this publicly, and I believe Mayor Drapeau has too—we then took the step—

An hon. Member: You did.

Mr. Trudeau: —of proclaiming the War Measures Act and having certain specific regulations apply only in the province of Quebec. That situation of apprehended insurrection was based on data which are frequently forgotten but which are generally known, and we have nothing to add to the facts which are known publicly.

I believe the Deschenes inquiry in the province of Quebec spent a few years trying to establish facts different from those we said were public and well known. If the government of the province of Quebec had found anything untoward in that action or anything suspicious or hidden, the Leader of the New Democratic Party could be very sure that it would have been made public before or during the referendum. The fact that it was not made public shows that even the most hostilely-inclined provincial government was unable to find any facts or establish any realities contrary to those which are well known and upon which we acted.

Mr. Broadbent: Madam Speaker, the facts indeed are well known, including studies which were carried out by the present government of the province of Quebec and the one to which the Prime Minister has just referred. According to RCMP officers directly involved, the War Measures Act itself was

totally unnecessary to invoke to deal with the crisis. That is the fact. I would like to ask the Prime Minister, if the sheep on the other side would—

Madam Speaker: Order, please. The hon. member for Oshawa.

Mr. Broadbent: In order to assure Canadians that their rights will never again be unnecessarily suspended by arbitrary action, given the fact that any charter of rights will by nature only provide recourse to violations after they occur and the government's repeated commitments made over a number of years since the invocation of the War Measures Act, will the Prime Minister now assure the House either that amendments will be brought in this session to the present act, or that the government will do what it has promised, as I have indicated many times, which is to bring forward a new piece of legislation which could be used in emergency situations without such a complete violation in an unfair fashion of the rights of innocent people?

Mr. Trudeau: Madam Speaker, we would be anxious to do what the Leader of the New Democratic Party suggests, as we were anxious then, if we could have some agreement on every side of the House to amend the Criminal Code so that the police could be permitted, in cases of widespread violence as existed in October, 1970—

An hon. Member: Widespread?

Mr. Trudeau: Conservatives opposite shake their heads in incredulity when I talk of widespread violence.

Mr. Baker (Nepean-Carleton): We just read the reports.

Mr. Trudeau: There had been more than 100 violent acts over a period of several years, including raids on arsenals, including bombings, including derailments of trains—

An hon. Member: That has happened in the last couple of years too.

Mr. Trudeau: —including the whole downtown section of St. Catherine Street being torn apart, including murder and kidnappings. If this is not widespread—

Madam Speaker: Order, please. May I ask the Right Hon. Prime Minister to concentrate on answering the question of the hon. member—

Some hon. Members: Hear, hear!

Madam Speaker: —for Oshawa rather than questions thrown across the floor by other hon. members.

Mr. Trudeau: Madam Speaker, I point out that the question of the Leader of the New Democratic Party really establishes the very basic truth that every democratic country has certain exceptional measures to which it can have recourse in cases of widespread violence. In the case of Canada these exceptional measures are not provided for in the Criminal Code. It would be our preference to have had them provided for in the Criminal Code—

Mr. Broadbent: You have had ten years.

Mr. Trudeau: —and to have that in the future. But I think the question should remind us that what the War Measures Act did was not bring in some sledge-hammer which hit every citizen in every province on every matter in this country. It only had the effect of bringing into operation a certain number of regulations which were the equivalent of any sensible amendment to the Criminal Code.

● (1440)

Therefore, this hallucination about the War Measures Act is often used to forget that we did nothing more under the War Measures Act than bring in certain exceptional measures which, I repeat, are used in practically every other democratic country.

Some hon. Members: Hear, hear!

Mr. Broadbent: Madam Speaker, most lawyers interested in civil liberties now concede that the Criminal Code was completely adequate to deal with the level of violence which, everyone agrees, and to be dealt with at the time. That is the point.

I should like to ask the Prime Minister quite seriously, because I would commit my party on the spot, whether he is saying that he would be interested in establishing an all-party committee which, on a priority basis this session, would look into a replacement for the War Measures Act. Because if that is what he is saying, he will have our support 100 per cent.

Mr. Trudeau: Madam Speaker, I am somewhat puzzled by the statement of the Leader of the NDP. He begins his question by saying that the Criminal Code, in the opinion of most experts, is enough. Why, then, is he asking for more?

Mr. Broadbent: It was enough in 1970.

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PENITENTIARIES

DORCHESTER, N.B.—REQUEST FOR PUBLIC INQUIRY INTO HOSTAGE-TAKING INCIDENT

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, in my question yesterday to the Solicitor General about the Dorchester tragedy I was only able to hint, due to source confidentiality, at the gross suppression of the facts in relation to the tragedy by both the penitentiary officials and the RCMP.

My question to the Solicitor General today is as follows. In view of the publication today of certain allegations by the brother of the dead guard that the two guards who were the hostages had in fact subdued the prisoners and were actually standing when the emergency task force broke into the wash-

room area where they were incarcerated, and it was only after the task force went in there that guard William Morrison received a shotgun blast in the abdomen which killed him at the hands of one of the other guards, in the light of those allegations being made today I wonder if the Solicitor General would now change his mind and initiate an open, public, independent inquiry into this whole mess.

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I refute the suggestion that there has been any suppression of facts at all. The facts are being ascertained, an inquiry is under way. I will repeat what I said to the hon. member yesterday, that I would be prepared in the next few days, as soon as the facts are gathered and they can be authenticated, to make a full statement of exactly what happened during that incident in Dorchester. I said yesterday that I would do that and I am still prepared to do it. But I would suggest to the hon. member that there has been no suppression of facts. In fact, we are working now to gather the facts as best we can so that this statement can be made available.

Mr. Lawrence: If the Solicitor General says there is no suppression of the facts—and certainly there are people involved in provincial agencies and in the administration of justice in New Brunswick who would dispute what the Solicitor General has just said here today—may I ask him when he heard about these allegations? Because if he knew about them previously to this and did not inform the House, I think he is in deep trouble with the House. On the other hand, if he did not know about them, then obviously his own officials have not given him these allegations, which they should have. Now, did he know or did he not?

Mr. Kaplan: I have read everything that has been printed about it and I have received reports from certainly more than half a dozen individuals who were involved in it. There are many conflicts, as there normally would be, between firsthand and second-hand impressions of events which were so charged with excitement and emotion when they occurred. I have not suppressed any of them and I have not made any statement on the facts yet. I want to gather them and I want to be satisfied about the truth of them. As I indicated yesterday, I intend at the earliest opportunity to make them available to the House if it wants, or to make a statement to the House on exactly what happened to the best of my knowledge and belief.

Some hon. Members: Hear, hear!

* * *

THE BUDGET

INQUIRY AS TO DATE OF PRESENTATION

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question is for the Minister of Finance. I will remind the minister that on November 6 he told us that he would bring in a budget in the last two weeks of October, and this was a specific promise. In this morning's paper, Mr. Carruthers of *The Globe and Mail,* usually an accurate reporter, suggests that the budget will not be brought down until November 3 because of the strike by the clerks. Perhaps the clerks write the minister's budget, I do not know. In any event, the suggestion now is that the budget will not be brought down until November. I would like to remind the minister that he has been in office seven and a half months, a month longer than we were before my ill-fated budget was brought down, one of which I am still proud even though it had a toppling effect. The minister will be following in my footsteps, I hope, and toppling in a couple of weeks' time.

Would the minister tell us what is the date of the budget or, if he cannot do that, will he give us an assurance that it will be brought down in October and that another promise will not be broken so soon in this session?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I have no way of supporting the speculation which appeared in *The Globe and Mail.* It was news to me that the decision has been made to bring down the budget in November as a result of the strike of the clerks. That is news. I told the hon. member that I would probably give the House this week the precise date on which the budget will be brought down. I will attempt to do that after I have had a chance to confer with my colleagues tomorrow. I will make every effort to live up to what undoubtedly was an indication to the House that the budget would be brought down in the month of October. If there were to be any change in that, the House will be the first to know, not *The Globe and Mail.*

Some hon. Members: Hear, hear!

Mr. Crosbie: Madam Speaker, during the recent lamented election campaign the Prime Minister said the government would reduce the deficit and he made the promise that the government would hold increases in government expenditures under the rate of growth of the GNP. Figures released today show that the deficit for the first five months of this year is $6,900 million, up 12 per cent from last year, and that expenditures have grown 17 per cent in the first five months of this year to $22.58 billion. On Friday the minister said he was going to carry out the Prime Minister's election promises in his budget. How is he going to carry out these two promises to reduce the deficit and to hold expenditures to zero growth this year, because the GNP is negative this year, not positive? How will he carry out those promises, and are these only the first of many broken promises of measures that he will not implement?

Mr. MacEachen: Madam Speaker, the hon. member refers to the growth in expenditures, and accordingly the growth in the deficit, which occurred in his budget when he projected a 10 per cent rate of growth line. I submit to you, Madam Speaker, that if the minister were still in office, he would still be confronted with precisely the same increased expenditures—

Some hon. Members: No way.

Mr. MacEachen: —arising from the increases in the oil import compensation program and increases in the charges on the public debt. There was no action that was taken by the Government of Canada since we came into office that added to that expenditure line or to the deficit, except for the inevitability which arose from these two particular sources.

An hon. Member: No, you haven't read the budget.

Mr. MacEachen: I am still prepared on this day to say that the commitments made by the Prime Minister with respect to the operation of the fiscal side of the government will be carried out, namely that as economic growth resumes in a phased manner that the deficit will be reduced. These, Madam Speaker, were the words used by the Prime Minister, not the words which have been fabricated in a fevered atmosphere by the hon. member for St. John's West.

• (1450)

The second point is that the former minister of finance referred to a commitment to restrain expenditures in accordance with the real growth of the gross national product. Even a finance minister as reckless as my hon. friend would never make that commitment. The Prime Minister was talking about the trend line of nominal GNP and we will follow that as we reveal our medium-term plans for the House.

Some hon. Members: Oh, oh!

Madam Speaker: Order, please.

* * *

ADMINISTRATION OF JUSTICE

CHARGE OF RAPE—REQUEST FOR INTRODUCTION OF AMENDING PROVISIONS

Mr. Svend J. Robinson (Burnaby): Madam Speaker, I have a question for the Minister of Justice. Yesterday an Ontario Supreme Court judge passed a light sentence on a man who was convicted of rape because the victim was, in the judge's words, "a woman of the world" and did not appear to suffer any ill effects from the experience.

The minister has been promising for some time to introduce a long overdue bill to amend the Criminal Code provisions on sexual offences. In June he said it was coming very soon. When is the minister finally going to move on this important question of concern to all Canadian women and, specifically, when will he bring in legislation to reverse the effect of the recent Supreme Court of Canada decision in Forsythe and Pappajohn, to remove a husband's immunity? Finally, when will he move to define rape not as a crime of passion which "women of the world" really enjoy, but as a crime of violent assault?

[*Translation*]

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, I hope to introduce a bill in the coming weeks.

[*English*]

Mr. Robinson (Burnaby): My supplementary question is also to the Minister of Justice. I might add that I hope the Prime Minister will consider replacing him with someone who has some commitment to justice and who is not solely concerned with the constitution. We need a full-time Minister of Justice in this Parliament.

Some hon. Members: Hear, hear!

Mr. Robinson (Burnaby): The minister knows that the Supreme Court of Canada decision in the Pappajohn rape case has caused a great outcry among women's groups all across this country. Will the minister assure this House that our rape laws will be amended so that no man who is accused of rape can claim that he believed, with no reasonable grounds whatsoever, that the woman was really consenting? What action is the minister prepared to take on this recent decision, which is called by some "a rapist's charter" and which is an insult to all Canadian women?

[*Translation*]

Mr. Chrétien: Madam Speaker, dealing with problems such as those requires considerable thought to make sure that we make well-balanced legislative proposals. We have to study the matter in depth before reaching a decision; the hon. member and the House would be ill served if we were to act too quickly in the matter. Careful thought is preferable and I believe the case mentioned is controversial. The accused must be ensured normal means to defend himself while the victims must be able to get justice. It is no easy matter. I have been addressing the problem since the summer and hope to be in a position to introduce a bill which, by its very nature, will be somewhat controversial. I intend to take all the time that is needed before acting.

* * *

ACCESS TO INFORMATION

PUBLIC OPINION POLLS—REQUEST THAT RESULTS BE PUBLISHED

Mr. André Maltais (Manicouagan): Madam Speaker, my question is directed to the Minister of Justice. Last Friday, he made it known that he intended to table the results of polls held throughout Canada in recent months. Can the Minister of Justice table those findings? How many are available and how many polls have been held in recent months?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, the Canadian Unity Information Office conducted 16 polls in the last 18

months. Today, we sent out a letter to all hon. members advising them that the results of 13 of those 16 polls are available this very afternoon. We shall make them public at the request of interested parties. We have no intention of printing them out for everyone because they are very voluminous but all those who want copies of those polls can get in touch with the Canadian Unity Information Office.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

NIAGARA RIVER—DISCHARGE OF CONTAMINATED WATER

Mr. Tom McMillan (Hillsborough): Madam Speaker, my question is for the Minister of State for Science and Technology and Minister of the Environment. As he well knows, the SCA chemical waste service company of New York has been granted an American permit, from the state of New York, to build a pipeline which will discharge millions of gallons of contaminated water into the Niagara River. He will also know that many Canadian municipalities draw their drinking water from that same river. Will he tell the House whether he, the Secretary of State for External Affairs or the Prime Minister, or anyone else in the Canadian government, has made a vigorous representation to the United States government to have that permit rescinded?

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): Yes, Madam Speaker, there have been vigorous representations made to the United States government in relation to this issue. These representations, first of all, are to ensure that the U.S. government accepts and will maintain its international obligations under the Great Lakes Water Treaty, a commitment which they have made, and second, to ensure that the Environmental Protection Agency itself reviews materials which have been presented to the state of New York hearings. As the hon. member knows, I, too, made a commitment that our engineers and scientists would examine the material which has been presented to the New York authorities. We have done this and I have issued a report of their findings.

In this regard I would like to salute the efforts of my hon. friend from Niagara Falls, who yesterday referred this whole matter to the IJC, I believe.

Mr. McMillan: A supplementary question for the minister. Would the hon. gentleman be prepared to table in the House any written representations made by him or by the government to his counterparts in the United States, which would confirm to the concerned people in Canada, who doubt the government is taking the action that it promised in the election campaign, that action is, in fact, being taken?

Mr. Roberts: Madam Speaker, I will certainly look into that. I am not sure if all the representations are written. I have met with Mr. Costle, the administrator of the Environmental Protection Agency, at least three times and have made representations to him directly. I will investigate and see what written follow-up has been made to those to see if it is appropriate to present them to the House. In that event I would relay the contents to the hon. member, who I know is interested in this matter.

* * *

AGRICULTURE

INQUIRY WHETHER LEVEL OF POULTRY IMPORTS RENEGOTIATED

Hon. John Wise (Elgin): Madam Speaker, my question is directed to the Minister of Agriculture, a minister who has contributed his fair share to the broken promises of his government. A prime example of this would be the tax on Ontario wines. I would refer also to his position on chicken imports. Because of the lack of appropriate action on his part, imports increased from about five million pounds to a level of about 65 million pounds. We moved in, established import levels and we reduced the level of these imports by 22 million pounds.

Some hon. Members: Order!

Mr. Wise: I am coming to my question, Madam Speaker. The minister indicated very clearly that he would renegotiate that level and that it would be reduced. I ask the minister—

Madam Speaker: Order, please. I suppose the hon. member does have a question, and if so he should ask it now.

Mr. Wise: Well, I have posed the question, Madam Speaker. I am sure the minister does not find it necessary for me to repeat the question. He made a very definite promise to renegotiate that level and to reduce it. Has the hon. gentleman delivered on that promise or does it still remain today a broken promise?

Hon. E. F. Whelan (Minister of Agriculture): Well, Madam Speaker, the hon. member made several accusations in his preamble to what he called a question. The matter has not been without some investigation. We find, for instance, that the Ontario government makes twice as much as the federal government does on wine taxes. If he wants to be factual he should be factual about that also.

He talks about poultry. Poultry imports are less this year. Right now there are inquiries being made in Canada about poultry moving into the United States because we have provided that stable kind of government which leads to the kind of income for farmers in the poultry business that I know the hon. member supported before he was a minister. When he was a minister he also supported that kind of market operation. The Americans are over here now because they have been producing poultry for over a year at below cost of production, so they are now making inquiries from Canada and asking: Can we buy poultry from you? The trade is switched in a different way, mainly because our producers are economically better off; they are viable, economic entities. So if the hon.

member wants to take a little bit of credit for that, Madam Speaker, I have no objection.

We have had some difficulties trying to arrange a meeting because of the unsettled political situation in the United States of America. They are faced with an election. The meeting has been scheduled at least twice, and if I remember correctly it was not my doing that it was cancelled. It was cancelled on their part.

● (1500)

Mr. Wise: Madam Speaker, the obvious answer is that this remains today as a broken promise. In the third area, the minister made some very definite commitment that he would enlarge the Farm Credit Corporation and increase its funding. We increased the funding by some $50 million. Has the minister delivered on that promise or does it too remain a broken promise today?

Mr. Whelan: Madam Speaker, the hon. member indicates what he has done, but he did not mention that he raised the interest rates of the Farm Credit Corporation at the same time, with the approval of the former president of the treasury board. I would remind the hon. member that the interest rate was recently lowered and also that one of the greatest virtues of all is patience. The hon. member will see that the Farm Credit Corporation will be what he wants, what I want and what we all want for agriculture in Canada very shortly.

* * *

EXTERNAL AFFAIRS

EL SALVADOR—CALL FOR CESSATION OF UNITED STATES MILITARY AID

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, my question is directed to the Secretary of State for External Affairs, whom we welcome back from his forays abroad. In light of increasing political murders of community, church and other human rights leaders in El Salvador, and in light of the accompanying rise in U.S. military aid to the repressive junta in that country, will the minister now undertake to urge the United States to cease its intervention in El Salvador and halt all military aid to the El Salvador regime?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, the presupposition of that question puts the American government in a more unfavourable light than is immediately obvious, but I will undertake to look at that question.

Miss Jewett: Madam Speaker, the present budget is around $5 million in military aid and is increasing by a similar amount this coming year unless we do something. Would the minister therefore, in addition to looking into the matter, instruct our observer at the Organization of American States meeting, which is beginning fairly soon, to express our concern about any continuing military intervention or military aid to that repressive regime?

Mr. MacGuigan: Madam Speaker, our information is that the so-called American aid is purely of a defensive nature, but we will look again at the facts and if the facts warrant, we will make representations.

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AGRICULTURE

ESTABLISHMENT OF VETERINARY COLLEGE IN P.E.I. OR MARITIME PROVINCES

Mr. Jim Schroder (Guelph): Madam Speaker, I have a question for the Minister of Agriculture. I understand that the minister had a meeting today with the Premier of Prince Edward Island. I am sure that, among many important things, they probably discussed the formation of the veterinary college in the maritimes. Could the minister tell the House whether or not he and the premier were able to come to any conclusions about the establishment of this college in Prince Edward Island or the maritimes?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, I did have a meeting with the Premier of Prince Edward Island and we did talk about the veterinary college in Prince Edward Island or in the maritimes. He was seeking my support to bring the provinces together so that the veterinary college could be established and given the go-ahead. Naturally, the premier would like the college in Prince Edward Island and he recognizes that, if proper federal leadership was given, maybe it could become a fact. I also gathered from the meeting we had today that the Premier of Prince Edward Island is still a very strong federalist.

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PRIVILEGE

MR. HNATYSHYN—NOTICE OF QUESTION TO BE RAISED

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I rise merely to give notice of my intention to raise a question of privilege on the basis of answers given by the Prime Minister (Mr. Trudeau) during the question period. My recollection is that the Prime Minister, on a number of occasions, intentionally misled the House on the basis of his contention that the provisions of the so-called resolution under the constitution, particularly section 42, provided for a deadlock-breaking referendum, and that that was the only time that the referendum could be used. I would like to reserve the right to look at the blues and *Hansard* in order to determine whether the Prime Minister in fact did mislead the House as I have suggested.

Mr. Trudeau: Madam Speaker—

Madam Speaker: The Right Hon. Leader of the Opposition.

Point of Order—Mr. McGrath

Some hon. Members: Oh, oh!

Mr. Baker (Nepean-Carleton): More truth than fiction there.

An hon. Member: A prediction of the future.

[*Translation*]

Madam Speaker: I apologize profusely to the Right Hon. Prime Minister, but the example comes from high places. The Right Hon. Prime Minister has the floor.

[*English*]

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I would draw your attention to the blues also, and I would ask that before this question is discussed any further, you rule on the right of the hon. member to say, as he did, that I intentionally misled the House.

Mr. Hnatyshyn: Madam Speaker, I have great respect for the rules and traditions of the House. In my zeal to make a point I may have used the word "intentionally". Parliamentary tradition being what it is, I certainly unequivocally withdraw that statement to the Prime Minister.

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POINT OF ORDER

MR. McGRATH—PUBLIC OPINION POLLS—REPLY OF MINISTER OF JUSTICE

Hon. James A. McGrath (St. John's East): Madam Speaker, I wish to raise a point of order arising out of a reply given today by the Minister of Justice (Mr. Chrétien) with respect to releasing certain polls that were commissioned by the government. My point of order is based on the means which the minister has adopted to get these polls out to members of Parliament. For example, he did not take advantage of Standing Order 41(2) which provides that any minister may lay upon the table of the House any document.

I may have a question of privilege, because if the minister had in fact laid the polls on the table of the House, we would have been in a position to make a judgment as to whether or not an advertisement which appeared last week in the *Financial Post* entitled "A Subscription to the Goldfarb Report" does in fact constitute a very serious breach of the privileges of this House. One section of this full-page advertisement reads:

> In particular, the 1981 edition of The Goldfarb Report will include a detailed treatment of public attitudes toward the debate surrounding a new Canadian constitution.

It goes on to say where one may obtain the report. It would seem to me that up to this point what has been denied to the House is available through a professional consultant for a fee. This would seem to me to constitute a very serious breach of the privileges of every member of this House. I reserve the right to raise the matter later.

• (1510)

ROUTINE PROCEEDINGS

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 1,205 and 1,368.

[*Text*]

ADMIRAL ROBERT FALLS' RESIDENCE—HOME FURNISHINGS—BRUSSELS

Question No. 1,205—**Mr. Cossitt:**

1. What is the total cost of all contents, furnishings, fixtures or any other similar items, purchased, on order or being considered for purchase by the government for the residence being rented in Brussels for Admiral Robert Falls?

2. What is a complete list of all the items and, in each case, its cost in (a) the currency in which it was purchased (b) Canadian dollars?

Mr. Louis Duclos (Parliamentary Secretary to Secretary of State for External Affairs): 1. The total cost of all contents, furnishings, fixtures or other similar items purchased, on order or being considered for purchase by the Department of External Affairs for the residence being rented in Brussels for Admiral Robert Falls is $75,679.24. It should be noted that all such furnishings and equipment shall be usable by the department upon the termination of Admiral Falls' appointment as chairman of the military committee of NATO.

2. Attached is a complete list of items purchased by the Department of External Affairs together with the cost in the currency in which it was purchased and Canadian dollars.

Purchases—Admiral Falls Residence Brussels

(A) Purchases made in Canada

Requisition No.	Suppliers	General Description	Amounts
01084	Yamaha	Grand piano	$ 4,057.00
01166	Creative Custom	Cabinets – tables – chairs	11,430.00
01167	Knechtel	Tea wagon	184.00
01169	Frederick Cooper	Lamps	235.43
01180	Sun-lite Int	Garden furniture	811.31
01181	Stackmore	Bamboo tables and chairs	1,097.35
01182	Barrymore	Fabric	104.00
01183	Samo	Fabric	82.50
01184	Barrymore	Wing chairs	5,652.00
01185	Craftline	Wall unit and tables	1,379.00
01186	Sanderson	Fabric	256.41
01310	Barrymore	Loveseat and chairs	3,720.00
01314	Sanderson	Fabric	671.15
01315	Greene's Lighting	Ceiling fixture and wall bracket	672.71
01435	Simmons	Box spring and mattress	130.00
01438	Barrymore	Fabric	440.00
01439	Famous Swiss Bedspread	Queen and single bedspread	587.00
01441	Barrymore	Fabric	2,686.75
01443	Kobe	Fabric	665.55
01444	H.P.L. Furniture	Headboard and night tables	131.00
01445	Simmons	Bedframe	30.50
01446	Charterhouse	Tub chair and ottoman	338.00
01447	Barrymore	Fabric	120.00
01448	Barrymore	Fabric	584.00

Requisition No.	Suppliers	General Description	Amounts
01551	Kirsch	Traverse rods	121.40
01459	Baetz	Curio cabinet	499.00
01522	Creative Customs	Tables	7,652.00
01528	Conestoga Carpets	Carpets	10,040.55
01529	Conestoga	Custom made carpets	4,292.96
01530	Frederick Cooper Lamp	Table lamps and floor lamps	2,249.89
14372	Friedman Bros.	Mirrors	994.47
01553	Kobe Fabrics	Fabric	91.80
01572	Samo	Fabric	82.50
01566	Barrymore	Fabric	400.50
01573	Vogel Peterson	Coat rack	425.20
	Anticipated	Electric freezer	300.00
Total			$63,215.93

Also, the department purchased silverplated holloware from Henry Birks and Sons Limited in the amount of $5,578.51.

(b) Purchases made or contemplated outside of Canada.

Item	Purchased in	Cost local currency	Cost Canadian dollars
2 Colour TVs	Belgium	30,000 BF	$1,225.00
Ceiling fixtures	Belgium	38,400 BF	1,565.00
Kitchen stool	Belgium	850 BF	34.80
Washer/Dryer	USA	$1200	1,392.00
Refrigerator	USA	$ 520	603.00
Electric range	USA	$ 400	465.00
Dishwasher	Germany	2452 DM	1,600.00
Total			$6,884.80

ADMIRAL ROBERT FALLS' RESIDENCE—BRUSSELS—SILVERWARE

Question No. 1,368—**Mr. Cossitt:**

Is there any silverware of any kind whatsoever in the house occupied by Admiral Robert Falls in Brussels and, if so (a) where was it obtained (b) has or is some being taken from various military regiments (c) has or is some being purchased and, if so, what is the exact sum in Canadian dollars of such purchases?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of External Affairs and National Defence as follows:

(a) and (c) Silverplated holloware has been purchased for the house occupied by Admiral Robert Falls in Brussels by the Department of External Affairs from Henry Birks and Sons Limited in the amount of $5,578.51.

(b) No. However, the regimental guard of Princess Patricia's Canadian Light Infantry has loaned some regimental flatware to Admiral Falls for the duration of his stay in Brussels.

* * *

[*Translation*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, if question No. 76 could be made an order for return, that return would be tabled immediately.

Madam Speaker: The questions as enumerated by the hon. parliamentary secretary have been answered. Is it the pleasure

of the House that question No. 76 be deemed to have been made an order for return?

Some hon. Members: Agreed.

[*Text*]

INTERIMCO LTD.

Question No. 76—**Mr. Cossitt:**

1. Did the government or any of its agencies carry on business with a firm called Interimco Ltd. and, if so (a) what is a complete list of all such business (b) what is the address of the firm (c) what was the amount and date on which all funds or contracts were paid and the reason for payments in each case (d) what was the total amount of contracts or funds paid to the firm?

2. To the knowledge of the government, what are the names of all persons who have acted as officials with Interimco Ltd. and, in particular, what are the details and names of individuals who have negotiated or in any way furthered such government business?

3. To the knowledge of the government, was the honourable member for Ottawa-Carleton connected with this firm?

Return tabled.

[*Translation*]

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

Madam Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, notice of motion for the production of papers No. 12 is acceptable to the government subject to ordinary reservations related to confidential papers.

Madam Speaker: Is it the pleasure of the House that notice of motion for production of papers No. 12 be deemed to have been adopted?

Some hon. Members: Agreed.

COPY OF CORRESPONDENCE BETWEEN DEPARTMENT OF TRANSPORT AND VIA RAIL CANADA

Motion No. 12—**Mr. Benjamin:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this House copies of all correspondence and documents that the Minister of Transport and the Director General, Railway Transportation, Transport Canada had with the Canadian Transport Commission and VIA Rail Canada concerning a proposed VIA Rail Canada Act.

Motion agreed to.

Mr. Collenette: I ask, Madam Speaker, that all remaining notices of motions for the production of papers be allowed to stand.

Madam Speaker: Shall the remaining notices of motions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

THE CONSTITUTION

ESTABLISHMENT OF SPECIAL JOINT COMMITTEE OF THE SENATE AND HOUSE OF COMMONS

The House resumed consideration from Friday, October 10, 1980, of the motion of the Minister of Justice and Minister of State for Social Development (Mr. Chrétien):

That a Special Joint Committee of the Senate and of the House of Commons be appointed to consider and report upon the document entitled "Proposed Resolution for a Joint Address to Her Majesty the Queen respecting the Constitution of Canada" published by the government on October 2, 1980, and to recommend in their report whether or not such an address, with such amendments as the committee considers necessary, should be presented by both Houses of Parliament to Her Majesty the Queen;

That 15 Members of the House of Commons to be designated no later than three sitting days after the adoption of this motion be members on the part of this House of the Special Joint Committee;

That the committee have power to appoint from among its members such subcommittees as may be deemed advisable and necessary and to delegate to such subcommittees all or any of their powers except the power to report directly to the House;

That the committee have power to sit during sittings and adjournments of the House of Commons;

That the committee have power to send for persons, papers and records, and to examine witnesses and to print such papers and evidence from day to day as may be ordered by the committee;

That the committee submit their report not later than December 9, 1980;

That the quorum of the committee be 12 members, whenever a vote, resolution or other decision is taken, so long as both Houses are represented and that the joint chairmen be authorized to hold meetings, to receive evidence and authorize the printing thereof, when six members are present so long as both Houses are represented; and

That a message be sent to the Senate requesting that House to unite with this House for the above purpose, and to select, if the Senate deems it to be advisable, members to act on the proposed Special Joint Committee.

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, as the record shows I was able to get the Speaker's eye last Friday and begin my few remarks on a subject that is pretty fundamental and important and which obviously cuts to the very heart and soul of this country. I refer, of course, to the constitution.

Had I faced any problems in continuing my remarks they would have evaporated after the amazing exchange that occurred today between the Leader of the Opposition (Mr. Clark) and the Prime Minister (Mr. Trudeau). In answer to a question from the Leader of the Opposition, the Prime Minister said, in effect, that the government will achieve its objective in going by the back door to England to amend the form of government that this country has known until now. We know that even going by the front door alterations affecting the Senate, could not be achieved in the Parliament of Canada, because of the Supreme Court. It is an amazing situation, Mr. Speaker. We may talk about trickery, sneakery or anything else, but when we are considering what the Prime Minister has called "the future and different form of government for Canada," we find out—at least, we on this side have, because we grasped the implications of the resolution—that any fundamental change to our constitution is not going to be effected in this Parliament but rather will be done on the banks of the Thames in London.

As I said on Friday, Mr. Speaker, as a Canadian I resent the fact that Canada's constitution is to be decided in England rather than in this capital of the country.

Some hon. Members: Hear, hear!

Mr. Nowlan: If there is a colonial, it is the Prime Minister, taking his teacup in hand and going to Buckingham Palace to have Great Britain decide what our rights are, what the equalization formula and the amending formula are under the terms of this 16-page resolution.

With all due respect to our senators, in my opinion, the other place is not the most fundamental part of government. I have always had a bias in this direction, one shared by the hon. member for Winnipeg North Centre (Mr. Knowles), but if the Parliament of Canada could not change the form of the Senate using the front door, because it was held unconstitutional, why should we as Canadian legislators let the Prime Minister go through the back door in London in an effort to change the form of government which exists in Canada?

Some hon. Members: Shame!

Some hon. Members: Hear, hear!

Mr. Nowlan: I know that my time is limited, Mr. Speaker, and that other members want to speak. I hope hon. members on both sides of the House representing this country from coast to coast will speak their thoughts on this resolution together with their thoughts about the future of this government.

In the question period, the Minister of Justice (Mr. Chrétien) repeated the canard about patriation. In a memorable speech when this debate began a week ago last Monday, the Leader of the Opposition said unequivocally that we in Her Majesty's loyal opposition—and I believe also in the NDP—support patriation now, and the amending formula—at least the Vancouver proposal. If those two points were accepted, this resolution could be reduced to one page instead of 16.

Make no mistake about it, Mr. Speaker; we support patriation. We do not want to hide behind the robes of the Queen. We want the people of Canada to find out what the future of the country is to be.

I am appalled at the report from the travelling duo, John and Mark, or Mark and John, the two apostles to London, the travelling horsemen. When they came back from London they said the parliament of Great Britain might take three or four days to debate this matter. Surely the Secretary of State for External Affairs (Mr. MacGuigan) knows that in the most important debate in recent times, the one concerning the admission of Great Britain to the European Common Market, parliament took only two days to pass the motion. Under their rules, the majority of debates take only one day. The question is put the day it is called, even though it may arise early in the morning of the following day. To suggest there would be three or four days of debate on a resolution coming from Canada merely accentuates the colonial status that the Prime Minister said he was so interested in doing away with when he spoke on television on Thursday night. There would be no need for that if we had a one-page resolution calling for patriation now and on amending formula on the Victoria or Vancouver proposal.

Speaking for myself, I would not be afraid of taking the whole matter to the people if, after a certain length of time for consultation, the premiers and the federal government did not agree on another proposal. We should at least bring the constitution back, though, and have the fight here in the Canadian House of Commons. But there must be consultation with the premiers of the country.

I have pointed out that under our system the civil law and the common law have ridden tandem for 113 years. For the first time, as a result of this proposal, they meet head on. In civil law you have to point to a piece of paper to establish a right, but under the common law that governs nine provinces, you and I, Mr. Speaker, have every right under the sun, except those which are proscribed by law. I am not saying which is wrong or which is right, Mr. Speaker. I do not know whether Canadians realize that this resolution would change what has been the common law for nine provinces into a civil code whereby neither this parliament nor the provincial legislatures but the courts, would interpret and legislate that which affects us all. That is a fundamental problem that should not be discussed further at this time, Mr. Speaker.

Hon. members opposite say we have to redeem a promise made to Quebec because of the vote there last May. Well, I am all for redeeming promises and honouring pledges, but it is very difficult to define what the pledge was. The Premier of Quebec, the leader of the opposition in Quebec, the New Democratic Party in Quebec and many columnists have said that this resolution does not redeem any pledge and that it may, in fact, even exacerbate the situation. Leaving that aside, Mr. Speaker, how can the Prime Minister redeem a pledge to one part of the country while ignoring the larger responsibility to the country as a whole?

The Prime Minister can play with words. We know he is very adept at dialectical debate and evading questions within the circumscription of the question period. He did not answer the question put to him. Section 42, which provides for an amending procedure by referendum, is not a deadlock-breaking procedure or mechanism. The majority of premiers, representing over 50 per cent of the people of this country, along with members of this loyal opposition, have said, as did our leader that same Thursday night on television, that section 42 is not a deadlock-breaking mechanism. It has the potential to be a hammer-lock on the fundamental structure of this land, the federal system. That is why we cannot support the resolution as it is presently drafted.

● (1520)

In trying to come to some kind of rationale and in trying to move with the momentum that has been built up, albeit well organized over the summer, with the travelling ministers and the ads that we have heard about and talked about, as well as listening to the speakers, including the Prime Minister as he spoke here again today of "Fifty-three years of failure", I suggest there may have been failure and undoubtedly there have been problems in 53 years of federal-provincial conferences. But this country called Canada has not failed for 53 years in spite of a constitutional problem. This country has grown and developed. I hate to admit it but obviously it has developed more so because of the majority government under the Liberal rule. I have to give credit where credit is due, because the Liberals have been in power, unfortunately, for too long. Is the Prime Minister trying to suggest that the 53 years of constitutional problems and failure have made a failure of this country, which has the broadest and best social programs in the world? Canada is a country from coast to coast which so far we have been proud. I say to hon. members that conferences have created problems, as undoubtedly they will again in the future. But 53 years of problems in federal-provincial conferences do not detract from what we have done in those 53 years in spite of those problems.

I ask hon. members to listen to a thought I had when trying to rationalize the present haste to do something. I shall not go back to the 1930s or to read from "The Third Reich" or read statements made by businessmen after the depression and the problems with the mark. Inflation escalated then because the economic problems became so intense and the businessmen, together with the Junkers, were saying "Let us get someone who will do something". Someone came and did something. He did many things. But when there is too much haste one cannot repent in leisure if one is talking about the constitution. The quiet revolution which we all accept has really been the catalyst initially for this momentum of change. The quiet revolution in Quebec started in the 1950s. If it has taken from the 1950s to now—

An hon. Member: The 1960s.

Mr. Nowlan: Say the 1960s, that is even better. But surely if the quiet revolution in Quebec quite justifiably pinpointed problems in this federation that needed to be redressed, why is this government so hasty? In another part of the country, the west, there were other festering sores. But in the 1950s or the 1960s, which is 12 years or 22 years depending on whether you want to date it from Jean Lesage of *maître chez nous* or later, there has been a decade or more of festering sores in Quebec which have finally prompted some action for constitu-

tional review. I ask why are we not using the same standard for another fundamental part of the country, the west, so that it too can have a chance to get some redress for their grievances through consultation and conference rather than confrontation?

Some hon. Members: Hear, hear!

Mr. Nowlan: You do not just go from the snare and the delusion of unanimity, and the fact that unanimity is next to impossible, to unilateral action. There is no need to go from one extreme to another. By the position of this party takes in favour of patriation on the basis of the Vancouver proposal, we are prepared to admit that unanimity is not the way in practice, even though it is the ideal. There should be no more canards or pretence from the other side that unanimity is a necessity and that because you do not have unanimity you have therefore to proceed with unilateral action.

Is it just because the present Prime Minister wears a halo putting him in communication with some extraterrestrial beings that he has the almighty, divine power to do unilaterally what a fellow called Mackenzie King did not do; what a fellow called St. Laurent did not do; what a fellow called Mr. Pearson did not do, or what that greatest tyrant of all, John Diefenbaker, did not do? Just imagine if Mr. Diefenbaker were sitting there today moving unilaterally against the aspirations of the emerging quiet revolution from Quebec. You would have seen all the columnists in those one-paper towns—not one-horse towns—writing very objective columns such as, "Mr. Diefenbaker, you are a tyrant; you are a despot, you are dictatorial." The Prime Minister talks about the tyranny of unanimity. I suggest you cannot answer the tyranny of unanimity with dictatorial unilateral action which fundamentally runs across every constitutional convention that we have respected in this country for 113 years. There is not a member in this House who believes this country would ever have come together if John A. Macdonald had said: "Boys, come here because I am going to act unilaterally." When you breach the convention of consensus, you are breaching the fundamental fabric of this land.

Some hon. Members: Hear, hear!

Mr. Nowlan: I have tried to understand how we could be in this position today, debating unilateral action as the answer to the falsehood of unanimity? We want patriation and we know that unanimity is not going to give it. We do not care. We want the Vancouver proposal at least.

In trying to figure this out, I suggest there is a flaw in our federalism today. Even Premier Blakeney, who I heard last night on television, suggested there is a flaw in our federalism. I commend this to those who do not get west of the Lakehead too often because we all want Canada to stay together in some form. But having been in the west and having practised law there for eight years, and having been west this summer, let me say the feeling I have grasped out there has scared me. This feeling is transmitted through moderates and transplants from the east who said this summer, "We do not care. Go your way." They did not say it emotionally as they said it two years ago. They did not talk about French on cornflakes boxes. It is way beyond that. The flaw in this federalism has at least three parts. One is the federal-provincial procedure in evidence at the last two conferences, anyway. I suggest that historically, to counter the powerful federal presence, there has always been a strong counterbalance of one, if not both, of the two senior governments in this country. To counter the federal government, one needed at least Quebec, Ontario, or both, to present another point of view.

I am not going to go too far on this aspect, Mr. Speaker, but we know that today the government of Quebec, for its own reasons, is not really interested in being a counterbalance to the federal point of view. Unfortunately this was apparent in the last federal-provincial conference, and even in the one before. It was manifested on television screens. It was clear. It was apparent yesterday that the great province of Ontario, for its reasons, has not been a counterbalance to the strong federal presence. This has distorted part of the history of federal-provincial conferences. When you compound that imbalance with the second ingredient, which is in this chamber, never has there been more of an imbalance in the representation of different areas of the country. When you get an imbalance in federal-provincial conferences without the two senior governments historically being a counterbalance to the federal presence and then get a distorted House of Commons, the situation becomes even more difficult. As we all know, Conservatives were shut out of Quebec and thereby do not get the voice as directly as they should. On the other side of the coin, west of the Lakehead, there are those two lonely outposts with a mere two members on the government side, also unable to give a clear voice from the west.

The government does not have western representation in its caucus. I say this with all respect to the senators who try to be surrogates but who cannot be because they do not have to face the people at election time. Most of them are converts anyway, and therefore suspect—the Olsons and those other fellows.

Speaking of Senator Olson, the Minister of State for Economic Development, according to the Vancouver *Sun* for October 11, he said in Edmonton that he does not favour Prime Minister Trudeau's constitutional amending formula. He said, "My personal preference is the Alberta proposal." That is another whole thing which the Prime Minister will have to tackle. Perhaps at some time a prime minister might have said, "It is time to move unilaterally". Perhaps in Mr. Diefenbaker's day in 1958 when there were 208 members, 50 from Quebec on the government side, a prime minister not respectful of provincial jurisdiction might have said he had the troops with representation from all sides and could therefore move unilaterally. However, if there was ever a time when unilateral action should not take place, it is when this House of Commons is as distorted as it is now in representation.

• (1530)

This is compounded by what I said earlier, the phenomenon we see in this country of "one-paper towns." In a one-paper

town you get one type of editorial policy. In a one-paper town the message does not get out. Here we have the other side of the coin, using television for manipulation through advertising. We all know that the television medium is the message. It is very good for propaganda, but it does not get the message out. When you get these ingredients, this flaw in federalism, you start to get false notions about what this country is all about.

The Prime Minister said over television that Thursday night, we should not have a checkerboard across this country. The hon. member for Provencher (Mr. Epp) commented that in terms of our history and social fabric, "checkerboard" is not a pejorative word. The reality is this: when you get outside of Ottawa, west of the Lakehead or into the deep east of Atlantic Canada, it is not a checkerboard but a mosaic of people from different countries who have made this country the way it is.

There is no way in which the Prime Minister can homogenize the Canadian personality from coast to coast to produce some superhuman or Canadianized individual. We are from very different regions. Different groups of new Canadians have formed the vitality of those regions. You do not get homogeny.

The whole insular thinking of Ottawa was shown by the Prime Minister on that Thursday night when he said we do not want a checkerboard and that is why these rights must apply to everybody.

Let us look at question of rights. There is a double standard here. I will not go too far down the road, because the subject does not involve me as much as many sincere members across the way who are from Quebec. However, there is a real paradox when you talk about rights. Some members across the way have made very impassioned speeches about freedom when it comes to rights, yet no freedom of choice for education. This leads to a double standard. I just throw the observation out.

In terms of the amending formula, my leader said there was a double standard. I say there is a triple standard. There is unilateral action today if you are the Prime Minister, unanimity if you are among the premiers for the next two years and a referendum for the people who are not part of those first two groups. There is a triple standard, so let us not talk too much about standards.

I know my time is moving very quickly. However, there are many things I would like to say in terms of the bill of rights. While the language of a bill of rights is something I can accept, I have real apprehension about the dangers of entrenchment. There is a snare and delusion along with entrenchment.

I have here the constitutions of the U.S.S.R., Cuba, Chile, the German Democratic Republic and East Germany. If I had the time to read the sections I have outlined, you would hear beautiful prose about the rights of people, equality, no eavesdropping, judicial systems that are perfect and so on. The most beautiful bills of rights are in these constitutions. However, there is the strange paradox that you more often see an entrenched bill of rights in the constitutions of totalitarian governments than in other parts of the world.

Some hon. Members: Hear, hear!

An hon. Member: Just like Idi Amin.

Mr. Dionne (Northumberland-Miramichi): As in the U.S.

Mr. Nowlan: The hon. member refers to the United States. Did that bill of rights help the Japanese Americans any more than Japanese Canadians who did not have any? Not at all. Take our bill of rights, so called. Fifty-one years ago this month, women in this country finally received a constitutional status. When Nellie Murphy was appointed to the Senate, a woman was finally acknowledged to be a person and could therefore be appointed. Until that time there were no women in the Senate. They were not persons.

The Supreme Court of Canada refused to acknowledge that women were people and could be appointed to the Senate. It was the Privy Council of England which made the final decision. Now that right of appeal has been taken away. She was not a person and they made her a person.

Imagine if that situation had arisen with an entrenched bill of rights in 1929. The last real constitutional change was in 1927. We would be in the snare that is troubling the United States right now with their ERA amendment, trying to amend a constitution to make women people. Thank goodness we were able to make that appeal to England. But even without such recourse we could have done it by our own statute.

My time is very limited, so I will conclude even though there are many other things I would like to say. In terms of the bill of rights, what bothers me most is that another level of government is being established which will interpret the rights. I do not have time to review the rights. Capital punishment will be affected as will the rights of unions. Will there be boys and girls mixed basketball teams, because there is no discrimination between the sexes? Will retirement still be compulsory in many cases at certain ages? Will the Senate go on in perpetuity? There are many questions which arise.

What is important is that you cannot revise the constitution unless you reform this House of Commons. It would take a long time to convince me to go for entrenchment because under our system at the moment, we do not have the other ingredient that comes with entrenchment, a legislative sanction or review of judges. Do we want to go the American way and elect our judges? Will judges at least come before some committee of this House for questioning? Unless we start to hammer this out, we will see a real mutation take place.

The Secretary of State is not here, but other ministers heard him say at the federal-provincial conference that those who are against rights must be in favour of the pressure lobby. Do you want to litigate rights or do you want to exercise pressure and talk to your member of Parliament? The minister said at the federal-provincial conference that the option when talking about rights is to litigate or to lobby. My answer to that is, if you litigate you have to pay a lawyer. When you lobby, the legislature has a chance to vote on the problem you want changed.

How many members opposite appreciate that the Habeas Corpus Act of 1670, the Bill of Rights Act of 1689—

The Acting Speaker (Mr. Blaker): Order!

Mr. Nowlan: In conclusion, you do not build for the future by breaking faith with the past and by unilateral action. Yet that is what is being done.

Some hon. Members: Hear, hear!

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, it is an honour for me to take part in this debate and particularly to have the opportunity to follow the hon. member for Annapolis Valley-Hants (Mr. Nowlan). Maybe later in my comments I will touch upon a number of the points which he made in his spirited intervention.

I have attempted to follow the debate from the beginning. It is an interesting debate. For the most part, it has been a serious attempt by members of the House of Commons to deal with a fundamentally important matter. I hope the conclusion or the outcome of this debate will permit us to begin in a concrete way the process of constitutional renewal which we promised the people of Quebec in the course of the referendum and which, in my view, is in accordance with the deep wishes of the Canadian people.

● (1540)

Before discussing the motion put forward by the Minister of Justice and Minister of State for Social Development (Mr. Chrétien) I would like to express to him my appreciation for the difficult work he did in the course of the summer. I know he is disappointed that it did not have the same result as the previous campaign in which he participated, but I am confident that the constitutional discussions held this summer will eventually bear fruit.

I want to disagree with the cast and approach of the hon. member for Annapolis Valley-Hants. I disagree with him that Parliament in the present circumstances should not be asked to act on this very important resolution. In fact, I believe Parliament has a duty to act and it has a duty to act now in order to bring home the constitution, in order to entrench in the constitution fundamental rights and freedoms of Canadians, in order to entrench in the constitution the principle of equalization, sharing, and also to set in motion a procedure whereby a definitive amending formula can be developed, and that, too, entrenched in the new patriated constitution.

Even the hon. member for Annapolis Valley-Hants agreed that it is necessary to patriate the Constitution of Canada. It is simply not normal for constitutional acts of this country to be the laws of a foreign parliament. That abnormal situation is obviously humiliating for Canada and it is embarrassing for the United Kingdom. We are all convinced that this final remnant of colonialism should disappear from the Canadian political scene. All political parties in the House of Commons and all provincial governments agree with this aspect of the resolution.

There is obviously no disagreement on the principle at stake; there may be disagreement on the procedure. In fact, there has been an interesting shift in the debate, not only in the House of Commons but among the provincial premiers, away from substance to process. That to me is a very important development.

It is necessary also to settle on an amending formula. Every state must have some way of changing its fundamental law, and it is obvious that this requirement is even more important in a federal state where the constituent parts, the provinces and the federal government, must be involved in the constitutional changes which affect all of us.

Canadians want constitutional change; they want constitutional renewal and they cannot have that without an amending formula. That is why in my view it is necessary for Parliament to act as well on an amending formula.

It is necessary also to entrench fundamental rights and freedoms.

An hon. Member: Why?

Mr. MacEachen: One hon. member asks why. It is my view that the Canadian people, perhaps for deep reasons of their own, maybe deeper than we all can understand, want to have their fundamental rights and freedoms protected and guaranteed by the constitution. I firmly believe that this is the wish of the Canadian people, and I believe it is the duty of Parliament to respond to that wish of the Canadian people.

Some hon. Members: Hear, hear!

Mr. MacEachen: The resolution moved by the Minister of Justice provides for a Canadian charter of rights and freedoms binding upon Parliament, all provincial legislatures and all governments. Of course, the Minister of Justice in his introductory speech outlined in some detail the substance of that charter of rights and freedoms. He said:

> Some have told us that provincial legislatures are better able than courts to protect the rights and freedoms of Canadians. If rights and freedoms were to be dependent upon individual governments, there would be no such thing as rights and freedoms common to all Canadians. I believe that Canadians wherever they live in Canada should have common rights and freedoms.

That statement was made by the Minister of Justice, and I agree with the effort contained in the resolution to provide rights and freedoms that are commonly applicable to all Canadians in every part of this country.

I know there is a case to be made for parliamentary sovereignty—there is no doubt about that. I have often made the case, but I have not been as schizophrenic as members of the opposition have been on this question of parliamentary sovereignty and the rights of Parliament.

Today Parliament has been given an opportunity to deal with this great challenge and opportunity facing the future of Canada. The Parliament of Canada; the members of Parliament representing all the people of Canada, have been asked to deal with this question, yet members somehow shrink away from that opportunity and that challenge. I cannot understand

this. I cannot understand why we ought to fall into the trap suggested by persons like Premier Lévesque, that somehow the elected representatives of the people of Canada are "Ottawa guys". He repeated that last night. I do not happen to be an "Ottawa guy". I happen to be a representative of the people of an important part of Canada in the province of Nova Scotia, and I regard every other member of Parliament, not as an "Ottawa guy", but as a person who has been given a mandate by his electors to come to the Parliament of Canada and to deliberate in the Parliament of Canada, and it happens, by accident and not by the intrinsic nature of our mandate, that the location of these deliberations is Ottawa. Let us have no more talk about "Ottawa guys". Why shrink from the opportunity to deal with this important matter in the Parliament of Canada?

I believe, if I may say so, Mr. Speaker, that it is also necessary to entrench in the constitution the principle of equalization. The idea of sharing is one of the most significant features of Canada and of Canadian federalism. I hope we will do everything in our power to nourish the concept of sharing, the concept of equalization which is now proposed in this resolution. Successive governments have given support to this principle and it has led to an array of federal policies and programs which now form part of our national consensus.

• (1550)

For example, if I may use just one or two statistics to show the significance of this concept, at present, fiscal equalization, which has been a separate and distinct program since 1957-58, will require during the current year total disbursements in excess of $3.3 billion, and payments to the provinces from the federal treasury in 1980-81 will amount to $12.5 billion.

Because I think it is important, I will mention also that a theme very frequently emphasized by members of Parliament and many others during the Quebec referendum was the theme of sharing. It is also worth noting that it was the concept which received the widest consensus among the provincial governments.

I want to assure the hon. member for Yorkton-Melville (Mr. Nystrom), who expressed some concern about the wording on equalization in the resolution, that the wording conforms with a proposal, as I understand it, which was made by the province of British Columbia and which could very well have had the support of some other provinces, contrary to his impression that we have brought forward a formulation of equalization which was rejected by nine provinces of Canada.

We are firmly committed to the principle of equalization. We do not need this in order to make direct payments to individuals, as the hon. member for Yorkton-Melville implied. We do not need it, indeed, to continue the program of equalization. But we do believe it is important to enshrine this concept in a constitution of Canada so that sharing will be an important ingredient or element in the future of our national life.

Some hon. Members: Hear, hear!

Mr. MacEachen: In my opinion it is necessary for Parliament to act, for the reasons I have mentioned, to make these forward steps in the way of entrenchment of human rights, in the way of seeking an amending formula and in the way of embedding the concept of equalization in the constitution. It is necessary for Parliament to act if these things are going to be done, but I believe I can carry the argument further and say that it is urgent for Parliament to act because Parliament is the only institution in the country which is capable of and responsible for maintaining and upholding Canadian sovereignty.

All of us would agree, for example, that Parliament must act to protect the territorial sovereignty of Canada from military threat. All of us would agree that the Parliament of Canada should act to protect the economic sovereignty of Canada from encroachment by foreign powers. I suggest that this function of the Parliament of Canada is not a symbolic function. It is not just a mirage that I am seeing when I talk about the important role of the Parliament of Canada. Witness the efforts of the Parliament of Canada at the United Nations Law of the Sea Conference to secure for Canada better protection for our fisheries and sovereign rights over the natural resources of the continental shelf. A single legislature or combination of legislatures or a single provincial government or a combination of them could not achieve what was achieved by Canada in extending the jurisdiction over the living resources of the sea 200 miles offshore. That was accomplished by the Parliament of Canada and the Government of Canada acting in a way which could not be emulated by any other institution in this country.

Some hon. Members: Hear, hear!

Mr. MacEachen: I ask, why should the Parliament of Canada not be asked now to act to secure Canada's constitutional sovereignty? Parliament is the only institution in the country which represents all Canadians and also the only one which can request constitutional action from Westminster. Hon. members opposite who believe in the rights of Parliament ought to be rather pleased that they have been called upon by the government at this time in our history to reinforce the place of Parliament in our national life.

Some hon. Members: Hear, hear!

Mr. McDermid: Thank you, your holiness. That is very nice of you.

Mr. MacEachen: The Leader of the Opposition (Mr. Clark) has said that a constitution cannot be imposed arbitrarily on this nation by one individual or government. No one could disagree with that. The constitution cannot be imposed by the Prime Minister (Mr. Trudeau) or by the ministry. Action on the constitution can be taken only by the Parliament of Canada, Canadians themselves acting through their elected representatives in Parliament. I find it very strange that at this stage in our history when Parliament, which is the only institution in the country which can act this way, is being, in a

sense, put off course by comments and debating points by members of the opposition.

Indeed, the Leader of the Opposition went so far as to say that to do what we are now proposing to do would weaken the federal system. I find that to be a curious and impossible argument. I think it would be Parliament's failure to act which would more undermine our federal system at this point in time.

Some hon. Members: Hear, hear!

Mr. MacEachen: I believe that if the Parliament of Canada, our most important national institution and the only institution capable of acting for all the people of Canada, failed to act, our system of government would lose some of its credibility in the minds of the Canadian people, many of whom are watching what is going on and asking when we are going to make some progress.

I agree with the comments which have been made by the constitutional committee of the Canadian Bar Association, which stated that the entrenchment of a bill of rights and freedoms would strengthen our sense of Canadian unity. The committee said that a clear statement in the constitution of the fundamental values of Canada, the fundamental values which Canadians share, should have an important unifying effect.

The Premier of Ontario returned to the same theme at the first ministers' conference recently, and I think it is worth repeating what the Premier of Ontario said at that time when commenting upon the effect of entrenching a charter of rights. He said, and I quote:

> It is in this way, we believe, our democracy will be rooted in the consciousness of every Canadian and, we think, strengthened as a result.

● (1600)

I agree with that, because if there is, in the consciousness of every Canadian, the unshakable conviction that his rights and freedoms are beyond tampering, are protected and beyond touch, then that certainty increases the appreciation of the citizen and the loyalty of that citizen to the country.

I believe we have now in the Parliament of Canada a unique opportunity to establish in the constitution the values we all share, namely, the rights and freedoms that should be and have been an intrinsic part of our way of life. I go on to say that instead of weakening the federal system, what we are doing, in the way of mobility rights, for example, will strengthen the economic union which in my view is also an indispensable part of our existence. I would add that the entrenching of language minority rights, instead of weakening the federal system, will strengthen it by giving Canadians the right to send their children to school in their own official language where there are sufficient numbers of the minority language to justify a school. I do not think that our federal system is strong if our language minorities are not protected in our constitution. How can anyone argue that such a step is going to weaken Canadian federalism? It deals with a problem that has long been unattended and I will return to that in a moment as well.

Do not tell me, Mr. Speaker, that this proposal will weaken our federal system. The proposed resolution will reinforce federalism as well by strengthening the constitutional position of the provinces. We have heard many unhappy, sorrowful statements, as if the provinces were threatened by this resolution. They are not threatened. The contrary is the case. Their constitutional position is strengthened. For example, until we change the constitution, the joint resolution of the House of Commons and the Senate is the only requirement for constitution change. Under the resolution, provinces will be necessary participants in the procedure for constitutional amendment, and under the constitution act of 1980, provinces would have the right to initiate amendments. No final amending formula would be adopted without the provinces being consulted, and this will become a legal obligation and will no longer be based on the validity of whatever conventions may exist.

The unanimity rule for amending the constitution which will prevail for two years will also give the provinces a rather strong position. I admit readily, willingly, and without a trace of apology that the resolution provides for national referendums. I would make just two observations on that much overbruised concept—bruised by the opposition. First, the proposed procedure would not be in force for two years after enactment, so that there would be ample time during this period to reach unanimous agreement, if possible, on an alternate amending formula. Second, our proposal simply reflects the government's view that, in the end, sovereignty rests with the people of Canada.

Some hon. Members: Oh, oh!

Mr. MacEachen: I am ready to take my stand anywhere in this country in saying to the people that if governments, federal or provincial, fail after a serious and determined effort, I would be prepared to give the resolution of that deadlock or failure to the people of Canada.

An hon. Member: It does not say that.

Mr. MacEachen: That is a very strong Liberal position to be taken at this present time.

An hon. Member: Phony!

Mr. MacEachen: I believe also that the resolution will bring major benefits to the people of Canada. Last August I was invited to address the final event in the three hundred and seventy-fifth anniversary celebrations of the settling of the Acadians in Nova Scotia. Three hundred and seventy-five years ago the Acadians came to my province and to other parts of the maritimes. There we were in a thriving Acadian community, Cheticamp, in the northern part of Inverness County, celebrating what I thought was a marvellous anniversary because here was a culture still living, a language still spoken, and all the attributes of life, vigour and confidence. They had survived just barely—I could say more about that—over the years and they have had to survive in all those years within a basically standardized Anglophone educational system. That is what happened.

I do not want to rehearse history, but I am delighted that this particular resolution will provide to the Acadians in my constituency in the counties of Inverness, Richmond and Antigonish, the opportunity, if the parents so wish, for children to be educated in the French language. They will have legal recourse if this venture, this enterprise, succeeds, a right which has never existed in the past. I find it very difficult as a representative of those Acadians not to be deeply touched at the opportunity I shall have when this motion comes to the vote to stand in this House on their behalf and, I hope, by this act of Parliament vindicate their patience and their confident expectation that ultimately justice would be done.

Some hon. Members: Hear, hear!

Mr. MacEachen: Mr. Speaker, I want to say a word about another matter which, while of great interest to Canada as a whole, is of particular interest to the Atlantic provinces, namely, the resource question. The NDP has indicated its support for the motion depending on what we do on resources.

An hon. Member: Not all of them.

Mr. MacEachen: I say to my old friend and my young friend, the hon. member for Winnipeg North Centre (Mr. Knowles), that the NDP have never stopped trading—the party is still trading, and here they are again. That is all right, someone else is dealing with that particular aspect of the discussions, but I want to say a word about the question of offshore resources. During the constitutional talks this summer and during this parliamentary debate it has often been suggested that offshore resources should be treated like onshore resources. What this contention simply ignores is that offshore resources are different. Through international negotiations Canada acquired for all Canadians, not only for the residents of the coastal provinces, sovereign rights over the continental shelf for the purpose of exploring it and exploiting its natural resources. I emphasize the fact that Canada's boundaries, Canada's territory, has not been extended, although there are certain persons and groups who believe Canada's boundaries and territory have been extended and that therefore it gives us an opportunity to extend the boundaries of the provinces. There can be no question of extending the boundaries of the provinces since the boundaries of the country as a whole have not been extended. But we have sovereign rights over the continental shelf for the purpose of exploring it and exploiting its natural resources.

● (1610)

It is interesting to observe that at the same time several provinces are arguing that they should have complete control over offshore resources, the international community has accepted the principle of sharing the wealth of the high seas among all countries, not only among coastal states. While all the premiers in Canada would apparently reject the notion that our offshore is part of the heritage of all Canadians the concept of the common heritage of mankind has been accepted internationally, as far as the international seabed is concerned.

Some hon. Members: Hear, hear!

Mr. MacEachen: What an irony! It is a fact, and it is ironic as well. But I will not pursue that line except to say that given the economic situation in Atlantic Canada and the importance of offshore mineral resource development for the residents of that region and despite our legal position, the federal government nonetheless made what I consider to have been a very reasonable offer to the coastal provinces at the first ministers' conference. During the constitutional discussions the federal government proposed that until they become affluent coastal provinces receive the same kinds of revenues from offshore resources as are derived by provinces with onshore resources. After that point the revenues would be shared with all Canadians.

The Prime Minister did say during the first ministers' conference—and I think it is worth repeating—the following on this point: the federal government believes that when a province grows wealthy enough to stand on its own feet it should then begin to share its wealth with the rest of the country. That is the vision of Canada we are offering to Canadians, one in which we all grow strong by helping each other. And that is another proposition I would be prepared to stand on in any part of Canada, including my own province of Nova Scotia.

Some hon. Members: Hear, hear!

Mr. MacEachen: I do not wish to say anything further, except I would not like the occasion created by the failure to agree at the constitutional conference to be used to foster alienation in the province of Nova Scotia on the question of the offshore because there is no basis for building the feeling of alienation which seems to be embarked upon at the present time in my province. The fact of the matter is, I have before me some statements from the Premier of Nova Scotia and, later, from a member of the delegation, saying that the province of Nova Scotia recognizes that the federal government has an important role in the offshore, that intensive negotiations have taken place between the Government of Canada and Nova Scotia, that there is a wide area of agreement and that the province and the Government of Canada were close to an agreement and that, indeed, the expectation was expressed that an agreement would be reached. I want to say, Mr. Speaker, through you to the House of Commons and elsewhere, speaking about the situation in Nova Scotia, that the reasonable offer made by the Government of Canada at the first ministers' conference was such that it almost resulted in an agreement with the province of Nova Scotia and I have no doubt that if all the other elements had fallen into place there would have been a clear, firm agreement between my province and the Government of Canada. We ought to build on that situation into the future, in Nova Scotia rather than embark upon a fruitless and unproductive effort to create alienation and build up resentment against the Government of Canada where there is no basis for such resentment to exist.

I see I am drawing close to the end of the time allotted to me for my remarks. Before concluding I would like to thank

members of the House for giving me close attention and for listening to what I have said in this debate. I hope other members will have an opportunity either now or in committee, or later on when the report comes from the committee, to express their opinion on this all-important subject. What we are doing is asking the Parliament of Canada to act on this resolution because it is the only institution in Canada that is capable of acting. We are asking the Parliament of Canada to act because it was not possible to reach an agreement with the provinces at the first ministers' conference. Yesterday, at the conference of provincial premiers in Toronto, it was evident that even the ten premiers could not agree among themselves. Is disagreement and inaction to be the permanent formula in the constitutional field? We say no. We say we have tried. Disagreement is continuing and it is now time to move. May I say in conclusion, maybe as a footnote to irony, that I could hardly believe my ears and eyes this morning when I heard and read that the premiers of the provinces were going to the courts, that they were taking what ought to be a political debate and political battle for the minds and support of the Canadian people to the courts for settlement. That from a group who argued for a whole day during the first ministers' conference that it was inappropriate to entrust the fundamental rights and freedoms of Canadians to the courts.

Some hon. Members: Hear, hear!

● (1620)

Hon. David Crombie (Rosedale): Mr. Speaker, I too would like to make the point that I welcome the opportunity to be able to speak on this matter. As one who was able to spend some time throughout the summer and, indeed, over the last month or two on the matter of the constitution, I do not mind saying that it has been a most difficult subject with which to deal from our side of the fence. There are some good reasons for this situation.

First of all, most of my constituents are concerned about jobs, inflation, budgets, pensions and medicare. Those are the things which bother them on a daily basis and which will bother them in the near future. They realize this and they want to know why we are not dealing with these matters. Second, much of what they understood of the constitutional debate came to them through discussions either by the federal government or through debates between the federal government and the provincial premiers. Much of what would engage their attention in those discussions did not seem to bring them directly into considerations as to what issues are at stake.

The third reason for the situation is that the people were faced with what I can only call the $6 million man, the Minister of State for Multiculturalism (Mr. Fleming), who was able to take the constitutional matters before this country and reduce them into the most simplistic terms possible, the kinds of terms which would sell pancakes, cornflakes or any other commodity.

I have found it much easier in the past few weeks to deal with the constitution because the people in the riding of Rosedale, and I would venture to say in the city of Toronto and metropolitan Toronto, with whom I have been in touch, are finally beginning to understand that there is more to the proposal than meets the eye. It is not merely the desire on the part of everyone to bring home the constitution. Every Canadian would like that to happen. But that is not what we are doing; that is only what they were told we are doing.

Once one gets that clear, and into the constitution itself, they realize an old truth, which is that constitutions are indeed very important to them. Changes to constitutions change the relationship between people, between governments and between people and governments. Unless those changes are rooted in principles upon which we agree, then we will not have either social or economic stability in this country. Until we have social and economic stability through the constitution we will not be able to deal adequately with problems related to inflation, jobs, pensions, medicare and all those things which affect people directly.

During discussions with my constituents and other people in Toronto, we have an interesting time because we try to remember much of the history which we were taught so that we can understand the proposals that are before us and what might be good for the country in the future. Constitutional proposals can get very complicated, but the principles behind those proposals and, indeed, behind the Constitution of Canada, are not complicated. There are five fundamental principles which animate and organize the Canadian constitution. I would like to deal with those five principles because I want to measure the proposals from the government against them.

The first principle is that of national union. I emphasize this because very often we forget that the first purpose in 1867 was to organize a national union. Indeed, the wording in the British North America Act is never "confederation" but "union". There is no doubt that when the British North America Act was organized from 1864 to 1867, the fathers knew, or felt at any rate, that they were creating a new nationality. Let me offer a few short quotes to show what people in those days felt they were doing when it came to national union. D'Arcy McGee said:

> I hope to see the day . . . when there will be no other term to our patriotism, but the common name of Canadian, without the prefix of either French or British.

Cartier said:

> The great object and the great question was whether there could not be any means devised by which the great national fragments comprised in each of the British American provinces could be brought together and made into a great nation.

A new nationality meant something that had not existed before, something obviously different from the old status of a British colony. Colonel Gray of Prince Edward Island said that it needs no prophet to foretell that the day would come when we would take our place among the nations of the world.

The library in our Parliament abounds with quotations to explain that we were not only dealing with the regions and the provinces. Indeed, as someone from the other side of the House said, "We are more than the sum of our parts". This country is

more than the sum of its parts and the first principle was national unity.

I emphasize that it was a national union organized by Canadians. One of the things which bothered me about the advertising of my old friend, the Minister of State for Multiculturalism, was the assumption that somehow the confederation and constitution under which we have lived all these years was made by somebody other than Canadians. It not only offends me because it is wrong, but because it is not helpful. Most people do not understand their own history and if that history is distorted, then it hurts the chance of people understanding what the changes will mean to them.

In fact, there were only two changes to the constitution suggested by the British Parliament at the time. One dealt with the Senate and the other dealt with the name of Canada. The Fathers of Confederation wanted to call it the kingdom of Canada and the British felt that this would upset the Americans so they settled on "dominion".

The second principle is, in a sense, almost the reverse of the first because it dealt with an entirely different reality of Canada. Not only were we building a new nationality, but we were also making sure that the old allegiances were maintained and nurtured. That is why in section 92 of the British North America Act all the exclusive powers of the provinces are listed. The second principle is security of provincial powers. It is important that we recognize why the Fathers of Confederation went to that trouble. The regions and provinces in Canada have their own particular role to play. It is the sense of identity which is brought to the people living in those regions. I remember reading an essay some years ago by Northrop Frye who was looking at the mandate for the Canadian Broadcasting Corporation at the time. The CBC is charged with the responsibility of maintaining programs in order to further the unity and identity of Canada. Frye pointed out that for the most part unity and identity in Canada are different things, that unity, obviously, means central but identity is most often local.

Indeed, when it comes to the arts, culture, writing music, writing poetry or expression, there is something "vegetable" about it as Frye said. It needs a local environment in which to grow. That does not only apply to Canada. There are no "American writers"; there are writers from New England, writers from the south, writers from Manhattan and southern California. If one goes to Britian, the writers are either from South Wales or from some other section. Imagination about the kind of culture in which we live is rooted in the locality. Attention to the difference between these two principles is fundamental.

The third principle deals with parliamentary government. The preamble says we intend to organize in Canada a constitution similar in principle to that of the United Kingdom. People in those days knew what they meant when they said "united kingdom". If one looks at a book called "The Constitutions of Nations"—which, by the way, I picked up at the Cabbagetown library, one does not find Canada in there.

• (1630)

Under the heading "Constitutions of Nations", in the reference to the United Kingdom we find: Magna Carta, 1215; The Petition of Right, 1627; Bill of Rights, 1688; The Act of Settlement, 1700; Acts of Union, 1707; Parliament Act, 1911; Supreme Court of Judicature Act, 1925; and Statute of Westminster, 1931.

A number of others are also mentioned. When people at that time talked about the third principle, that being the parliamentary system or parliamentary government, they knew they were talking about self-government, free institutions and the Crown. That is what it meant to them.

Most important of all, what it meant to them concerned the common law. The best definition of what it meant to them that I know of is given by Dicey. He said that with the British, and indeed, with the British parliamentary system, the law of the constitution, the rules which in foreign countries naturally become part of the constitutional code, are not the source, but are the consequence of rights of individuals as defined and enforced by the courts.

What Dicey was saying—and it is very imporant—is that in the common law the constitution is not the source of rights; the constitution, in fact, is a consequence of those rights already existing. That means they cannot be taken away. We do not have to be beholden to a federal government to give us rights.

Some hon. Members: Hear, hear!

Mr. Crombie: The source of those rights is more than 1,000 years old; the source of those rights is something that can be recorded in a constitution. It galls me, Mr. Speaker, to hear people say that somehow a government is giving rights to the people. Governments do not do that; rights belong to people and they can either be protected or not protected. That is the significant difference.

The fourth principle has to do with the protection of rights. A moment ago I spoke of the way the common law was dealt with and the role it played in the parliamentary system. There has been a lot of discussion about whether it is better to have entrenched rights or common law rights. Personally I favour common law rights. Someone once said the choice is between judges and politicians, but someone wiser asked: which judge, which politician? There are some politicians that I would trust and others that I would not. I think it is important to recognize that in Canada we did not settle solely for the British system of common law, nor did we adopt only the civil code in the tradition of what was then the province of Quebec. In the old Canadian way, we used both.

The fourth principle, the principle of the protection of rights is done in two ways in this country, Mr. Speaker. First of all, it is done through the common law. The rights of Canadians in the common law are also entrenched, if you like, in the constitution—in the British North America Act itself.

I am not a lawyer, Mr. Speaker, but I would refer you to the Supreme Court Reports 1938 where a case involving the courts in Alberta is reported. In a statement, Chief Justice Duff gives

credence to the argument that so long as the word "parliament" is used in the constitution, there you have the bill of rights—the bill of rights that is 1,000 years old.

The argument that somehow there is a split between entrenchment and common law is an artificial one. First of all, we find in the British North America Act the ancient rights arising throughout the centuries of common law. Second, when we wanted to deal with rights which were peculiar to the Canadian experience, we spelled them out in specific sections. We entrenched those as well.

Let me give some examples. Section 133 writes into the constitution language rights with respect to the French and English. Section 92(12) and section 93 deal with religious rights. Section 92(13) deals with property and civil rights. The civil code in Quebec is protected through exclusion by section 94. Democratic rights are also found in the British North America Act as is representation by population which is guaranteed by section 51. An independent judiciary is guaranteed by section 99. An annual session of parliament is guaranteed by section 20.

I cite those elements because it bothers me that somehow we have tried to divide ourselves on the question of whether we support the common law or support the courts, and entrenchment of rights into the constitution. The tradition of this country is that we do both and both are clearly important to us. The reason is that the principle of the protection of rights is always rooted in two important considerations: the first is equity and the second is security.

In the British North America Act we find the ancient language of the Quebec Act of 1774. At that time people talked about property and civil rights. That act is now 206 years of age but it guarantees freedom of religion, legal rights and property and civil rights. The same language was used in 1867 as was used in 1774. I emphasize those historical facts, Mr. Speaker, because they are a cut above the argument that what we are doing is making the constitution ours and making it work with some silly slogan.

The fifth and final principle is the principle of consent and consensus. Those who read the literature regarding the confederation debates and the whole process of confederation are struck by the fact that it was a process of people trying to organize something together in terms of the relationships between governments. They started off with more than 130 resolutions, reduced that number to 106 and then to 72. Finally, it was put into law. In the whole process, from Quebec to Charlottetown to London, they tried to find out not what divided them, but what they could agree on. That is very important because they were not only agreeing on the resolutions that went into the British North America Act; they were creating a unique political style and a unique political tradition, that is, the Canadian tradition.

We are the only country in the whole of North and South America, that did not experience a violent break with its past. We are the only country in North and South America in which there was no revolution to create a constitution under which we could live together. The tools of the Canadian constitution were not guns, not lines drawn on a map, not division; the tools were toleration, civility and compromise. That gave us consensus, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Crombie: The fundamental operating principle of this country is exactly that.

There have been many changes since 1867 but those five principles are bedrock. They are: first, the principle of national union; second, the principle of security of provincial powers; third, the principle of the parliamentary system; fourth, the principle of the protection of rights, and fifth, the principle of consent and consensus.

No constitutional change should pass this House that does not accord with those principles.

Some hon. Members: Hear, hear!

Mr. Crombie: I challenge anyone in this House, or indeed anyone who is interested in constitutional change, to say that those principles are not the principles that govern this country. They are the principles that govern this country. Let us measure them against the resolution from the government. First, let us get the question of patriation out of the road. There is no one in this country—other people have said it—who does not want to have the constitution brought back home. If hon. members would take a look at the book called "Constitutions of Nations," I borrowed from the Cabbagetown library, they will see that Canada does not appear in it. All kinds of other countries are mentioned. Here is Cyprus, for instance. But nothing on Canada. There is not a Canadian alive who does not want the constitution back home. The government in its resolution has capitalized on that feeling. What it has done is to give the impression that all it is about is bringing the constitution back home. But that is not what the government is about. Mr. Speaker, the people of Rosedale riding, and, increasingly, the people of Toronto are beginning to catch on to the game. They know there are far more serious things happening than simply bringing the constitution back home.

● (1640)

First, this resolution offends the second principle of the protection of the security of provincial powers. If one looks at the amending formula—and by the way, there are a number of options to choose from; there is one which provides an opportunity for every province to agree. If the government really wants to patriate the constitution, it can, and it knows it. But one would almost swear the proposal that has been used was designed to create division and discord. I tell hon. members to look at it. First, as I say, it offends the principle of the security of provincial powers because it is imposed. That is not the spirit of 1867. It is not agreed to by anybody, except one. It is imposed. That is the first reason we do not like the amending formula.

Second, it creates two classes of provinces in this country. Not one any more, but two. Most of all it affects the west. For

years the west has assumed that central Canada had treated them as second-class citizens and as second-class provinces. The formula here, the 25 per cent rule so called, means that no matter how much the west grows, no matter how much the province of British Columbia grows—I use British Columbia as an example—and how much Ontario or Quebec does not grow, British Columbia or the west will still not be able to stand four square with the two central Canadian provinces. That is the fact of the matter.

Some hon. Members: Hear, hear!

Mr. Crombie: There is no other way one can describe it. I can tell you that in Toronto there is not one person I know who says you ought to have an amending formula which says there are two kinds of provinces. There is one kind of province.

Some hon. Members: Hear, hear!

Mr. Crombie: To add insult to injury, to then argue that if you cannot get your way you are going to go behind governments to create a referendum means an even bigger problem. What we are saying to the west by this resolution is that not only will it be imposed, not only will the west be second class no matter how much it grows in population, but third, that if they do not like what we do we will conduct a referendum on our terms with our money—probably the Minister of State for Multiculturalism will be funding the advertising.

With respect to the principle governing security of the powers of the provinces we have the equalization formula. It is astounding to hear the Minister of Finance (Mr. MacEachen) talk as though he invented it. In fact, the equalization principle in this country was something on which we all agreed. Certainly the province I come from had an opportunity to give for years. I might add there are a lot of other provinces, I will come to them in a moment, which would like an opportunity to give rather than to receive. The hon. member for Yorkton-Melville (Mr. Nystrom) touched on the matter of equalization. A principle which was meant to bring provinces together is now being used by the government in this resolution as a club to divide them. That is the irony in all of this. I know when it comes to the Premier of Saskatchewan with whom I gather the Prime Minister (Mr. Trudeau) is having discussions, that the Premier of Saskatchewan will not be bought off by any concession affecting natural resources only however great a concern they are to Saskatchewan and, indeed, every other province. The Premier of Saskatchewan and all other premiers from the west know they cannot accept a bargain and trade natural resources for second-class citizenship.

Some hon. Members: Hear, hear!

Mr. Crombie: The second principle this offends is the principle of the protection of rights. I am sorry the Minister of State for Multiculturalism is not here because I had an opportunity last week to read in the *Toronto Star* and other newspapers his reasons for supporting entrenched rights. He said in this House:

> The end of such democracies as Chile and Greece began, as in Hitler's Germany, with violations of human rights no worse than we have known here in Canada.

That is terrific, Mr. Speaker. I want all hon. members to think about that; Hitler's Germany is no worse than we have known here in Canada. This is an argument for having entrenched rights, by the way. I happened to look up the constitution of Chile and the constitution of Greece. They both have entrenched rights, and so did Nazi Germany.

An hon. Member: And so does Russia.

Mr. Crombie: That is bad enough, but I thought "that is part of the politics of it all." Then the minister made a speech in Toronto. He said this:

> We need an entrenched bill of rights because we have had attacks on East Asians in Toronto, and in one western province alone we have had recently four crosses burned on the lawns of West Indians and Asians who have come to Canada. We need it so all Canadians in this country will know that we all weigh the same on the moral scale.

The evening this was reported I watched on television the reactions of a number of people following the slaying of six citizens in the city of Buffalo. I listened to Jesse Jackson talking about the problems of black people there. Not once did he mention that entrenched rights would help them. He talked about a great number of other things that would help them. If the Minister of State for Multiculturalism is really interested in racism in Toronto, he might want to find out what Jesse Jackson had to say. To use racism as an argument for entrenched rights is sick. It is sick, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Crombie: Those of us who have dealt with the problem for a long time, like the hon. member for Spadina (Mr. Stollery)—I know how he must feel—

Mr. Stollery: I rise on a point of order, Mr. Speaker. Would the hon. member permit a question?

Mr. Crombie: I would be happy to answer at the end of my remarks.

In dealing with the principle of the protection of rights, one has also to look at language rights. It seems to me language rights are part of the whole dialogue between French Canada and English Canada and what the referendum in Quebec was all about. So I wonder whether or not we still have a long way to go in paying the debt for the confederation bargain. It seems to me that some of the ancient inequities have not been dealt with. I am impressed by the fact that not only does Premier Lévesque have no interest in saving federalism—indeed he has an interest in making sure it does not work—but Claude Ryan, the leader of the Liberal party in the province of Quebec, who fought very hard to make sure that federalism worked, is also opposed. That is another worry.

● (1650)

With regard to native peoples, if you read sections 24, 15 and 6 together and you happen to be an Indian in this country,

you are bound to feel great concern. What of the future of land claims under sections 24, 15 and 6? Are there any rights left for non-status Indians and Métis? How does the mobility clause apply if you move off the reservation?

Before the United Nations today there is a case charging Canada with a human rights violation revising from the Indian Act. If one reads it, one can argue that the Indian Act is not amendable in relation to those sections. Therefore, Indian women in this country will be condemned forever to be second-class citizens. That is why native people are opposed to it. It is no secret.

New Canadians are supposedly a concern for the Minister of State for Multiculturalism. We are now going to have two classes of immigrants. That's for sure. Nobody denies this, not even the government. By the way, new Canadians, ethnic and cultural groups in this country, are not fooled. Maybe they were for a little while. However, they came from countries where talk about rights is high and delivery of rights is low. They do not need to be told it is good for them. They know better.

The third and final principle which this resolution offends is perhaps the most serious of all, the principle of consent and consensus. This country works, not because of its constitution or its laws, but because it is stable. There is a stability about this country which we have enjoyed for years. Each generation has enjoyed that old-fashioned concept of stability. Maybe it is not too sexy and does not fit into the advertising very well, but stability is what most people are looking for so that they can get on with their own lives. We jeopardize that stability at our own risk.

When a resolution comes before the House which offends the ancient principle of the protection of provincial powers, the protection of rights and the principle of consent and consensus, there is no course open to Her Majesty's loyal opposition but to oppose it.

Some hon. Members: Hear, hear!

Mr. Crombie: Patriate the constitution. We hope the government will patriate the constitution according to the Vancouver formula. Everyone agrees with that. Bring it home, we will pass it in one day. When it comes to rights and how we are ultimately going to amend the formula, that is for Canadians to decide. Canadians decided on the last constitution. I do not know why the government wants to let the Brits do it 100 years later.

I will read one last citation. In 1964, a recognized expert of the time wrote this. I will read it fairly slowly because it is important.

> Federalism is by its very essence a compromise and a pact. It is a compromise in the sense that when national consensus on all things is not desirable or cannot readily obtain, the area of consensus is reduced in order that consensus on some things be reached. It is a pact or quasi-treaty, in the sense that the terms of that compromise cannot be changed unilaterally. This is not to say that the terms are fixed forever; but only that in changing them, every effort must be made not to destroy the consensus on which the federated nation rests.

The author was then a professor in Montreal, Pierre Elliott Trudeau. I prefer the Pierre Elliott Trudeau of 1964 because between the Pierre Elliott Trudeau of 1964 who could write and understand those words and the Pierre Elliott Trudeau of 1980 lies a long journey of the corruption of power. That is why we oppose.

Some hon. Members: Hear, hear!

Mr. Stollery: Mr. Speaker, the hon. member who just spoke said that he would accept a question from me. It refers to the point he was making about racial problems in Buffalo. Does the hon. member agree that it was in fact the United States supreme court's interpretation of the United States constitution which allowed black school children, backed by the United States attorney general and the national guard, to desegregate schools in Arkansas and Alabama in spite of opposition by elected state politicians?

Mr. Crombie: Quite so, Mr. Speaker, I am not quite sure what the hon. member would like to prove by the point. It is historically correct. I might add that those schools were constructed during the time the bill of rights was still in force.

• (1700)

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Mr. Speaker, I am pleased to take part this evening in the debate on the motion to defer that very important resolution to a joint committee of the House of Commons and the Senate. I am all the more at ease to support the constitutional endeavour of the government since on July 5, 1977, as recorded in *Hansard* on page 7350, I delivered a speech in the House during a debate on national unity well before the referendum and I clearly suggested then that we should act unilaterally to patriate the constitution and I quote:

> We will have to accompany the unilateral patriation with a temporary amending formula providing for unanimous consent to change sections of the constitution which cannot be changed now in Canada without the unanimous consent of the provinces, while waiting to find more flexible and comprehensive means to amend our constitution;

And further on, I added:

> This federal declaration of principles—

—which I thought should be attached to our unilateral procedure of patriation—

> —accompanying the unilateral patriation of our constitution, would thus clarify the intention of Parliament and the Canadian Senate concerning the rights of French-speaking people, minorities, individual freedom and regional disparities in Canada.
>
> This clear and official declaration, accompanying the great symbolic affirmation of our constitution patriation, would influence and induce those attitude changes I have already mentioned and which are so desirable, even necessary for Canada's survival.

Mr. Speaker, in light of the fact that we have been through two federal elections and one referendum in the province of Quebec and that more than two and a half years have passed

since then, you will understand why I claim today that it is even more urgent and more necessary that we proceed the way we do. I have not changed my mind. On the contrary, I believe it is urgent, very urgent for the protection of our national unity that we proceed as soon as possible, and that we take our responsibilities as the Government of Canada and I hope that following this debate in Parliament, that is in the House of Commons and in the Senate, Canadians can at last take their constitution home and put in it what they want and need.

Mr. Speaker, I wish to make my remarks today in as simple a tone as possible. I am aware of the fact that our institution has evolved as far as procedure is concerned and I hope it will keep doing so; its most recent leap forward was the recognition of the right to broadcast our debates.

And I am aware that when we rise in this place it is sometimes difficult to convince some of our friends on the other side and it is indeed very difficult and very impersonal to try and rally people who have already made up their minds and do not want to change. However, we must also be aware, indeed it is our role and duty that when we speak in this House we address all Canadians. Since the live broadcasting of debates, Parliament is now closer to Canadians and I want to take this opportunity to try to answer once again as simply as I can two questions that people ask themselves, at least those people I have met here in Ottawa since the beginning of this debate, in my riding of Drummondville, in Montreal and elsewhere where I had the opportunity to go recently.

Mr. Speaker, there is no doubt that the average Canadian who goes about his daily chores, who goes to work, who watches the world series on his TV and is concerned by economic rather than constitutional matters, it is understandable indeed that the large majority of Canadians are not experts in constitutional matters; even, as a lawyer, as a member of this House, as a minister, I do not claim to be an expert on constitutional law. However, there are facts which are ever so present to us, facts we know so intimately as parliamentarians and which it is our duty to recall and explain to the whole population. It has happened and it still happens too often, unfortunately, that in major debates a short part, a section or a chapter is taken out of a whole and interpreted subjectively, even though in good faith, and often misinterpreted. There is the danger in taking out a part from a whole context. Often the debate dwells only on some parts of a legislation of a project or a whole measure put before Parliament. It is at that point that it gets boring for the public and that it gets incomprehensible for the average citizen because all too often we are inclined to take for granted that people know all about what is untold and that we can go and deal directly with a given point and comment on it. So here is what I am going to do. I will simply answer the two following questions. The first I was asked was what exactly is the Canadian government trying to do? And, second, why are we trying to do it now? Those are two very straightforward and very simple questions which the immense majority of Canadians is wondering about.

To respond to the first question dealing essentially with the very nature of our constitutional process, both in substance and form, what does the federal government mean to do? My reply is this: It means essentially to do four things. First, patriate the constitution. Canada is the only independent country in the world which must seek permission from the parliament of another country, namely, the British Parliament in London, England, to amend its own constitution, which is an aberration, an anomaly, which has already lasted too long, and it is time to take the necessary steps, out of sheer pride and dignity, to bring home the constitution, which must lead all of us is long overdue.

The purpose of patriation is therefore to bring home our constitution, so that we may discuss and amend it in Canada without having to deal with the government of a foreign country. That is the first thing to do. So, everyone here agrees. Everyone says it is great, it is perfect—one cannot be against good, or God—patriation is an excellent thing, everyone is in favour of it. Yet, how strange, when everyone agrees with it, that everyone should find all sorts of excuses often procedural rather than fundamental, to obstruct that most important initiative.

The second of the four points is that of enshrining the charter of rights, but I shall come back to that later. The third point is that of including in the constitution a clause enshrining the principle of equalization and the fight against regional disparities. Finally, the fourth point is that of finding, sometime in the future, a mechanism to enable us to amend the constitution without, in every case and to the end of time, having to obtain that infamous unanimity which, as we have seen, is impossible to achieve in as diversified a country as ours.

So, patriation, I have already said so, is an act of dignity. It takes self-respect to say, Listen, after 113 years and especially after 53 years of sterile attempts, which have led to nothing but dead ends and confrontations which often do more damage than good to the unity of the country and our mutual respect, it is high time we acted and got our constitution. This is a great North American country, in 1980, and we are quite capable of amending our constitution on our own, without requiring another country's permission to do so.

The second point is that of enshrining a charter of rights. Mr. Speaker, seven categories of rights and freedoms are to be included in our constitution. And I dare any constitutional expert, any lawyer who specializes in common law. Nuances were being made a while ago to justify the obstruction to our constitutional initiative; it was said that distinctions must be made; that Canada has lawyers who deal only in common laws; that there are lawyers in Canada who deal only in civil law and that, contrary to civil law, common law does not necessarily have its code with articles. Those legalistic

nuances, those legal fine points, have no place here in the discussion of the constitution of a country.

Mr. Speaker, we want to include in the constitution a charter of rights to guarantee and protect the fundamental freedoms and rights of Canadians. What are those rights? There are seven categories of rights. The first category comprises the fundamental freedoms, and I want to enumerate them because, as I said a moment ago, what ordinary people think about that, what they read in the papers is the word constitution, the word patriation, and also the word unilateral and the term charter of rights, but we will tell them what those rights are. The first category of fundamental freedoms we want to see enshrined in the Constitution of Canada are quite simply the freedom of conscience and religion, the freedom of thought, the freedom of opinion, the freedom of the press, the freedom of information, the freedom of association and the freedom to hold pacific meetings. What is wrong with the fundamental freedoms of Canadian citizens being protected forever by the Canadian Constitution?

● (1710)

People are asking themselves the question and they are told that this is what we want to do. We want it to be protected so that legislatures will not be able to tamper with it depending on the government of the day. It must be entrenched in a definite manner into a constitution which cannot be amended without the consent of a majority of provinces, as I will explain later, and that of the federal government.

The second category of rights we want to have entrenched in the constitution deals with the democratic rights that we are all aware of but that are seldom mentioned although they are fundamental. I am talking of the sacred right of citizens to vote in Canada and to be elected. Anybody in Canada who meets the normal few criteria set in a democratic society has the right to be a candidate, to become the elected member of his riding and to be its representative in the Parliament of Canada. It is one of the great advantages of our system and there is absolutely nothing wrong, indeed it is desirable that this kind of right be well entrenched in the Canadian constitution.

These democratic rights also include the duration of a Parliament. People will now have the assurance, written in the Canadian constitution, that elections will be held at least every five years and that Parliament will have to sit at least once a year. The other category of rights to be included in the constitution concerns the freedom to move to and settle in any area. It is quite essential that every Canadian, in whatever province, have the right and the freedom to enter and leave any province when he wishes and that every Canadian from whatever area and whatever province be entitled to earn his living in any province without being penalized and without being the victim of any discrimination. This is another category of rights which we want to see entrenched in the constitution and which protect Canadian citizens without penalizing the provincial governments.

The legal guarantees, the right to life, the right to freedom and to security, the right to protection against abusive searches, against unjustified detention and imprisonment, the presumption of being non-guilty, the right to have the assistance of a lawyer and to be tried within a reasonable time are all basic rights which should be entrenched in the constitution we want to patriate.

The other category of rights mentioned in the resolution concerns non-discrimination. We want everyone to be equal before the law, to have equal protection regardless of sex, colour, age or religion. This is a fundamental and current concern. As recently as last evening on the news, we heard about an obvious case of sexual discrimination. This case concerned a husband who was deprived of his right to deduct a pension that he paid to his children for income tax purposes even though this right is recognized in the case of the wife. Because he was a man, he could not benefit from this tax privilege. This is why our Human Rights Commissioner, Mr. Gordon Fairweather, has said that he himself is in favour of entrenching these rights and freedoms within the Canadian Constitution. I am happy to see that Mr. Fairweather has expressed his opinion publicly on this matter because he has a lot of credibility in this field in his capacity of chairman of the Human Rights Commission. Last evening, on the news, he stated his position very clearly and publicly when referring to the case I have mentioned. I think it is essential that the fundamental rights and freedoms of all Canadians be entrenched in the constitution. Indeed the Commissioner of Official Languages, Mr. Max Yalden, also said the same thing.

Mr. Speaker, another category of the most fundamental rights which will be entrenched in the constitution concerns the official languages of Canada, and for the first time in the history of this country, I am surprised and disappointed that so few Quebeckers recognize this fact, Mr. Speaker. For the first time in our history, instead of having a simple bill or a simple federal legislation, the status of the French and English languages will be defined in the Constitution of Canada as being both official languages equally recognized everywhere in Canada. This is fundamental. People seem to forget too often that Canadians have the right to communicate with their federal institutions in their own language when their numbers warrant. That is essential. It is now guaranteed under legislation, but it will be much more secure, no one will be able to change it, it will be compulsory and all Canadian legislatures will have to comply for the greatest advantage of all Canadian citizens. Both the French and English languages will have a status of strict equality everywhere in Canada and that must be emphasized because it will be part of our project, of our constitutional initiative.

The other one, the seventh category of rights that we want to enshrine in our constitution is very important, and would ensure the right to education in the language of the minority. Mr. Speaker, I participated in the campaign with my colleagues and some members on the other side of this House, were saying to the people in the last referendum in Quebec: If you vote no to sovereignty-association, we are going to renew federalism and particularly we guarantee that we shall do our utmost to protect minorities outside Quebec. I am one of those who, in Quebec, criticized Mr. Lévesque and his supporters for choosing a selfish option, an option which completely ignored one million Francophones outside Quebec and the kinds of territorial withdrawal he proposed and still supports, even if his project is delayed for four or five years for electoral purposes, seemed unfair to me and I found really inhuman to abandon and ignore, when you are the premier of a province, almost one million French-speaking Canadians who deserve more from a government that pretends to protect the French language in the province of Quebec.

Yet, today, in this constitutional process, Mr. Speaker, we are protecting Francophone minorities outside Quebec as we are also protecting Anglophone minorities in Quebec for educational purposes. Canadian citizens will be entitled to send their children to the school of their choice everywhere in Canada and this is essential. And the basic purpose of section 23 of our project which is before the House is strictly to protect minorities who already have Canadian citizenship. This is essential.

Mr. Speaker, when we summarize what I just mentioned in the second stage of our process, that is to say the inclusion of a charter of rights while patriating our constitution, we realize that those seven categories of rights are essentially basic rights, and freedoms. Of course, the titles of the document say so, but it is important to repeat it because it has not been mentioned very often in this debate. We hear more about procedural matters. We hear more about referendum, committee, delay in committee, respect or non-respect for Parliament, legal action, but the ordinary citizen deserves and has a right to know that our proposal involves directly his freedom, his dignity and his basic rights.

And that is why I did go to the trouble and took the time to insist on them, to detail them and to extract them from the proposed resolution we are discussing here today. The third essential element in our constitutional procedure is the insertion of a section to entrench the equalization principle, and God knows that as a member I am supporting the fight against regional disparities. I come myself from a region which had a low rate of economic growth before the creation of the Department of Regional Economic Expansion, and I am proud to say that since 1969, about 4,000 new jobs have been created in my region alone, in my federal constituency of Drummond, thanks to the application of a principle in which this government deeply believes and wants to enshrine in the Canadian Constitution, the principle of the fight against regional disparities and the principle of equal opportunities for all, across Canada.

In my constituency, and I know from experience, for 10 years the Canadian government, in applying this principle, has been involved in 140 projects, has made it possible to create almost 4,000 jobs, has given grants for $25 million and has consolidated thousands of jobs, and that is less than what has been done in many other regions in Canada where the Department of Regional Economic Expansion also worked and participated in different projects. In an area where 45 per cent of the industrial work force used to depend on the textile industry, I can say today that through the application of this principle we have succeeded in varying our industry so that the textile workers who have very important jobs and deserve the protection we are giving them through our excellent policies, now represent no more than 8 per cent of the work force in the Drummond constituency, because thousands of other jobs have been created and all kinds of businesses have appeared.

● (1720)

It is precisely this kind of principle which will enable those regions with a low economic growth rate, those which are less advantaged than others in Canada, to develop; it is precisely this kind of principle that we want to see enshrined in the constitution, Mr. Speaker. This is the very essence of Canada, the equitable distribution of wealth in this country, and this is the third stage of our constitutional proposal. But who and in the name of what principle would oppose the entrenchment of fundamental rights and freedoms but also the principle of the fight against regional disparities and for equal opportunities for all in Canada? This is what we are doing, Mr. Speaker, and this is what the people must know.

The fourth stage, the fourth step of our undertaking in this matter is to find a mechanism which will enable us in future to avoid the kind of meetings which require unanimity to bring about some change, I mean the amending formula. We must find a mechanism, a process, a way so that we may in future, whenever a large majority of partners, of provinces and the Canadian government deem it reasonable, amend the constitution without going to London, because by that time it will have been patriated, our constitution will be back here, but it will not require unanimity, which, as I said earlier, ends up in a dead end in most cases, as the experience of the past 53 years has shown.

What we have in the way of a mechanism in that proposal is quite simple. For a maximum of two years, we have the unanimity rule. We say: Agreed, let us not go too far, let us force nothing upon the provinces during a two-year period. Once we have our own constitution in Canada, there will be no change without the unanimous consent of the provinces and the federal government. This is what is said in our proposal. But in two years time, however, we will negotiate. There is even a section in the proposal, Mr. Speaker, under which we

must at least once a year, during that two-year period, hold a constitutional conference to discuss the matter and try to come to an agreement, especially on the final amending formula. And, therefore, to suggest that we do not want to consult the provinces any more, that we will have no more constitutional conferences is turning the facts upside down. In the proposal there is a specific section under which we must hold a constitutional conference at least once a year during the unanimity-rule period, the two-year period. And if during that two-year period the provinces and the Canadian government agree on some mechanism, some amending formula, good! This will solve the problem for the future, and everyone will be happy.

If there is no consensus, then the provinces will have the privilege and the right to propose their own amending formula, provided that it is supported by 80 per cent of the provinces, that is eight provinces, representing 80 per cent of the Canadian people. Of course the formula has to be serious and it must get sufficient provincial support to justify a referendum. We, the Canadian government, will oppose that formula since we will not have agreed to it. We will then propose the Victoria formula, the last one on which provinces were all agreed in 1971 with the federal government. This is the formula we support, that is the provinces that will have received support from 25 per cent of the people before proclamation day. Therefore, for all practical purposes, if on the one hand, Quebec, Ontario and two western provinces representing 50 per cent of the people, and two maritime provinces representing 50 per cent of the people on the other are in agreement with the Canadian government, the change can be made. Such is the Victoria formula. This is what we propose and if in two years there has been no agreement, it will be our formula. We reserve the right to change it and put it on the table in opposition to that put on the table by 80 per cent of the provinces supported by 80 per cent of the people. And we shall go to the people. We shall not decide by ourselves, we are going to ask the people who are sovereign to choose the best amending formula for the future, to prevent constitutional deadlocks and to enable us to progress and to make amendments. This is what is provided for by the mechanism; it is not complicated. We are going to have a referendum if there is no agreement and if eight provinces agree on a formula, we shall propose our own formula and the people will decide. This is how it should work. Ultimately, if ever the provinces do not agree to submit an amending formula, then the Victoria formula I have just described will apply. Moreover, there is section 42 providing that if we really cannot get the consent we require to amend the constitution under the Victoria formula, the people will always be the judge in the last resort, to break the deadlock. This is what the right hon. Prime Minister (Mr. Trudeau) said today while answering the questions of the official opposition. This is the purpose of section 42 which enables the Government of Canada to hold a referendum on a matter requiring an amendment to the constitution. This is essentially the intent of this piece of legislation, to break a constitutional deadlock where we would be unable to come to an agreement to amend the constitution within the limits of the amending formula which will apply at that time.

Mr. Speaker, those are the four basic changes we want to make on the constitutional level. Now I ask: does any one of those changes, any one of those aspects take away a right enjoyed by any Canadian province to give it to the Canadian government, the federal government? Absolutely not. What we are trying to do, Mr. Speaker, is simply to make the legislatures and ourselves, the federal government, respect the Canadian people, respect basic rights in Canada and respect the rights of Canadians as individuals. That is what we are trying to do.

The way in which we have chosen to do this is not very complicated: we are going through Parliament, because it is the only legitimate, legal and recognized way we can proceed after the deadlock and the lack of agreement which resulted from the last constitutional conference. What is wrong with using the most noble institution in the country where the democratically elected representatives of the entire Canadian people, from all regions of the country sit? What is wrong, Mr. Speaker, with using this institution to implement our constitutional proposal?

Hon. members from all political affiliations and representing all regions from coast to coast, are entirely free to take part in this debate, to suggest amendments at the committee stage and to argue their points in a constructive way, so that this resolution be adopted with reasonable delay. And Parliament, in my opinion, is the perfect instrument to carry out this noble task. There are three stages.

Once again, to enlighten the ordinary guy who wonders what we are doing, what is the issue we are debating, I will say that it is a motion calling for a reference to a committee of the resolution I was referring to. And this committee will sit until December 9. At the committee stage, there are a few fairly technical aspects to be considered. There are several clauses. It is not a committee which will travel to every part of Canada, as the Leader of the Opposition (Mr. Clark) would like it to. It is not a committee which would travel to Jerusalem or anywhere else. It is a committee which will sit in Ottawa. It will look into the technical aspects of this project and call for witnesses to appear, but its main responsibility will be to finalize the text of our constitutional project over a limited period of time not exceeding six months and not for an extended period as the Leader of the Official Opposition would have it, pending a judgment on some premiers' appeal to the courts.

We would like the committee to report not later than December 9. The date coincides with the end of supply proceedings. It is a matter of parliamentary procedure so that in a third phase—it can be noted how generous we are to Parliament providing as we do three opportunities for debate. We could very well have introduced a mere resolution and held a

single debate in the House, or again we could have refused to refer the matter to committee and disallow the third debate to which I have just referred and which will again enable members to voice their views and to consider the report already tabled by the committee. Finally, it will allow Parliament to approve our procedure which is to address a petition to the Queen and the British parliament asking them to return our constitution and allow us to enshrine the charter of human rights of which I spoke as well as the principle of a struggle against regional disparities and an amending mechanism for the future.

● (1730)

This is the only thing we are doing. The procedure is relatively simple. I find it unfortunate that, basically, the major objections raised in most cases by hon. members opposite are objections about the procedure or questions of form.

It seems to me that if the substance is of such importance at the present time and if it can be accepted by the great majority of the people, as they have suggested, it should certainly be possible to discuss the procedural points and come to an agreement so that we may, within a reasonable time, meet the objectives which are aimed at in this process, Mr. Speaker. I would now like to reply to the second question which has been asked of us, which is why we are doing this. We have been asked: All this is very well, but why are you doing this and why are some people objecting? I shall tell you why. There are three reasons. The first is that during the referendum, not so long ago, a considerable number of us travelled through Quebec and elsewhere in the country to tell the people that what we wanted basically was to ask the people to object to sovereignty-association because, for our part, we were offering a guarantee of constitutional renewal. Who will be the most pleased if this project is cancelled and if we are not determined to take our reponsibility seriously as a government? Whose interests will it serve if we do nothing in Ottawa? It is important for the members from other areas of the country to be aware of the answer. This would please and suit the Parti Québécois since it will mean one more step towards independence for Quebec. This would be the end result because in the mind of Mr. Lévesque, nothing can work in the federal system. We are unable to come to any agreement. The renewal of federalism is unthinkable.

Those who talk about renewed federalism are dreamers. This is what he tells the people of Quebec and some members of this House would like us to prove him right. They would like to prevent us from taking certain initiatives which would not penalize the provinces to the advantage of the Canadian government, but which would simply guarantee certain basic rights and freedoms for Canadian citizens. You would like to object to that for procedural reasons, and at the same time play into the hands of Quebec separatists, who blame us for being powerless, for being incapable of getting out of the constitutional deadlock and making a start for changes that really correspond to the aspirations of Quebeckers and Canadians as a whole! This is what you are now doing with your opposition.

Therefore, Mr. Speaker, we are consistent. We fulfill a commitment. We promised Quebeckers and Canadians that we would get out of the constitutional deadlock then we promised a renewed federalism. This is what we are doing, Mr. Speaker, and believe me we have no intention of letting go! We mean business. We are going to see this through. But there is something else. It is not only a question of principle, it is a question of believing in one's country, loving it and trying to bring it to change in a way that does not meet the aspirations of one political party, the Parti Québécois, whose aim is independence. Because we here, in Canada, also said that time had come for an in-depth renewal of our federal system. What we are doing here is only a first step. Do not cry yet, this is nothing as compared to changes that will be coming later on when finally our constitution is in Canada, when we are able to make federalism go forward with an amending formula.

Mr. Speaker, this is only a first step, not the final goal. To those who are scared because they think we are going too far, I say this is only one step, it is not breaking the deadlock. The advantage in our attempt, Mr. Speaker, is that it will allow federalism to change, it will alleviate tensions in the future when our constitution is here, when it is human, modern and includes a mechanism for amendment, when circumstances change, without leading to the kind of confrontation we have been going through and without having to ask everyone else.

That is the second reason and that is the second advantage of our constitutional initiative. First we are being true to our word, second because we are federalists, because we believe in Canada, because we want to unite it even more so, and I have just stated it is a step toward an evolutionary process, a healthy constitutional evolution. And, Mr. Speaker, the third thing that is most important, is that ever since I have been in politics much has been said about the constitution and I have been a member of Parliament for the past six years.

I know that the economy is a fundamental issue. Canada holds an important position in the world. It is a large country which deserves to be further developed. It seems to me that if we respected each other enough and showed it through our actions, if we could once and for all make the first step toward the resolution of this constitutional conflict, we would clear the way for the discussion of other issues that are equally important such as inflation, unemployment, energy and the economy in general. Besides, that is to some extent the reason why we have proceeded in this manner. Mr. Speaker, we felt it was sensible to refer this resolution to the committee for a certain period in order to allow Parliament to consider a budget, to deal with energy and national development. To those who would deny us as a government the right to act in this matter, I say that we have a mandate to govern the country. We do it in a democratic way by consulting Parliament, but our man-

date is in no way limited to economic and energy matters. We also have a mandate to act in the area of the constitution, on behalf of the people of this country, Mr. Speaker. Our action is perfectly justified and perfectly legal. To show respect for the people you represent, you should at least have the decency to let them know in their own language what you are doing and why, and in all humility I submit this is what I have been trying to do in this speech.

I am sorry if I took a little too long; I do not usually make full use of my 40-minute speaking time but I had to do it at a certain point in this debate, Mr. Speaker. I wanted to take part once again in this debate on the constitution to give this overview because I am deeply convinced that our approach is sober, balanced, realistic and timely, and that it is respectful of the rights of all Canadians. Mr. Speaker, the Canadian people that we are representing in this House is a generous, dignified and free people. This is why we are acting the way we are.

Mr. Baker (Nepean-Carleton): Mr. Speaker, the President of the Privy Council (Mr. Pinard) has referred to Mr. Lévesque's problem with regard to the Constitution of Canada. I can understand Mr. Lévesque's objection: he is a separatist. But there is also a problem with Mr. Ryan. Mr. Ryan has voiced his own objections against this proposal. Why is he against it? Is the Government of Canada on speaking terms with Mr. Ryan? Why has the position held by the Government of Canada met with Mr. Ryan's disapproval?

Mr. Pinard: Mr. Speaker, I shall answer that question. Mr. Ryan has said, and that is important, that he agrees fully with the substance of the proposal, or the meat of it. A bill of rights entrenched in the constitution, he agrees with that; essentially, he agrees with patriation; and Mr. Ryan is in favour of reducing regional disparities. Yes, I have read all that. I know what Mr. Ryan has said. He fully agrees with our basic decision to act, and I respect his opinion. He does not agree with the timing. I feel we should patriate the constitution after agreements have been reached. But we have been saying that for 53 years now. I am glad that Mr. Ryan is on our side as far as the substance is concerned. As to the form this should take, we may have differing views, but I still respect his opinion. I am happy about one thing though and that is the two years for the amending formula, and my colleague will have to agree with me that the heart of this process, of this proposed reform, is the amending formula. I am convinced that within a few months, with Mr. Ryan in Quebec, we will be able to negotiate a final amending formula. This will not be done with Mr. Lévesque. Mr. Ryan will have a say in the matter. Within the two years of unanimity provided by the bill, Mr. Ryan will manage to get elected and will be negotiating with us, along with the other premiers, in search of the right amending formula. If my colleague is afraid that Mr. Ryan will not take part in the constitutional debate, in the establishment of an amending formula, I am more certain and less skeptical than he is. I have more confidence in Mr. Ryan's chances of winning the next provincial election.

• (1740)

[*English*]

Mr. Knowles: Mr. Speaker, I make an appeal to the House. There were certain understandings about the division of time this afternoon under which the hon. member for Winnipeg-Birds Hill (Mr. Blaikie) would have been able to make his speech before we rise. That time schedule has gone awry somewhat. I wonder if the House would be courteous enough to let the hon. member for Winnipeg-Birds Hill finish his speech this afternoon, even if it takes us to five or ten minutes after six.

The Acting Speaker (Mr. Ethier): Is that agreed to by all members?

Some hon. Members: Agreed.

Mr. Irwin: Mr. Speaker, a section of the constitution was misquoted by the hon. member for Rosedale (Mr. Crombie). The point is important enough that it should be clarified, and I rise on a point of order on the matter.

The Acting Speaker (Mr. Ethier): Order, please. What the hon. member is raising does not constitute a point of order. If he wishes to correct a statement made by the previous speaker, it can be done perhaps through other channels, but certainly not by way of a point of order.

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, may I begin this afternoon by saying how grateful I am to Providence for finding myself an active participant in a debate which is, no doubt, part of a constitutional watershed in Canadian history. For better or for worse the Canadian Parliament is being asked to act unilaterally on several fronts in order to break what is perceived to be a constitutional stalemate of long standing.

Today I will try to reflect on what we are being asked to do as a Parliament, and I use the word "reflect" deliberately. This is not an election campaign. It is a debate about the very nature and future of our country, and I encourage all hon. members to see it in that light. I particularly encourage government members to see the debate in this light because I have noticed over the past few days since we began the debate on the constitution a certain partisanship and an arrogant lack of respect for views critical of the government's proposals. I think this is to be deplored in debates of such national significance.

Whether we be New Democrats, Conservatives or Liberals, we must all assume that the others come here with a respectable modicum of love for this country, however various the ideologies and interpretations of tradition we bring to the articulation of this love for Canada. This variety about which I am speaking is Canadian and, therefore, this variety is worthy of being listened to, if we wish to have a real debate and not our usual shouting match.

No government, not even a freshly-elected majority government, can build a country, renew federalism, or change the constitution if it acts as though this proposal is just one among the many proposals it has rammed through over the years.

In this context I feel I must mention the difficulty that is involved in the constitutional debate because of the attitude of the government toward Canadian nationalism and Canadian unity over the years. There is a difficulty in talking about Canada which has come upon us because of the political strategies and attitudes of the Liberal party. I want to mention this difficulty because I feel it weakens our ability to do what me may indeed, be called upon by history to do at this particular point.

The other day I wore a maple leaf pin, one of a number which I had received when I went to a conference of the interparliamentary union. I had some left over, so I had put one on my lapel. In the course of one morning two people came up to me and asked me why I was wearing a Liberal pin, because I was wearing a maple leaf. Liberals may take some fleeting satisfaction in this coincidence of images, but the problem was indicated by my friend from Broadview-Greenwood the other day when he spoke about how he will never be able to see Canadian geese in the same light again, that he will always see them as Liberals in disguise.

That was a humorous way of bringing up a very serious matter, namely that the national symbols and language of Canada have been co-opted by the Liberal party. It is a very successful political strategy, but it means that when we have come to this particular historical moment, a time when we need to talk seriously and in depth about what it means to be a Canadian, every kind of symbol and language that is available has the stench of the Liberal party about it. That is part of the problem. The constitutional advertising is merely the latest example of this particular phenomenon.

For my part this afternoon, I will speak to these proposals from within the general framework of acceptance in principle outlined by the Leader of the New Democratic Party (Mr. Broadbent) which is, of course, qualified by our demand that an amendment on resource ownership and control be accepted in order to make this proposal the balanced and undivisive proposal that it must be if it is to be the kind of proposal that builds up, rather than tears down, our country. I will speak also from my own self-understanding as a second-generation Canadian whose father and grandfather served in the two world wars for the sake of a Canada which they believed was worthy of such service, a Canada which I am determined to maintain in such a worthy state and, indeed, increase it if I can do so.

Similarly, I will also speak out of my self-understanding as one who grew up in a part of Winnipeg, Manitoba where almost everyone had grandparents who came from another country. As children in elementary public school, we learned that our country was not one of two founding peoples or one of three, but a Canada of many peoples, of Ukrainian Canadians, Polish Canadians, German Canadians, Italian Canadians, Dutch Canadians, Scottish Canadians, Irish Canadians and so on, who over time, as we grew up, have come to call themselves just Canadians. This is a Canada which is different from the Canada of southern Ontario, the maritimes and even that of large metropolitan centres like Toronto where, indeed, there are many immigrant peoples, but who have had a different experience from the pioneer experience of immigrants in the west.

In any case, we in the New Democratic Party are favourably disposed to the government's proposals mainly because they reflect long-standing positions of the New Democratic Party itself. It is only natural for members of a political party to feel supportive in principle of ideas for which their party has always stood. Let me proceed item by item.

Our party has long been in favour of patriating the constitution. The hon. member for Winnipeg North Centre (Mr. Knowles) tells us that 20 years ago he introduced a private member's bill to this effect. As the party which, in my view, is the only truly nationalist party in this country, we could not oppose the patriation of our constitution, the bringing home of our constitution to Canadian soil.

We do regret that it has to be done unilaterally, but so be it. We are prepared to accept that this has become a constitutional as well as a symbolic necessity. Our deepest regret as New Democrats is that the Liberal government shows so little interest in giving Canadians control over their own lives both constitutionally and economically. We will not rest until this kind of comprehensive Canadian self-determination is a reality. One form of decolonization deserves another. However, there is one thing I do urge in this respect. I have noticed a tendency on the part of the government, and members of the Progressive Conservative Party have rightly pointed it out, to talk as though all we are doing is patriating the constitution. This may serve well as another Liberal strategy, but it is fundamentally dishonest. The proposal is much larger than that, and all of us should be entitled to debate it without having to listen to rhetoric about how the Liberals only want to bring the constitution home. Where I come from, many Canadians are not only sick and tired of this, they are infuriated at being self-righteously lectured on Canadianism by the Liberal party and its leader, the Prime Minister (Mr. Trudeau). We do not answer to him or to anyone else in the Liberal party for our identity as Canadians. We deeply resent what I cited earlier as the tragic co-opting of Canadian national symbols.

• (1750)

Our party has long been in favour of a charter of rights and freedoms, a position reiterated recently by the federal council of the New Democratic Party. This is our issue. Alone in this House we have a proud record of defending human rights and freedoms when others were willing to turn a blind eye for fear of disagreeing with a determined government or a fearful, aggressive majority, whether it was our criticism of the treatment of Japanese Canadians during the Second World War or our opposition to the paranoid detention of hundreds of innocent Canadians under the auspices of the War Measures Act

by the same Prime Minister who now beseeches us about freedoms and rights. Talk about bargaining freedom against fish, Mr. Speaker—in 1970, freedom was sold down the river for nothing but sheer political opportunism.

Freedom of information is consistently violated by this government for no other reason than its own self-interest. Freedom from lawlessness, on the part of the police is still being sold out, through the refusal of this government to respond appropriately to the information revealed by the McDonald commission.

We in the New Democratic Party know what it is like—and many of the older members of the party know better than I do—to have ourselves and our views regarded as subversive just because we dare to take a different view of society than that held by the powers that be, although how the non-violent pursuit of justice and equality can be viewed as subversive in a democracy has always been a mystery to me.

And so we support the charter of rights and freedoms, Mr. Speaker, but not naively and not innocently. It is a starting point. But let us not kid ourselves that a charter of rights will safeguard freedom in the absence of a freedom-loving and freedom vigilant political consciousness on the part of the Canadian people.

This charter does not rule out the War Measures Act. Indeed, it may be the case that no democracy can rule out some kind of emergency powers, however inappropriate the present act may be. More important, the charter of rights does not of itself rule out the tyranny of the majority in any form.

Even the courts are expressions of the political consensus of their day. This is the insight, which ought to be respected, of those who criticize the charter of rights and freedoms by noting that freedoms are ultimately protected by political and not legal realities. Nevertheless, Mr. Speaker, attached as I am personally to the truth of this insight, it is precisely because they will continue to be true anyway that I can support a charter of rights. Common law and parliamentary supremacy may have been sufficient for a time when there was much uniformity of values and homogeneity of peoples, but there may indeed be wisdom in a charter of rights for a country characterized by a pluralism of peoples and values. In the end, however, there will be no substitute for keeping the love of freedom so alive that the powerful dare not move against bothersome minorities or individuals.

This is not to say, upon reflection, that at the very least we should not also be aware, if only for the sake of knowing what we are doing, that perhaps entrenchment of human rights as such may not be the best way to establish a charter of rights. I have read some persuasive arguments distributed by a professor at Carleton University about a preference for a bill of rights with "priority status" as opposed to "entrenchment", etc., so that elected representatives would still have the final say.

Entrenchment without fundamental changes in our judiciary, in its self-understanding and in its accountability, could be a serious mistake but only time will tell, because it appears that the government is committed with a certain amount of passion to this concept. Let us hope that in the future we will have the freedom to adjust accordingly, if we need to, the Supreme Court and other affected areas.

Our party has long been in favour of language rights for French-speaking Canadians, so we support the entrenchment of minority language education rights. French-speaking Canadians outside Quebec must be able to educate their children in French, even as English-speaking people in Quebec must have the right to educate their children in English in Quebec. It seems to me this is only fair. When it is put this way, many of the objections to French language guarantees disappear.

But we must remember also, the Canada of which I spoke earlier, the communities of Ukrainian, Polish, German, Italian, Dutch and British descent. Perhaps it is because history is not taught well in our schools that the status of French Canada and the historical status of the French language in Canada is so misunderstood, for instance, in western Canada. But surely it is also because the so-called duality of Canada is not part of the lived Canadian experience of so many western Canadians. They sometimes feel that French is being entrenched in such a way as to make their mother tongue second class. The difference between the historical status of French Canada and of the French language, and these people's own linguistic and cultural instincts is often obscured because they have not "lived" the Canada of two founding peoples, or however we may choose to describe it. These people are not anti-French, although their legitimate anxiety is sometimes co-opted by those who are. Indeed, in my riding French immersion education is popular. There is a French immersion school just a block and a half from where I live.

Yet there is still much to be done by way of communication and explanation of this proposal, not just to gain acceptance of the proposal itself but in order that a real fact of Canadian life be recognized, and recognized in order that Canada can be strengthened and not just preserved. People must be encouraged to appreciate the needs and values of those whose reality they cannot immediately share. In this sense, the failure of this in Canada would be a bad sign for the future of the world. If we cannot live together here under relatively favourable conditions then there is little hope that the empathic imagination needed for international justice and development will ever materialize.

Our party has always been in favour of equalization. Greater equality of the human condition is a socialist principle and equalization between richer and poorer provinces is absolutely necessary if Canada is to be able to maintain such things as universality and portability in health care. Just a month ago, the health services review conducted by former Justice Emmett Hall recommended cost-sharing with poorer provinces to fulfil what remains of the original vision of a comprehensive health care system in Canada in order that there be equality of health care and that meaningful national standards be maintained.

We believe in a strong central government, but not in principle; we believe in it because it will be absolutely necessary in the years ahead to patriate our economy and to develop the industrial strategy necessary for saving the Canadian economy from de-industrialization and stagnation. A strong role for the federal government will be required in fields such as health care in order to guarantee quality of life to Canadians in poorer provinces. The importance of the federal government's role in the redistribution of wealth must be emphasized, while admitting that until now the job that the federal government has done in this area is poor indeed. In fact, the poor are still poor and the rich are richer.

As I say, Mr. Speaker, we are in favour of equalization in ways that even the government is not. But we are concerned that equalization, as spelled out in the proposal, is too vague. It does not guarantee that equalization will be between governments as opposed to pay-outs to people or corporations in areas deemed to be in need. The hon. member for Yorkton-Melville (Mr. Nystrom) elaborated on this point just the other day. This party will be offering appropriate amendments in an attempt to improve this part of the proposal when the committee finally meets.

We are in favour of an amending formula. I think all hon. members would agree that it would be quite useless to bring the constitution home without being able to do anything with it when we get it here. We do, however, have some very serious concerns about section 42 where it appears that too much power is being given to the federal government to resolve future constitutional stalemates. Surely it is pessimistic to write in such scenarios, and as I cannot imagine that the details of this section are crucial to the government's vision of the future, we therefore, expect openness to amendments in this area. Unilateral action may be necessary once, but to write in the ability of a future Parliament to act similarly, albeit accompanied by a referendum the terms of which need to be improved, seems unnecessary. This weakens the claim that this is just a package for the people and does not alter federal-provincial relations.

● (1800)

And so we find ourselves in favour, in principle, of the major thrusts of the government's proposals. We will no doubt be suggesting improvements in detail through amendments suggested by our representatives on the joint committee. The government not only should but needs to be open to such amendments if it is truly interested in nation-building.

In this context I wish to reinforce what my leader has already said about our demand that an amendment reinforcing and clarifying provincial ownership and control of resources be accepted in order for us to be able to support the entire constitutional package. This is because we believe that in order for this constitutional watershed to be a positive one and not a negative one, the felt priorities of western Canada must be addressed. It is true there are many other things left to work on, from the Supreme Court to the Senate to family law to communications, and so on. This, we hope to God, is not the final constitutional word. There is plenty of work to be done after patriation. Much remains to be done, for instance, in terms of guaranteeing the rights of women, of native people and of the handicapped. We will be offering amendments in these areas as well and we trust the government will be open to these very important areas of concern. Perhaps some changes might even be made before the constitution is patriated. But if this is to be a constructive word in our constitutional history and not a destructive word, then the government must move on the critical issue of reinforcing and clarifying provincial ownership and control of resources, something, as I understand it, it already agreed to once before on the opening day of the most recent constitutional conference.

The government makes much of the claim that action must be taken if the promises made to Quebeckers in the referendum campaign are to be fulfilled. But many of those who went to Quebec to argue for the No vote said that they, too, wished constitutional change. To make only those changes which are perceived by the government to fulfil its promises to Quebec is to betray the understanding which many Canadians had when they encouraged their fellow Canadians in Quebec to hang in there and work for change together. Our amendment pertaining to resource ownership will significantly redress this imbalance and we trust the government will accept it.

Mention of the referendum campaign in Quebec brings me to my final point, which is the claim that this proposal is the answer, that this proposal is the needed response to the crisis posed by the substantial support for sovereignty association shown in Quebec. I want to suggest that the Prime Minister (Mr. Trudeau) is far too selfconfident about the ability of his vision, however noble, to fulfil the aspirations of those who voted Yes in the referendum, or indeed to fulfil the aspirations of those who voted No. His is a classically Liberal view of reality—and I use "liberal" in the small "l" sense—with individual French Canadians making their way in the context of equality of opportunity and official bilingualism anywhere in Canada. This is his vision. He has had it for some time and it appears it will be fulfilled before he retires. It is a goal which, I admit, rights old wrongs. If it is accepted by the Canadian people it will strengthen federalism and the distinctiveness of Canada on the North American continent. But it is a vision that does not answer new questions or new problems.

All over the world—and here I can speak about Quebec as a non-Quebecker, because what I am talking about is not just happening in Quebec—people are asking themselves what they can do together as a group, as a people, as a community. Many people are weary of the world in which we are all just individuals. This new sense of community, or the desire for it, seems to be beyond the ken of the Prime Minister and indeed beyond the ken of the Liberal party. All group thinking is mere tribalism and regression. Nationalism is bad, it is just another ghost of Duplessis. For a man with a reputation as an intellectual, the Prime Minister displays an amazing lack of insight in this issue. It's as though he stopped thinking about 20 years ago.

Many people want a more human and therefore often a more decentralized and community-oriented reality. They want to feel they have more control over their collective lives than modern society has been able to give them so far. Thus there were many Anglophones in Quebec whom I know personally, who voted Yes in the referendum. Why did they vote Yes in the referendum? They voted Yes thinking that maybe, on its own, Quebec would be a place where they could stave off the growing intrusion of alienation, remote control and dehumanization that modern society seems to bring with it. This is the real meaning of many people's new fascination with such things, as their cultural identity, because culture is something which humans have as a group. Individuals are too often reduced only to the consumption of images marketed by the mass media. Culture is not just food and dancing or even language. It is something that is fully alive only to the extent that the people who desire it have control over the images which dominate their lives. In this respect, Quebec and the movement in Quebec toward sovereignty-association was a sign of hope for Canada. It was a chance to grow. It was a chance that maybe in the aspirations of Quebec the rest of us in English Canada could get a sense of what we needed to do as a people, that we needed to stand up and stop the erosion of our identity and culture, to stop the way in which we are being swallowed up by the North American reality, so that the lament of Canadian thinkers such as George Grant might be premature instead of prophetic.

The constitutional package does not address these concerns. I predict, therefore, it will not be the solution or the answer to sovereignty-association that it is claimed to be.

In closing, Mr. Speaker, I think it is important to remind ourselves, if we take seriously for a moment the prayers uttered so rapidly and meaninglessly at the beginning of our sessions each day, that the biblical prophets and other wise men and women over the years, including Christ himself, contended with the authorities not about internal constitutional matters, but about whether justice was being done, whether the neighbour was being looked after, even the least of them. We are commanded to seek first the Kingdom of God and its justice, and we are promised that if we do so, everything else will fall into place.

Perhaps in the absence of a commitment to full employment, to adequate pensions, to needed child care programs, to the settlement of land claims, to health care as a right, to a clean environment and work place, to international peace and development—indeed in the absence of a concrete commitment to justice in general—we have no right, no right whatsoever, to expect that this proposal or any other like it will be the answer to our problems.

Mr. Munro (Esquimalt-Saanich): May I call it six o'clock, Mr. Speaker?

Mr. Collenette: Do I understand, Mr. Speaker, that it is now six o'clock, or has the hon. member for Esquimalt-Saanich (Mr. Munro) called it six o'clock?

The Acting Speaker (Mr. Ethier): The Chair recognized that it was six o'clock and therefore cannot recognize another member from the floor.

[*Translation*]

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

At 6:09 p.m., the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, October 16, 1980

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

SEARCH AND RESCUE

CRASH OF C-130 HERCULES AIRCRAFT—CONDOLENCES TO FAMILIES OF VICTIMS—MOTION UNDER S.O. 43

Hon. Allan B. McKinnon (Victoria): Madam Speaker, I rise under the provisions of Standing Order 43 in connection with the tragic event of yesterday when eight servicemen lost their lives in the performance of their duty, in this case a search for a lost aircraft. I therefore move, seconded by the hon. member for Prince Edward-Hastings (Mr. Ellis):

That this House extends its condolences and sympathy to the families of these young men.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Madam Speaker: Moved by Mr. McKinnon, seconded by Mr. Ellis:

That this House extends its condolences and sympathy to the families of these young men, meaning those who lost their lives in the performance of their duty, in this case a search for a lost aircraft.

Does the House agree to the said motion?

Some hon. Members: Agreed.

Motion agreed to.

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ENVIRONMENTAL AFFAIRS

WITHDRAWAL OF WEATHERSHIPS FROM WEST COAST WEATHER STATION—MOTION UNDER S.O. 43

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, I too seek the unanimous consent of the House under the provisions of Standing Order 43. In light of the decision of the previous government to maintain the west coast weatherships on station and of Canada's international commitments with respect to weather reporting, I move, seconded by the hon. member for Richmond-South Delta (Mr. Siddon):

That this government be required by this House to reverse its decision with respect to withdrawing the weatherships from the west coast weather station, and hold those ships in place until such time as an automated recorder and transmitter are developed and in place.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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[*Translation*]

WAR MEASURES ACT

CALL FOR REPEAL—MOTION UNDER S.O. 43

Mr. Svend J. Robinson (Burnaby): Madam Speaker, pursuant to the provisions of Standing Order 43, I ask for the unanimous consent of the House to introduce a motion on a matter of urgent and pressing necessity.

In view of the fact that since 1976 Canada has committed itself to comply with the UN covenant on civil and political rights; in view of the fact that the Liberal government keeps in force the War Measures Act, an oppressive and repressive piece of legislation whose provisions, including the right to introduce retroactive legislation in criminal matters, are a breach of this covenant; and in view of the fact that ten years after the abuses perpetrated under this act, the Right Hon. Prime Minister (Mr. Trudeau) is proposing a charter of fundamental rights which would still maintain all the repressive provisions of the War Measures Act,

[*English*]

I move, seconded by the hon. member for Vancouver-Kingsway (Mr. Waddell):

That this House commends those 16 New Democrats, led by Tommy Douglas, who ten years ago courageously opposed the proclamation of the War Measures Act; and that this House call upon the Prime Minister to announce today his intention immediately to repeal the repressive provisions of the War Measures Act, provisions which violate the United Nations covenant, and support amendments to the proposed charter of rights which would ensure that Quebecois and all Canadians are never again subjected to this reign of tyranny.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

FISHERIES

SALMON—CONSTRUCTION OF ENHANCEMENT FACILITIES ON FRASER RIVER—MOTION UNDER S.O. 43

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, I rise under the provisions of Standing Order 43 to propose a motion of urgent and pressing necessity. In view of the seriously threatened state of Fraser River salmon stocks, I move, seconded by the hon. member for Surrey-White Rock-North Delta (Mr. Friesen):

That the government be directed to stop using its singular lack of progress in renegotiating the Canada-U.S. salmon treaty as an excuse for stalling the implementation of major salmon enhancement facilities on the Fraser River system, and that the government get on with building these facilities which must be designed and constructed now if we are to prevent the destruction of Fraser River salmon stocks by 1990.

Madam Speaker: For its presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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● (1410)

[*Translation*]

FINANCE

REQUEST THAT FEDERAL PARTICIPATION IN SHARED PROGRAMS BE PUBLICIZED—MOTION UNDER S.O. 43

Mr. Marcel Dionne (Chicoutimi): Madam Speaker, I rise under the provisions of Standing Order 43 to ask for the unanimous consent of the House to introduce the following motion:

Considering that it is difficult to trace the amounts represented by the financial participation of the Government of Canada to cost-sharing programs between the federal government and the provinces, I move, seconded by the hon. member for Portneuf (Mr. Dion):

That the Council of Canadian Ministers should henceforth invite provincial governments to follow an accounting procedure which would highlight the financial participation of each of the two levels of government for all the budgetary items under the cost-sharing agreements and that, in addition, the financial participation of the government of Canada should always appear clearly in the publicity which is made around those programs.

Madam Speaker: The House has heard the terms of the hon. member's motion. Under S.O. 43, such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[*English*]

THE CONSTITUTION

CALL FOR AMENDMENT OF RESOLUTION—MOTION UNDER S.O. 43

Mr. Bob Ogle (Saskatoon East): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the Prime Minister's extremely insightful conclusion in his essay "The Theory and Practice of Federalism", which says:

There is no reason to presume that the federal government will be more enlightened than the sum of the provincial governments, or even than one provincial government acting alone . . . because a (socialist) province with a planning board might be more likely to plan wisely than a (reactionary) central government with no such board.

I move, seconded by the hon. member for Yorkton-Melville (Mr. Nystrom):

That this House direct the Prime Minister to reread his own writings so that he stops treating provincial governments as second class governments and amends his constitutional resolution to include in it the resource rights upon which is predicated the future economic development of the provinces.

Madam Speaker: For its presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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ACCESS TO INFORMATION

GOLDFARB CONSULTANTS—CALL FOR INJUNCTION AGAINST PUBLICATION OF 1981 REPORT—MOTION UNDER S.O. 43

Mr. John Bosley (Don Valley West): Madam Speaker, I rise under the provisions of Standing Order 43. Whereas the October 11 edition of the *Financial Post* carries an advertisement by Goldfarb Consultants soliciting subscriptions to its 1981 report which would include: "A detailed treatment of public attitudes towards the debate surrounding a new constitution;" and whereas that information appears to come from the polls which the Canadian Unity Information Office asked Goldfarb to conduct and which the Minister of Justice (Mr. Chrétien) yesterday refused to disclose because, as he said, "disclosure could be injurious to the conduct of federal-provincial affairs", I move, seconded by the hon. member for St. John's East (Mr. McGrath):

That the government be instructed to seek an injunction against the publication or distribution of the 1981 Goldfarb report, and that the Minister of Justice be instructed to take the necessary steps to prevent such private and mercenary misuse of information paid for by all Canadians.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

TRANSPORT

MOVEMENT OF GRAIN—CLASSIFICATION AS ESSENTIAL SERVICE—MOTION UNDER S.O. 43

Mr. Arnold Malone (Crowfoot): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the abnormal congestions in country grain elevators located on CP rail lines, and whereas these massive disruptions in the movement of grain are at the loss of millions of dollars to prairie farmers and have been brought about by a minority of union workers who are at this time not in a legal position to strike, I move, seconded by the hon. member for Kindersley-Lloydminster (Mr. McKnight):

That all unions associated with the movement of grain, in the interests of farmers and our national economy, be classified as an essential service.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1415)

CREDIT UNIONS

TRIBUTE TO FOUNDERS OF, AND WORKERS IN, FINANCIAL SERVICES—MOTION UNDER S.O. 43

Mr. Les Benjamin (Regina West): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter that is current today, urgent and necessary. In view of the fact that today is International Credit Union Day, which is intended to pay tribute to a long-standing tradition of co-operative financial services, shared by more than 60 million people and 45,000 credit unions and caisses populaires, and in view of the remarkable history and continuing growth of the credit union movement in Canada, I move, seconded by the hon. member for Broadview-Greenwood (Mr. Rae):

That this House pay tribute to the dedicated people who founded and continue the work of expanding co-operative principles in financial services to millions of Canadians through credit unions and caisses populaires.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

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

Some hon. Members: Agreed.

Motion agreed to.

SEARCH AND RESCUE

CALL FOR DEVELOPMENT OF NEW EMERGENCY LOCATOR TRANSMITTER—MOTION UNDER S.O. 43

Mr. J. R. Ellis (Prince Edward-Hastings): Madam Speaker, the crash of the Canadian Forces air-sea rescue C-130 Hercules with the resulting tragic loss of life points up dramatically the complete lack of policy of the Department of Transport with regard to emergency locator transmitters. Whereas the enormous costs of this and other searches would more than pay for that which I propose, I therefore move, seconded by the hon. member for Parry Sound-Muskoka (Mr. Darling):

That the Minister of Transport instruct his department to develop an ELT which will work properly and which would capture the export market, and that the mandatory regulations for ELT's be returned but this time with a decent subsidized program for owners.

Madam Speaker: Presentation of this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

ACCESS TO INFORMATION

PUBLIC OPINION POLLS—INQUIRY AS TO REASON RESULTS NOT PUBLISHED

Hon. James A. McGrath (St. John's East): Madam Speaker, my question is for the Minister of Justice. Yesterday, in a letter to members of Parliament, the minister refused to release three polls which the government conducted subsequent to May 20, 1980. He refused on the grounds that these surveys "could be injurious to the conduct of federal-provincial relations". Given the fact that at least seven provinces are now opposed to the government's measures to patriate and amend the constitution and the fact that the minister has refused to make available polls which would seem to be available elsewhere, will the minister state what is the real reason why he is withholding this information that was paid for by the people of Canada and which the people of Canada through their representatives are entitled to have?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, I gave the reasons in the letter. We released 13 polls yesterday. There are three which will be released in due course. I believe that later today we will release something like 117 others. As I said, the polls I will not release relate not only to the constitution but to other questions as well and I think this is not the time to make them public.

Mr. McGrath: Madam Speaker, the unity office in refusing to release the polls described one of them which was conducted by Goldfarb Consultants "as Canadians' attitudes towards, and expectations for, constitutional reform". That happens to conform with an ad which appeared in the *Financial Post* of October 11 sponsored by Goldfarb, and I quote:

In particular, the 1981 edition of The Goldfarb Report will include a detailed treatment of public attitudes towards the debate surrounding a new Canadian Constitution.

It would appear that what is available through Goldfarb for a fee is being scandalously denied this House. Has the minister satisfied himself that what he is denying the House is now available for a fee through a consultant which was commissioned in the first instance by this government?

● (1420)

Mr. Chrétien: Madam Speaker, I have checked exactly that point and the survey which has been made for the Canadian government will not be made available through the ads. I do think the one they are offering is the one that has been paid for and published, I guess, by the *Toronto Star*.

Mr. McGrath: Madam Speaker, I ask the minister, who is a good parliamentarian and is known to be fair, because of the differences that have arisen regarding this ad and the polls he is refusing to release to the House, will he agree to allow this matter to be referred to a committee of the House where it can be duly examined and the House can in fact satisfy itself in this regard?

Mr. Chrétien: Madam Speaker, I am following the rules of the House. I have tabled 13 surveys which have been taken in the last 18 months. I think they have been well received. Of course, I am not ready to release the three I mentioned earlier as yet. When it is possible I will be delighted to table them.

I do not see why we should refer the matter to a committee. We have given an answer to the House. Of 141 polls, 129 will be made public almost immediately.

GOLDFARB CONSULTANTS—REQUEST FOR GUARANTEE POLL INFORMATION NOT USED FOR COMMERCIAL GAIN

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, my question is supplementary to those directed to the minister. The answer he has given my colleague, the hon. member for St. John's East, indicates to me that he has absolutely no interest in the real spirit of freedom of information. Any important information the government has that may be at variance with the policies he is promoting is denied to us, and only that information which is in favour of government policies is released.

I would like to ask the minister a specific question. In view of the astoundingly similar content of the ad to the information that Goldfarb is selling and the material obtained from the poll which has been conducted by Goldfarb on behalf of the federal government, will the minister guarantee to this House that the government poll on the constitution and the material obtained thereby has in no way been used by Goldfarb for its own commercial gain?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, that is exactly the same assurance I gave the previous questioner, that the polls which have been conducted for the Government of Canada remain the property of the Canadian government and will not be used by this firm for other purposes.

Mr. Hnatyshyn: Madam Speaker, I would ask the minister whether he will verify that the minister is using the provisions of section 14 of the proposed freedom of information act and the spirit of the matter before the House as the basis for withholding the poll in question; and would he agree that it would be more fair, in view of the fact he is following the spirit of the freedom of information law, that there be some opportunity for independent review of that poll or, indeed, a parliamentary reference to a committee so we can satisfy ourselves that the exclusion which he indicates he is now relying upon is in fact valid? Will he not put this matter out of dispute and allow some independent assessment as to what those polls really cover?

[*Translation*]

Mr. Chrétien: Madam Speaker, this week we tabled 129 polls taken in Canada over the last 18 months. I think the House will be satisfied since we made a very sincere effort to release the documents we had on hand. There would be a total of 12 only that cannot be made public at this time. We intend to respect the spirit of the legislation on information, and as soon as those documents will be of no more use to us for policy development purposes, we will release them.

* * *

[*English*]

GRAIN

INQUIRY WHETHER EMBARGO ON SALES TO U.S.S.R. WILL BE LIFTED

Mr. Vic Althouse (Humboldt-Lake Centre): Madam Speaker, my question is directed to the Minister of Transport who speaks on grain matters in this House. In view of reports from the United States that Secretary of Agriculture Bergland is about to sign a new five-year agreement for grain sales to the Soviet Union, and as this once again shows the lack of commitment of the United States to its once heralded grain embargo, will the minister now state whether the Canadian government is prepared to call off the grain embargo and remove any restrictions to normal trade?

● (1425)

Hon. Jean-Luc Pepin (Minister of Transport): No, Madam Speaker. We will try to avoid replacing embargoes from the United States, but we will continue to ship to the U.S.S.R. at our normal and traditional levels.

I had the opportunity yesterday to meet with the Canadian Wheat Board, which was quite encouraged by the international economics of grain at this time, and we are hoping to reach that traditional level of exports.

Mr. Althouse: Madam Speaker, the price decline as a result of the embargo has cost western Canadian farmers an estimated $225 million. In view of the sad state of the farm economy—and we need only see the lay-offs and the decline of farm machinery companies to see the effect of this—can the minister say when farmers can expect to receive the compensation they were promised because of reduced grain prices due to the embargo?

Mr. Pepin: Madam Speaker, the government acknowledges the principle of compensation. There is a committee led by the Minister of Agriculture working on that, and we expect it will report soon.

* * *

DROUGHT ASSISTANCE

INQUIRY AS TO AMOUNT OF COMPENSATION TO FARMERS

Mr. Vic Althouse (Humboldt-Lake Centre): Madam Speaker, my final supplementary is to the Minister of Agriculture. We have seen a number of laudable attempts by this government to put money into the pockets of cash-short farmers, but Canadian hog farmers have been waiting over six months for stabilization payments. People in the drought area have seen their payments cut in half. Can the minister inform this House as to the amount of compensation farmers can be expected to receive, and will he assure the House that the government will not change its mind once the compensation formula has been announced?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, we said that we would spend the equivalent of $67 million for drought aid. We have not said we would not spend that amount of money. We met in Regina last week with the advisory group and also with the people who are doing the investigation in the provinces of Saskatchewan and Manitoba. They outlined some of the problems they have. They also told us of the many good comments they have received from the producers. With the other provisions under the legislation we are bound by with regard to crop insurance, etc., no other country in the world is offering the kind of assistance we are offering.

Under hog stabilization I believe we have 26,000 applications at the present time. We are hoping that those can be processed, if not by the end of November, by early December or before the end of the year. We are hiring extra staff to speed up the processing of stabilization payments. Again, we have not received any direct complaints from any of these people. They have said only that they are both very good programs and that they are very satisfied with them.

THE CONSTITUTION

INQUIRY WHETHER AFFIRMATIVE ACTION PROGRAMS JEOPARDIZED BY RESOLUTION

Hon. David Crombie (Rosedale): Madam Speaker, my question is for the Minister of Justice, who in this case in particular fortunately is also the minister responsible for social programs. The minister may recall that in June of 1978 there was a very famous case in the United States, the Bakke case, which dealt with affirmative action programs in relation to the bill of rights in the United States. In that particular case, which the minister will recall, the Supreme Court of the United States threw out the affirmative action program at the University of California on the basis that it was discriminatory according to the bill of rights.

I would like to ask the minister whether he has yet sought a legal opinion as to whether social programs in this country—and more particularly, affirmative action programs—are in jeopardy as a consequence of the bill of rights proposed in his resolution.

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, I am not aware of the particular case to which the hon. member refers. I will look into that, but I think that we have made provisions in the bill of rights which will be enshrined in the constitution to make sure there is no such problem.

In fact, if this House would make up its mind and send the whole resolution to the committee, I would be able to deal on a one-to-one basis with these questions. The matter is before the House, but it is in the committee where we can reply to these questions.

Mr. Crombie: Madam Speaker, like all members of this House, I am aware that section 15(2) of the proposed resolution deals with the question of affirmative action programs as related to the disadvantaged. If the minister will check, he will find that one of the difficulties in the Bakke case and two subsequent cases was that the definition of the word "disadvantaged" caused great difficulty. Right now in Washington—I checked this morning—their own affirmative action programs and many of their social programs are in jeopardy as a consequence of that decision. Would he please undertake to advise the House of the legal opinion which he would seek, and make sure that the House, and indeed all people in this country who are concerned with the matter, are informed?

● (1430)

[*Translation*]

Mr. Chrétien: Madam Speaker, we did answer this question a few seconds ago. I said that it is before the committee that we will discuss these issues—

[*English*]

Mr. Clark: You prefer Westminster.

[*Translation*]

Mr. Chrétien: —and ensure that the proposed charter of rights be debated in a rational fashion. I think that during the exchanges we might have in committee between members, myself and the officials of my department we could find the best solution. I do not think that it will be in the best interest of the House to try to score political points at this stage—

[*English*]

Mr. Clark: Yes, go to London, avoid Canadians.

[*Translation*]

Mr. Chrétien: Madam Speaker, the hon. member seems to believe there is a serious problem, a problem I would like to solve in a judicial manner as quickly as possible. The best way of doing so is to discuss the proposals of the hon. member in committee, to look at the legislation as it is drafted and amend it if necessary.

[*English*]

Mr. Crombie: Madam Speaker, the minister well knows, and so do his colleagues, that we will be asked to vote on this matter before it is sent to the committee. The people I represent would like to know the answer to the question. It is a very straightforward question. The basis of my question is this: the Minister of Employment and Immigration brought forward a few weeks ago three affirmative action programs dealing with young people, dealing with women, and dealing with Indians. If the Bakke case were applied here, those three programs would not be declared legal.

Some hon. Members: Oh, oh!

Madam Speaker: Order, please.

Mr. Crombie: I ask the minister only one question—

Madam Speaker: Order, please. I know the hon. member was about to ask a question, but I must remind him that when I call him to order, he must resume his seat. Will he now put his question immediately.

Mr. Crombie: Madam Speaker, I appreciate your advice to me. I should like to ask the minister whether he would undertake to provide the House with a legal opinion that those three programs are not in jeopardy.

Mr. Chrétien: Madam Speaker, it is my intention to deal with all these problems in the committee—

Some hon. Members: Oh, oh!

Mr. Chrétien: —and I am profoundly convinced that the best way we can protect the rights of Canadians is to have a good charter of rights—

Some hon. Members: Oh, oh!

Mr. Chrétien: —and to make sure that this charter of rights is enshrined in the constitution and drafted in such a way that no affirmative action programs which have been decided on for the good of Canadians will be thrown out because of the charter of rights. Basically, a charter of rights is to protect rights. I am glad that the hon. member wants those rights to be protected and I hope he will vote for a charter of rights.

Some hon. Members: Hear, hear!

An hon. Member: That is a sad response.

* * *

CONFLICT OF INTEREST

ALLEGED BREACH OF GUIDELINES

Hon. Allan B. McKinnon (Victoria): Madam Speaker, my question is for the Prime Minister. It concerns the Government of Canada's conflict of interest guidelines. Commodore Arnott, who was the project manager of the frigate program, was offered a position in March, 1980, by Vickers Stanwick, a subsidiary of Vickers Canada. In June of 1980, presumably while this job offer was being negotiated, Vickers Canada was added to the short list from which they had been dropped in October, 1979. At the end of June, 1980, having received departmental permission, Commodore Arnott resigned as project manager and became president of Vickers Stanwick. What is the Prime Minister doing about this flagrant breaching of his guidelines?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I think that Commodore Arnott has acted in conformity with the procedure established under existing guidelines on conflict of interest. I am well aware of all the details which the hon. member for Victoria has given me and I have asked privy council to co-ordinate the review of the case to make sure that all these guidelines have been observed according to the existing regulations.

ALLEGED BREACH OF GUIDELINES BY VICKERS CANADA

Hon. Allan B. McKinnon (Victoria): Madam Speaker, I put my question to the Prime Minister because I wanted an answer from someone who knew something about what is going on in the Department of National Defence.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. McKinnon: I will direct my supplementary to the Prime Minister and perhaps he would be kind enough to take an interest in this matter. Scan Marine, one of the other competitors, has wisely registered a complaint regarding this matter. Will the Prime Minister now consider rejecting the bid by Vickers Canada in view of the unfair advantage the company has achieved by this flouting of his guidelines, which his Minister of National Defence either condoned or about which he was shockingly ignorant?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I reject completely the premise of the question posed by the hon. member. I do want to point out that I am in complete agreement with what the minister has said, that we have ensured that the guidelines were followed by the hon. gentleman, that he followed the guidelines to the extent of asking advice, as the guidelines provide, before accepting this job, and he adhered to the guidelines in every way.

Nonetheless we are, as the minister said, reviewing the case. It is possible that the guidelines might have to be changed if this gives rise to any unfair advantage. I just want to point out that the guidelines were not changed during the period when the hon. member was part of the government of this country. They kept the guidelines, we are keeping them now. We are always ready to review them if they lead to some unfair advantage.

* * *

BILINGUALISM

REQUEST FOR ASSURANCE IN PROPOSED BUDGET OF ADEQUATE FUNDING FOR PROGRAM

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, I have a very serious question for the Prime Minister. All parties in the House support the concept of bilingualism and I trust that all members are doing whatever they can in support of bilingualism during these very crucial and historic times. However, in some parts of Canada at least, bilingualism is in jeopardy at this time. If one assumes that education is the cornerstone of a successful bilingual program, the federal funding for bilingual education has been curtailed in the last couple of years, last year from $200 million to the present year—

Madam Speaker: Order, please. Will the hon. member please ask his question.

Mr. Riis: My question to the Prime Minister is: in the new budget will the Prime Minister assure the House that adequate funding for bilingual education will be provided so that school districts with active programs can have them maintained and expanded?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I hope the hon. member will accept the notion that it is not only the federal government which is responsible for bilingualism; in the spirit in which he asks the question, every province which has jurisdiction over education should be concerned with that. We have been funding substantially education systems in the provinces to the extent of an amount in excess of $2 billion a year for various aspects of post-secondary education which is given to the provinces. The spirit in which we help bilingual education specifically, or education in the other official language, was that the provinces themselves be prepared to accept some responsibilities, and it is in that sense that we hope the provinces will continue to show interest in the matter and that the federal government will not always have to continue supporting them in areas which they claim very strongly are within their jurisdiction.

Mr. Riis: Madam Speaker, I am really disappointed to hear that response. Perhaps on another matter, certainly related to the forthcoming budget, may I ask the Prime Minister if he could use his good offices to work with the powers that be to ensure that adequate funds are set aside so that staffs of members of Parliament can have the opportunity for second language education to carry on in the tradition that we do as members.

An hon. Member: Ask Francis Fox.

Madam Speaker: Order, please. This is a matter which is under my purview. We are looking at this question and if the hon. member wishes to discuss it, he can come to my office. We might do that after the question period.

* * *

NATIONAL HARBOURS BOARD

INQUIRY RESPECTING EXPANSION OF PORT FACILITIES

Mr. Maurice Harquail (Restigouche): Madam Speaker, my question is directed to the Minister of Transport and has to do with ports policy. In view of the fact that Bill C-60 died on the order paper some time ago, I wonder if the minister could inform the House as to his own plans in terms of the planning, construction and expansion of port facilities with respect to the National Harbours Board, and particularly in ports in northern New Brunswick?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, my hon. friend is referring to Bill C-50, I think. This was a bill the intent of which was to bring the whole of the port structure in Canada under a single umbrella. This was well received by some but not by others, and as my friend said, the bill was not passed.

• (1440)

In recent months I have received a great number of representations and I have consulted with a great number of people. What the press indicated a few days ago was that we were now moving toward the recognition of a greater element of diversity in our future port policy. The idea would be to have the national harbours commission bill as it is and to try to improve on the National Harbours Board Act in order to allow for a different kind of structure. I will soon be introducing these ideas to my colleagues in cabinet before doing so in the House of Commons.

Oral Questions

ENERGY

REPORTED ESTABLISHMENT OF WESTERN ENERGY DEVELOPMENT FUND

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, I would address my question to the Hon. Minister of Energy, Mines and Resources, if I could break into his conference for a moment. Will the minister confirm the announcement made four weeks ago by the liberal Senate leader from British Columbia, who said that the federal government will be establishing a $4 billion western energy development fund to be spent over the next ten years, on who knows what? Will the minister agree that $4 billion is substantially less than one-fifth of the $25 billion to $30 billion which the federal government seeks to raise over the same ten-year period by invading the natural gas revenues of British Columbia and Alberta?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam speaker, in spite of his very often erroneous allegations, the hon. member knows I always pay attention to what he says. I think today is another example of his flying by the seat of his pants on a lot of issues at the same time.

An hon. Member: You run the government that way.

Mr. Lalonde: When the Prime Minister met the Premier of Alberta at the end of July, he indicated that it was the intention of the federal government, in addition to all its new energy expenditures and initiatives, to set aside a western economic development fund which would be used to help the economic development of the western provinces to the tune of $4 billion. That was the offer the Prime Minister made at the end of July in his meeting with the Premier of Alberta.

As hon. members know, this offer was turned down by the Premier of Alberta. I have indicated that in the next few weeks the government would come out with a global energy program and also that there will be a budget in the next few weeks. I invite my hon. friend to wait patiently and he will see what happens in that respect.

INQUIRY WHETHER PROPOSED TAX ON NATURAL GAS AND HYDROELECTRIC EXPORTS WILL BE ABANDONED

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, I can presume, then, that we should take pronouncements made in recent days by the Senate leader from British Columbia with a large grain of salt.

My supplementary question is directed to the Minister of Finance. Recognizing that more than 20,000 British Columbians have now signed a petition expressing their absolute rejection of any attempt by the federal government to expropriate provincial resource revenues through the unilateral imposition of a federal export tax on natural gas and hydroelectric power, is the Minister of Finance now prepared to announce that the government will honour the election promises made to British Columbians by Mr. Gordon Gibson and the same hon. Senate leader, Mr. Perrault, by abandoning here and now all plans to impose this discriminatory export tax against the residents of British Columbia and Alberta?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, at this time I am not prepared to rule out any option that is available in framing my budget.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MINISTER OF MINES AND ENERGY OF SOUTH AUSTRALIA

Madam Speaker: At this point I invite hon. members to join with me in signalling the presence in our gallery of the Honourable Roger Goldsworthy, the Minister of Mines and Energy of South Australia.

Some hon. Members: Hear, hear!

* * *

CANADA MORTGAGE AND HOUSING CORPORATION

RETURN OF AHOP UNITS

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, my question is directed to the minister responsible for Canada Mortgage and Housing Corporation. I believe last April the minister informed the House the AHOP program was 95 per cent successful. Will he then explain why, in the region of Peel—that is, Brampton and Mississauga—where 40 per cent of all AHOP units built in Canada were erected, 40 per cent of them have been returned to CMHC and are being returned at the rate of 50 to 75 units per month? Will the minister now admit that the AHOP program has been a complete and total disaster? What is he planning to do to alleviate the problem?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, the question is a repeat question and the answer is the same as I gave. In my opinion and in the opinion of CMHC officials, many municipal councillors and many people knowledgeable in the field, in large part the AHOP program was successful. It accomplished many objectives, such as employment in the industry and accommodation to people who can afford it, and I stand by the figures I gave earlier.

Mr. McDermid: Madam Speaker, that answer is ludicrous. I might remind the minister that the five-year program—

Some hon. Members: Oh, oh!

Madam Speaker: Order, please. The hon. member is not seeking information, he is giving it. Will he please put a question?

Mr. McDermid: Now that the 8 per cent mortgages are up and these people are required to pay 14.5 per cent for a first

mortgage and 13 per cent for a second mortgage so as to pay back the government to reduce that interest loan, what will the minister do to alleviate the problem faced by the people who are leaving these homes in droves? The minister should not ignore this problem and he should not tell us that it is 95 per cent successful, because it is not.

Mr. Cosgrove: Madam Speaker, the answer to the second question is much easier. I am sure my hon. friend has forgotten that in March of last year, in response to the problem that he indicated, CMHC through the ministry indicated that we will accept on an individual basis requests in hardship cases to ensure that that portion of a person's income which exceeds 30 per cent would be reviewed, and that those hardship cases would have the same availability to the earlier program. That was the design of the program when it was announced five years ago.

* * *

[*Translation*]

EXTERNAL AFFAIRS

SOUTHEAST ASIA—ABUSES OF HUMAN RIGHTS

Mr. Ian Watson (Châteauguay): Madam Speaker, my question is for the Secretary of State for External Affairs. A year and a half ago, the House of Commons unanimously passed a motion introduced by the hon. member for Matane concerning the situation in Cambodia. It proposed that all members of the Canadian Parliament express their horror at that genocide, which is one of the worst crimes in the history of mankind, and asked all parliamentarians and governments which maintain relations with our country to protest against that slaughter which has astounded the entire world.

[*English*]

On Monday of this week Canada voted at the United Nations in favour of seating representatives of the infamous Pol Pot regime, apparently following the advice of our Southeast Asian friends who see the Pol Pot guerrillas as a means of keeping Viet Nam off balance.

My question is directed to the minister. By what norms of human decency has Canada seen fit to follow the faulty and self-interested advice of our friends in Southeast Asia and not Canada's collective conscience on this vote, the only practical result of which will be to prolong the agony of the Cambodian people? Will the minister at least undertake, in the circumstances, to hear the other side of the story from representatives of the Heng Samrin regime and Vietnam?

Some hon. Members: Hear, hear!

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, Canada frequently has condemned the human rights abuses of the Pol Pot regime. I can state quite plainly in the House, as we have stated before, that we would not want to see a Pol Pot government again in power in Kampuchea. But we voted this week in the United Nations for the Pol Pot regime for a very limited purpose, and that is to continue its seating in the United Nations.

Some hon. Members: Oh, oh!

Mr. MacGuigan: I wonder whether members opposite who have been applauding are applauding for the Heng Samrin regime or for Viet Nam, the aggressor.

The reason we cast this vote for representation is precisely because any alternative would be far worse. To approve the Heng Samrin regime and the Vitenamese aggressors in Kampuchea who are supporting that regime certainly would not be an improvement. We do not condone such aggression. We are working with the nations of Southeast Asia in the hope of reaching a political solution which will see another government eventually in power in that country.

* * *

● (1450)

GARRISON DIVERSION

SUGGESTED LOBBY BY ALL-PARTY DELEGATION

Mr. Terry Sargeant (Selkirk-Interlake): Madam Speaker, my question is also directed to the Secretary of State for External Affairs. I have here a copy of the tender call for construction of the New Rockford Canal portion of the Garrison Diversion Unit, construction of which will be of benefit to North Dakota only if the entire project is completed, which will, of course cause irreparable damage to Manitoba's fisheries and environment.

Since diplomatic channels have clearly been unsuccessful in protecting Canadian and Manitoba interests in this matter, is the minister now prepared to explore more convincing tactics in bilateral negotiation, such as face-to-face lobbying by an all-party Canadian delegation that could forcefully and convincingly show our friends to the south how seriously Canadians are concerned about this matter?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, we have accepted the support of members of Parliament of all parties with regard to any lobbying on the subject they would wish to do with American legislators. In fact, over the past week we have made representations to the government of the United States with respect to the way in which they propose to spend this money that has been allocated by congress. We have the assurance of the U.S. government that the money will not be used to advance the construction in any way that would harm Canadian interests. However, we submitted an additional diplomatic note to request details so that we may be assured of this.

Mr. Sargeant: Madam Speaker, in 1977 the International Joint Commission handed down its report on the trans-boundary implications of the Garrison Diversion, a report which was very sympathetic to Canadian interest. Over three years have passed since then. Is the minister now in a position to tell this

House when he expects that bilateral negotiations on the terms of the 1977 IJC report will begin?

Mr. MacGuigan: Madam Speaker, this is part of the same picture. We have the assurance of the U.S. government that no money will be spent in a way which will advance the Garrison project detrimentally to Canada.

Mr. Knowles: Do you believe that?

Mr. MacGuigan: I say to the hon. member for Winnipeg North Centre that we are seeking details so that we can be publicly assured as to how the money is being spent and be able to judge for ourselves whether or not this is the case.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

PROMPT DELIVERY OF CHEQUES TO RECIPIENTS

Hon. Roch La Salle (Joliette): Madam Speaker, my question is for the Minister of Employment and Immigration, but in his absence I will direct it to his parliamentary secretary. The recent strike created havoc in unemployment insurance offices and the current backlog is creating problems for those who are entitled to unemployment insurance and who are still waiting for their cheques. In view of the estimation which the department did, no doubt, of the situation, can the parliamentary secretary tell us whether special measures will be taken in the next 24 hours to help those who are still waiting for their benefits?

Mr. Dennis Dawson (Parliamentary Secretary to Minister of Employment and Immigration): Madam Speaker, as I told the hon. member for Manicouagan last week, the problem has nothing to do with the distribution of cheques, as it may be the case in the province of Quebec in connection with welfare and the postal strike. It is a matter of issuing the cheques. While the clerks were on strike, unfortunately, no cheques were printed. Since last week they have been working overtime and most of the cheques were issued or will be within hours or days. I am quite confident that before the weekend or the middle of next week most cases will have been dealt with. In cases where serious financial problems are being experienced, the social affairs department in Quebec can help out the people concerned, but on an individual basis.

ESTABLISHMENT OF EMERGENCY FUND

Hon. Roch La Salle (Joliette): Madam Speaker, I have received an important telegram from Montreal; it is self-explanatory. The emergency committee receives hundreds of requests because the responsible social bodies cannot meet the demand, which means that the people concerned are penniless. Can the parliamentary secretary at least indicate to us whether he is willing to recommend to the minister that a very special emergency be set up, in view of the unbelievable problems those people are now up against, not only in Montreal but throughout the province of Quebec as well as in my riding?

Mr. Dennis Dawson (Parliamentary Secretary to Minister of Employment and Immigration): As we know, Madam Speaker, all the welfare services of the province of Quebec are authorized, and have the necessary funds, to meet urgent problems. With regard to the unemployment insurance benefits, as those cheques are not sent out on a regular basis like pensions, or in a fixed monthly amount—some employees receive a cheque for $150 one month and $75 another—it is impossible for our department to say it will put out cheques in an equal amount for everyone. Each case has to be dealt with individually. That is the cause of the delay in some cases. But in all cases of hardship, the Quebec social affairs department must meet the needs. Other volunteer organizations, other sources of financial assistance, can help out those people in cases of emergency. Unfortunately, our department is not set up to solve that type of problem: that is a provincial responsibility.

* * *

[*English*]

CANADA MORTGAGE AND HOUSING CORPORATION

REGULATION RESPECTING USE OF METRIC SYSTEM FOR HOUSE PLANS

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, I direct my question to the minister responsible for Canada Mortage and Housing Corporation. I understand it is government policy that in order for an individual to be eligible to apply for a CMHC mortgage loan, all the house plans must be in metric. Does that regulation apply to all the provinces or are there currently certain sections of the country that are exempt from such a regulation? If, indeed, there are certain provinces which are not bound by the regulation at the present time, would the minister explain to the House why some provinces are bound by the regulation while others are not?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, my information is that the requirement of the corporation is one that is national in scope. I stand to be corrected, and I will look into the matter. I might add that I have received praise as well as criticism as a result of the difficulty caused. On the other hand, people and groups in the industry, associations, builders and so on, have said that it is a good move and they have complimented the corporation on that course of action.

Mr. Darling: Madam Speaker, the minister is undoubtedly aware that not all those in the business of selling homes have plans available in metric. Many of them have plans that are only available in the imperial measure. Is the government prepared to make concessions at all for those dealers who do

not have plans that are available in metric? I would also add that in my earlier question I meant to include the territories as well as the provinces.

Mr. Cosgrove: Madam Speaker, my information is that the corporation is attempting to persuade and encourage the industry to follow the course of using metric in all plans that are submitted. I understand that this has taken a little bit of time. I understand as well that the industry, through its associations of builders and so on, is attempting to encourage builders and the industry itself to equip itself to comply with the regulations.

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ENERGY

COAL—SUPPLY TO SYDNEY STEEL CORPORATION

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, my question is directed to the Acting Minister of Regional Economic Expansion. Would the acting minister immediately cause to be investigated the circumstances whereby the reserves of coal supplied by Devco to the Sydney Steel Corporation have become precariously low on site, and any unexpected interruption in production would cause this already troubled corporation great difficulty. Could I have that undertaking?

An hon. Member: Where is the acting minister?

Mr. Baker (Nepean-Carleton): Who says there is one?

An hon. Member: There isn't one.

An hon. Member: Someone answer the question.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I shall be happy to take notice of the question and refer it to the Minister of Regional Economic Expansion. I shall see to it that the hon. member receives a reply as soon as possible.

[*English*]

Madam Speaker: Does the hon. member have a supplementary question?

Mr. MacKay: Yes, Madam Speaker. This time I will direct it to the government House leader. Perhaps the House leader will also take under representation the fact that there appears to be more money being made from sales to the Sydney Steel Corporation, which is very close to Devco, than is being made on sales to customers such as Stelco or on export sales. In view of the fact that these corporations are both vital to Cape Breton and that maximum co-operation between them is necessary, would the House leader convey to his colleague the request to make certain that Sysco is receiving all the benefits of its close proximity to Devco for the mutual benefit of the area and not being charged a price that is unreasonable, having regard to all the circumstances?

[*Translation*]

Mr. Pinard: Madam Speaker, I shall certainly tell the minister responsible about the comments made by the hon. member in his question.

* * *

● (1500)

[*English*]

RAILWAYS

GRAIN TRANSPORTATION—ALLEGED SLOW-DOWN IN ALBERTA AND BRITISH COLUMBIA

Mr. Garnet M. Bloomfield (London-Middlesex): Madam Speaker, I should like to direct a question to the Minister of Transport. Following allegations of a slow-down in grain movements from southern Alberta, is the minister able, through his own office or through the grain transportation co-ordination office, to bring pressure on the railways in Alberta and British Columbia to implement measures which will correct this situation?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, a number of entities have tried to help the parties to reach some conclusions, to come to some agreement, but this has not yet proved to be successful. The parties themselves have negotiated quite hard and the Department of Labour has also sent a negotiator. He came to an agreement which the labour side could not accept. Then the Canadian Transport Commission for the western division has been around, the Canadian grain co-ordinator has been around, all kinds of people have tried to help but have not yet been successful. I am trying on my own now.

* * *

ACCESS TO INFORMATION

PUBLIC OPINION POLLS CONDUCTED BY CANADIAN UNITY INFORMATION OFFICE

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, my question is for the Minister of Justice and is a follow-up to questions asked earlier about polls taken by the Canadian Unity Information Office. In a statement in his letter to members of Parliament the minister said that he could not possibly release three of those surveys because they could be injurious to the conduct of federal-provincial affairs.

Mr. Clark: What nonsense.

Mr. Nystrom: I should like to ask the minister whether he could possibly elaborate a little more on why the results and details of these polls might prejudice the relations between the provinces and the federal government, or why it might be injurious? What possible questions could be asked that could

be harmful? What possible results could the government have that might be harmful to the relations between the federal government and the provinces in a poll that is financed by the taxpayers of this country?

[*Translation*]

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, the hon. member will be able to see for himself when I make the polls public in the next few weeks or months. We have made 13 of them public until now. Everyone can see the kind of questions we have asked in the past, and I am convinced that the hon. member will understand when these polls are made public that the questions do not deal only with the constitutional problem.

[*English*]

Mr. Nystrom: A supplementary question, Madam Speaker. I should like to ask the Minister of Justice what can possibly be so harmful about public opinion? It is the Canadian public opinion that he is trying to hold back from the House.

The minister says in his letter that later on these polls will be made public. I should like to ask him now for a commitment that the three polls referred to will be made public before the joint committee on the constitution meets. If he cannot do that, can he at least assure the House that those three polls will be made public before the committee has to make a final recommendation to this House on the resolution on the constitution? I think we have a right to know, as opposition members of Parliament, what information the government has.

[*Translation*]

Mr. Chrétien: Madam Speaker, I have made public 13 of the results of the polls taken during the last 18 months, and from the response of hon. members it seems that they might have preferred that none of them had been made public. In any case, Madam Speaker, our policy is very clear. When we are through using the polls for policy development purposes, we shall make them public. At this time, these polls are being used to develop certain policies which have not yet been finalized by the government in many areas, and we shall make them public when the policies have been announced.

[*English*]

REQUEST MINISTER RECONSIDER REFUSAL TO RELEASE POLL RESULTS

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, there is no thinking member in this House of Commons who can accept the garbage we have just heard from the Minister of Justice.

An hon. Member: Sit down.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): Not one. To say that is to say that it is wrong for people to be informed of what the collective opinion is on a public issue. Would the minister reconsider what he has just said in the spirit of freedom of information—this freedom that was talked about in Toronto a few days ago by the Minister of Communications. Would the minister reconsider what he is saying in terms of the damage he is doing to this whole process in this Parliament?

[*Translation*]

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, I am very surprised by the attitude of the hon. member. We shall make public today or tomorrow 129 of the 141 polls made by the government during the last 18 months, some of which were taken by the Progressive Conservative administration and not made public at the time, which we will now do. As I have said, we shall also make public the three others which are under my control in due time. As a matter of fact, the Freedom of Information Act provides for a certain lapse of time between the application and the moment when the minister must make the information public, and we shall follow the spirit of the law.

* * *

[*English*]

PRIVILEGE

MR. CLARK—ADVERTISEMENT SPONSORED BY PUBLICATIONS CANADA

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I am rising on a question of privilege relating to a matter that has recently come to my attention and that, in my judgment, constitutes not only a breach of the privileges of this House but also, I regret to inform you, an indication of contempt by the government for the Chair and your responsibilities as Speaker of the House of Commons.

The House will recall that there is before your Honour for your decision a question of privilege raised and argued in this House at some length in relation to government advertising, having to do with the matter which is under discussion by the House of Commons and on which the House of Commons has not yet reached a decision, that is to say, the contents of the draft resolution proposed by the government. That is a matter on which Your Honour has not yet rendered judgment.

Between the time the question was raised and before Your Honour's decision, an advertisement has begun to appear in newspapers across the land. This appeared in the Toronto *Globe and Mail*, this morning, on page 17, under the title "Something to Think About". It is sponsored by an organization called Publications Canada, which I can only assume is the successor to Information Canada, of infamous renown in the House of Commons and the country.

This advertisement invites Canadians to go to their urban post offices and secure two documents which will give them more information about the matters that are under debate and have yet to be decided in the House of Commons.

I believe, Madam Speaker, that this is a very substantive breach of the privileges of this House and indeed, a contempt of your office by the Government of Canada, knowing this matter has been raised and not decided upon, to commence a new series of advertisements or advertising programs. That is one matter which I think you should judge.

The other matter which is equally important, is that the information in at least one of these documents is false information. I have not had the opportunity to read all the documents in extensive detail, but I can draw your attention to at least two statements in one of the documents which are false and one statement which is very seriously misleading.

A statement which is false in the document entitled, in English, "Highlights of a Proposed Resolution Respecting the Constitution of Canada", appears on page 1 and states that this proposal would provide as follows:

An amending procedure will ensure that all changes to the constitution can be made in Canada.

That is not true, Madam Speaker. What the Government of Canada is trying to do, what the Prime Minister (Mr. Trudeau) is trying to do, is not to have all changes made in Canada but, instead, to take certain changes which he proposes and smuggle those through Westminster so that they will be beyond the reach of this Parliament and will be decided, instead, by a foreign parliament in a foreign country.

Some hon. Members: Hear, hear!

Mr. Clark: Therefore, Madam Speaker, the statement in this document does not reflect the attitude of hiding in the skirts of Westminster that is being evinced by this government in relation to certain of the amendments that it prefers. That statement is false.

The second statement that is false also appears on page 1 of the same document, and reads as follows:

If the proposed resolution is endorsed by Parliament, the Government of Canada will submit the joint address to the Queen—

It is our understanding, Madam Speaker, that what would be endorsed as a basis for a joint address to Westminster—is not the resolution but simply a procedural motion—a motion of concurrence in a committee report. It will not at all be an endorsement of the substance of the resolution; it would simply be the vote on the procedural question. That, too, Madam Speaker, is a matter that is false.

Madam Speaker: Order, please, I shall put this in the form of a question because I need to be enlightened on what the Right Hon. Leader of the Opposition (Mr. Clark) is leading to. If he is raising a question of privilege that flows from today's deliberations, that is one thing, and that is why I have listened to the right hon. member, because what he was saying was very close to it. But he seems to be asking about something which took place outside the House. The right hon. member could raise a question of privilege concerning something which occurred outside the House if he wished to, but I would need to have notice. The only question of privilege that I can hear from the right hon. member is if it flows from the deliberations of today's question period. Therefore, I would ask the right hon. member to argue on something which has been discussed today rather than something which happened outside the House. Otherwise, I will have to ask him to give me notice.

● (1510)

Mr. Clark: Madam Speaker, I will naturally take your guidance on the matter. I thought a question of privilege could be raised without notice, either if it arose from the proceedings in the House or if it came to the attention of a member during the proceedings of the House. But if you are ruling otherwise, and I gather you are, I stand to give you notice of an intention to raise this question of privilege substantively tomorrow.

I would say in passing, before I resume my seat, that I think it would be appropriate for the Government of Canada, on a matter regarding which a decision has to be rendered by the Chair, to stop these advertisements until Your Honour has made a ruling.

MR. HNATYSHYN—PUBLIC OPINION POLLS—ADVERTISEMENT SPONSORED BY GOLDFARB CONSULTANTS

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I rise on a question of privilege of which I have given written notice to Your Honour. It is with respect to a matter raised in the question period today. It was originally raised under a point of order yesterday by my colleague, the hon. member for St. John's East (Mr. McGrath).

It relates to the question of the polls which the Minister of Justice (Mr. Chrétien) has refused to deliver and disclose to members of Parliament. In the course of developing the basis upon which my question of privilege is made I might just point out that we have an offering, as you will know from the question period, from the Goldfarb Consultants organization. This advertisement appeared in the *Financial Times* for October 11, 1980. It was a full-page ad in which it is pointed out that the Goldfarb organization will publish a report to include a detailed treatment of public attitudes toward the debate surrounding a new Canadian Constitution. On the other hand, the polls in question which are being refused to us as members of Parliament by the Minister of Justice covering polling by Goldfarb Consultants Ltd., deal with Canadians' attitudes toward and expectations for constitutional reform. The similarities, notwithstanding the excuses given by the Minister of Justice, are quite outstanding.

These particular studies seem to be upon the same topic and the same subject matter, so we are faced with two particular problems. One is the whole question of the basis upon which the minister has refused to give and disclose those particular polls. The minister has apparently referred to and used the spirit of the freedom of information bill which is now before the House of Commons. Even though he was aware that this matter was going to be raised as a question of privilege, he has left the House, as my colleague has just mentioned. The fact is that the spirit of that particular bill which is now before the House is being used by the government as a basis of exclusion to disclosure of these documents. On the other hand, we, as

members of Parliament, do not have available to us the recourse or the remedies which would be available if the bill had been passed. Therefore we do not have the ability to go to an independent arbiter, information ombudsman or a commissioner, nor do we have the right to make a judicial appeal on that particular decision.

The importance and urgency of this matter are that we are now dealing with a momentous debate. We have a resolution which purports to amend the constitution of our country and to change in a substantial way the Constitution of Canada. So, we are denied information with respect to public opinion by the people of Canada in polling carried out at public expense by the government on the eve of the committee consideration, and indeed during the course of the discussion in Parliament of this very important topic. The second aspect is this: notwithstanding the fact that we have a statement by the minister in the House, the information which is being offered by Goldfarb Corporation for a fee and the information that has been obtained by Goldfarb for the government are amazingly similar. I think we have the right to ask ourselves whether or not there is a principle and question involved here of proprietary interest held by the Government of Canada with respect to the information obtained by the Goldfarb Corporation.

We should have the opportunity, I submit, Madam Speaker, to have a parliamentary investigation of this matter. I think it is appropriate for us as parliamentarians to be able to determine whether or not there has been a breach of the normal guidelines which would prohibit information obtained for the government for a fee, in which the government has a proprietary interest, to be merchandised by the polling company or by the consultants who have been retained to obtain this information. We should be in a position to satisfy ourselves that there is no motivation behind the Minister of Justice in refusing to disclose this particular information on the basis that he wants Goldfarb to come out first and be able to proceed on a commercial basis with this information before it is made generally available to the public.

The problem which concerns me is this: the matter has great urgency. The matter is one which deals with the rights and privileges of every member of this House with respect to the availability of information obtained at public expense for a very important debate in the House at the present time. My rights, and the rights of every member of Parliament in this House, have been seriously and adversely affected.

In introducing this topic to you, Madam Speaker, I simply say that in the event that you do find there is a prima facie case, I am glad to provide for your consideration not only the ad in question so that you can have the opportunity to look at the wording, but also the material sent to me from the Minister of Justice, together with the listing by him of the polls carried out by Goldfarb which have been denied to us. If you see, on the basis of information that I have supplied to you and the representation I am now making, that there is a prima facie question of privilege and my privileges have been adversely affected, I would ask you to entertain a motion for a reference, and I have a motion to propose to you.

However, I have one final point before I move the motion. It is a point which I believe was raised by the hon. member for Winnipeg North Centre (Mr. Knowles) the other day. It is not necessary for you to decide whether or not there has been a breach of privilege but whether a prima facie case has been raised by the proponent of the motion. It is up to the committee, once the question has been referred to that committee, to carry out an investigation to determine whether or not there has been a breach of privilege by the actions of the minister in this particular instance.

I simply want to submit to you that you are considering whether or not there is a prima facie case, but not deciding the issue itself as to whether or not there has been any breach of privilege by the actions of the minister. I am not asking you to decide but rather to have the committee decide. In any event, Madam Speaker, if you find a prima facie case, I would move, seconded by the hon. member for St. John's East (Mr. McGrath):

That the matter of the offering for sale by the Goldfarb organization of polling data denied to the House of Commons by reason of the federal-provincial exclusion clause of the proposed freedom of information legislation constituting a breach of the privileges of the House be referred to the Standing Committee on Privileges and Elections.

● (1520)

Madam Speaker: Before I hear other members on this question, I must say that it is very close to two other questions which I have under advisement. The additional question which is raised refers to the publication of certain material. The hon. member for Saskatoon West (Mr. Hnatyshyn) has raised this question. He indicated that the material which was published is very similar to the kind of information or the title of the information contained in documents transmitted to him by the Minister of Justice (Mr. Chrétien). However, he has not to my satisfaction described in what way the substance of the material published by Goldfarb constitutes a breach of the privileges of this House. The fact that something is published does not in itself constitute a question of privilege. The substance of it might constitute a privilege.

I will hear one other member because I have seen one rise on this question of privilege. I remind him that he must address himself to that particular point because, at this stage, I do not see a question of privilege in the matter that has been raised.

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, I will try at the outset to address myself specifically to the issue which you have raised because I think there is a very serious question of privilege here.

What my colleague the hon. member for Saskatoon West (Mr. Hnatyshyn), has questioned is whether it is proper, if in fact it has taken place, for commercial subscribers to the so-called Goldfarb report to have access to information paid for by the Canadian taxpayer and which is denied this Parliament. Surely nothing would be more fundamental when looking at the rights of members of Parliament than that they should be entitled to have access to information prepared for the Government of Canada at the expense of the taxpayers of

this country by a commercial company which is offering the information for sale for private gain to its customers.

What my colleague from Saskatoon West has asked is how we can possibly determine whether this is the case or not as long as Parliament is being refused access to the information. As long as we do not know what is in those polls which tax dollars have financed, there is no way we can make this comparison. We are not able to decide whether in fact Mr. Goldfarb is selling information which was paid for by the taxpayers for use by the Government of Canada. If, indeed, Mr. Goldfarb is selling such information for private gain, it would constitute, in my opinion, a very clear breach of the privileges of members of Parliament to have them be denied by the government, on whatever grounds, access to this information.

At the present time, Madam Speaker, you are taking under advisement a question of privilege that was raised on Friday. You are looking at the whole question of whether it is proper that public opinion in Canada should be classified. Only this government would feel it had the right to classify public opinion and treat it as something secret, and treat the results of studies carried out at the expense of the taxpayers of Canada as materials to which it alone should be privy, and Parliament and the people of Canada should not have access.

At the same time I would like to mention, arising out of the remarks of the Minister of Justice in the House today when he commented on the question of the release of polls, that the Minister of Justice misleads the House, I hope unintentionally, when he indicates, if that was the implication of what he was saying, that there was a policy when we were in government of withholding information gained through polls paid for by the taxpayer. In co-operation with my colleague from Joliette I was the minister who had responsibility for co-ordinating the government's activities on advertising and upon public opinion research. I can indicate to the House that our government's policy from the outset was that any poll paid for by the taxpayer should be made freely available to the people of Canada.

Mr. Ouellet: How many polls did you release?

Mr. Beatty: I say to the minister that we did not believe it was necessary to even enunciate a principle that should be so straight forward, that you do not classify public opinion polls paid for by tax dollars. These are matters which belong to the people of Canada.

I want to indicate to the government, as strenuously as I can, that if any of these polls which are being withheld by the government were taken during our tenure in office, I call upon the government today to release those polls. In doing that, I do so with the support of my leader. I invite members opposite to indicate if any of them at any time during our tenure in office requested these polls and were refused, because the policy was clear from the outset, that every single poll of this sort financed by tax dollars would be made available to the people of Canada, and certainly to the Parliament of Canada. If they have changed that policy and are classifying public opinion polls, and in particular any that were paid for during our tenure in office, they have the responsibility to declassify them and make them available to Parliament and the public as soon as possible.

Let me return to the point you asked me to deal with, Madam Speaker. This is a very serious breach of the privileges of members of Parliament if tax dollars are used to develop public opinion polls and then those polls are classified and withheld from the Parliament of Canada at the time when they are critical for a debate which is taking place in Parliament this very day. If they are withheld from us, they are withheld from the people of Canada by the government, but this can be achieved through the backdoor by paying money to Martin Goldfarb, subscribing to his Goldfarb report for which he is taking full-page ads to try to sell. He points out in there that he has done extensive work for the Government of Canada.

The only way in which you, Madam Speaker, and members of this House, can make an informed judgment as to whether there has been a very serious breach of the privileges of members of the House of Commons is if the government is required to declassify those public opinion polls which they are keeping secret at the present time. That must be done.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, this is a good example of the lack of interest of Progressive Conservatives in the constitutional debate. Every excuse and every means, even if they show a complete lack of respect toward the population and toward Parliament, seem to them completely justifiable to raise a matter which certainly does not constitute grounds for a question of privilege. What the hon. member has just stated and suggested is the complete opposite of what the Minister of Justice (Mr. Chrétien) said today in replying to certain questions. As you will see, the whole issue concerns a difference of opinions about the facts. How then can anyone conclude that the privileges of the members of Parliament are affected if, basically, the facts that should have been proven to your satisfaction, Madam Speaker, are denied on this side of the House?

Obviously, the member who spoke before the last speaker tried to give you a procedural lesson by saying, "Do not be afraid, all you have to do is to say that we are right and decide whether or not there is a prima facie question of privilege, and it will be up to the committee to examine the whole matter and determine whether you are right or not." I am sorry, but this is not procedurally correct. The hon. member was wrong. According to the procedure, you must decide, in light of the facts which are stated, whether there is a prima facie question of privilege. However, it is the House of Commons as a whole which must decide whether or not there is a question of privilege.

For you to conclude that there is a prima facie question of privilege, Madam Speaker, you need some facts. It is not just a matter of stating high principles. These must be supported by

facts which show that members of Parliament have indeed been prevented from doing their usual work, fulfilling their duty as members and representing adequately their fellow citizens.

In the present case, there is absolutely no alleged fact which shows that members of Parliament seem to have been prevented from fulfilling their duty. On the contrary, the alleged facts have been expressly denied by the Minister of Justice. This is therefore a debate. This is what the members of the opposition want. They want a debate on the question, even though there has already been an overly lengthy debate last week on the same matter following a question raised by the Leader of the New Democratic Party. This is the second point of my argument, Madam Speaker, which shows how much the members of the Progressive Conservative Party are afraid to deal with the constitutional issue within the normal boundaries of the debate which has been going on recently. That fact is, there is already a question of privilege which has been reserved by you, Madam Speaker, on exactly the same matter which had been raised by the Leader of the New Democratic Party, and I suggest they are abusing this institution and wasting the time of Canadian taxpayers as well as of hon. members of this House. By so doing, they are showing a lack of responsibility, and if Progressive Conservative Party members take advantage of every opportunity other than the debate on the constitution to play the game of petty politics, they deserve to be denounced, and I denounce them publicly. They are seeking every possible way to prevent the debate on the constitution from progressing normally.

To conclude, Madam Speaker, they are wasting the time of the House. There is absolutely no basis for raising this question of privilege, and I say that they are showing disrespect by rising on a question of privilege which has already been reserved by you, as introduced by the Leader of the New Democratic Party.

● (1530)

[*English*]

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, I wish to begin by agreeing with you that what we have before the House today is very similar to a question of privilege raised on Friday and, indeed, a previous question of privilege raised in respect of government advertising on Thursday of last week.

If I may, I want to refer you to a ruling by Speaker Jerome back on December 10 last. This was referred to in the House last week by the hon. member for St. John's East (Mr. McGrath) who quoted from page 2180 of *Hansard* for that date. I should like to quote it again as follows:

> The support of public funds, where applied to parliamentary activities, ought, I think, to apply across the floor of Parliament—

That was a ruling he made in respect of a different issue where the government of the day had established task forces made up of members of only one political party. The ruling was that where public funds apply, those public funds should apply equally across the floor of the House when dealing with parliamentary activities.

What I want to suggest to you today is that we are dealing with an issue here that is as relevant, in terms of a constitutional committee, to a parliamentary activity as it was last September in relation to the task forces on grain movement, beef and so on, established by the government of the day. I think the same rule should apply here as applied at that time.

Another interesting comment made by Speaker Jerome on the same day, as reported at page 2181 of *Hansard*, is as follows:

> I hope the House will take the sense of the argument, which I think is a very serious argument, and the sense of the Chair in this respect, that it is a practice which ought to be considered very carefully before it is entered into again. If it were to be attempted again, I would think the House ought to be consulted.

In other words, the House ought to be consulted before that type of activity is entered into again. One may say it was a different kind of activity because it involved task forces made up of members of only one party using public funds. I point back to what Speaker Jerome said when talking about parliamentary activity. We have before the House today a resolution on the constitution. We are not talking here at all about the substance of that resolution. We are talking about a resolution being before the House, regarding the constitution. It will establish a special committee of this House and the other place to study a document relating to the constitution. That, in my opinion, is a parliamentary activity. If the government of a previous day could not spend money for its MPs on task forces, it seems to me you can apply the same argument, that the government of the day should not have access to public funds to carry on a public opinion poll to the results of which the government alone will have access.

An hon. Member: How about paying public servants? Can we not do that?

Mr. Nystrom: The Minister of Supply and Services (Mr. Blais), I believe, talks about paying civil servants.

Mr. Knowles: You don't pay them very well.

Mr. Nystrom: I want to say to him that this is a totally different argument because public servants are involved in administering programs of the government from day to day.

Mr. Knowles: And there is parliamentary approval for it.

Mr. Nystrom: They are running departments and, as my friend points out, there is parliamentary approval for that. Their jobs are defined by Parliament and we have approved them. We have passed acts, and they are administering those acts. Once Parliament has passed an act that is a totally different story. I see nothing wrong in principle with government advertising if the act has been passed and is the law of this land. What we are dealing with here today is something totally different. We are dealing with a proposal of the Government of Canada, and be it good or bad is immaterial and irrelevant, which is now a proposal of one party, a party which happens to be in the Government of Canada and which, in

preparing its argument for Parliament and the committee, has access to public opinion polls about how Canadians think their country should be organized. We do not have access to those polls and we do not have access to those funds as opposition members.

We are all elected as equals, and until a law is passed in Parliament, until public servants have been told what to do by Parliament, then I maintain that, as Mr. Speaker Jerome ruled, for any parliamentary activity, access to the funds should apply equally to members on both sides of the Chair, equally across the floor of this House.

I would like to ask you to take a serious look at that and the intent, because the Speaker said, as it appears in *Hansard* of that date, that before we enter into a practice of this sort again it should be given very serious consideration. He said the House ought to be consulted. I think we would be very wise if we were to refer this matter of polls, the matter of government advertising on proposals that are not the law of the land, have not been enacted, and where public servants do not have the direction of the Parliament of Canada, to a special committee. I think this is a question that strikes possibly at the very essence of the democratic system, of freedom, of equality of votes in this country, be they cast by members of Parliament on the government or on the opposition side of the House.

[*Translation*]

Madam Speaker: With leave from hon. members, I would now interrupt debate on the point of privilege raised this afternoon. I would not like to anticipate on the two decisions I will give tomorrow, because they are very close to this one, and I submit to hon. members that evidence of this lies in the arguments heard in the House this afternoon. They are almost identical with those raised on the two points of privilege I have taken under consideration and on which I will rule tomorrow.

On the point raised today, I have not been satisfied up till now—although I reserve decision on this—as to what information in the studies, surveys or submission from Goldfarb Consultants is not included in the studies the Minister of Justice and Minister of State for Social Development (Mr. Chrétien) decided to make available to hon. members by a procedure he chose himself and that may not please all hon. members. I have no authority whatsoever to force the minister to table documents in this House. He selected a procedure, a way of his own to make available studies that in my view are very bulky. That is his business, and if hon. members are not satisfied with the way the minister made these documents available, they of course will have opportunities to debate this some way or other.

Therefore I reserve judgment on this point of privilege. I will render tomorrow the two decisions I took under consideration and also my ruling on today's point of privilege. I am not saying that they are all identical, not at all. They concern slightly different aspects. They are not identical, but they are similar enough, they are based on the same matter, and I shall rule tomorrow on all three.

[*English*]

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I rise on a point of order and I must confess to you that it relates to the matter you have just reserved upon and, therefore, have not decided upon. This is something I feel should be brought to your attention. I raise it because of answers to questions in respect of this whole matter of polling. If you had not reserved decision I would not be raising this matter, because I do have respect for the Chair, and I think you understand that.

● (1540)

What I am concerned about is that in answer to a question put yesterday, as reported at page 3685 of *Hansard*—the question having to do with the tabling of the results of the polls—the minister decided that he would not table those results. He can make that decision. I will ask my friend the government House leader a little later about that, but he can make that decision. I will tell you, Madam Speaker, as a matter of record, that he is adopting a process by which the poll results can be obtained. The raw figures and the questions asked can be obtained.

Mr. Pinard: That is not a point of order, Walter.

Mr. Baker (Nepean-Carleton): We know that there was a detailed analysis of those polls. That detailed analysis is not being released. It is the analysis which is referred to in the Goldfarb ad.

Madam Speaker: Order, please. I thank the hon. member for bringing this fact to my attention. I think I referred to it when I was telling the House that I was reserving my decision on this question of privilege. I did say that perhaps hon. members are not satisfied with the mechanism the minister chose to make these studies or polls available—

Mr. Baker (Nepean-Carleton): That was not the point.

Madam Speaker: —to the members of this House, but that is the mechanism he chose. If hon. members want to discuss that on some other occasion or while raising some other point, I can entertain it, but since I said I am going to reserve on this question of privilege the hon. member for Nepean-Carleton (Mr. Baker) really has been relating his remarks to that question of privilege. In any event, I have heard him, but I will not entertain any other interventions on this particular question of privilege.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baker (Nepean-Carleton): Madam Speaker, I rise on a point of order. I wonder if the government House leader could tell us his plans for the end of this week and into next week.

[*Translation*]

Mr. Pinard: With pleasure, Madam Speaker. If we can conclude the debate on the motion to refer to committee the resolution on the constitution fairly soon, perhaps even tonight, we could, pending the budget speech, proceed with consideration of three bills which are quite important and urgent, as my hon. colleague well knows. We could proceed with consideration of the motion to refer to committee, as soon as possible, Bill C-42 to establish the Canada Post Corporation. As my colleague will recall, the Postmaster General (Mr. Ouellet) raised the matter just before the summer recess. He is no doubt well aware that postal employees are anxious to see this bill passed by Parliament, and I am certain that he will show his customary sense of responsibility so that the special committee can discuss the constitution and Parliament can consider important pieces of legislation such as Bill C-42 on the Post Office, and Bill C-43, which these questions of privilege have alluded to and which deals with access to information. The bill is before the House and should be considered as soon as possible, along with the Bank Act, which has yet to be passed at the report and third reading stages, and receive royal assent by November 30 of this year.

[*English*]

I want to take advantage of this situation and to point out to my hon. colleagues that the constitution is very important, the budget will be very important, and the energy matter will be very important, but we still have some 30 bills on the order paper, and three of them are very urgent. I just talked about them, and I refer to Bills C-42, C-43, and C-6.

If my hon. colleagues want to co-operate, they should understand that after the committee stage of debate on the resolution there will be a third stage on the floor of the House of Commons to deal with the report of the committee. There will be ample time to deal with the constitutional issue on the floor of this House. It might be useful to agree to the motion to refer the constitution resolution to the committee as soon as possible, hopefully tonight or, at the latest, at the beginning of next week, so that this House can be in a position to deal with the economy, as requested by the hon. member's own leader, the Leader of the Opposition (Mr. Clark), to deal with the bills I just talked about and to deal with the other important and major issues this country is now facing.

Next Wednesday will be an allotted day. I had wanted to designate tomorrow, but it will be on Wednesday next. I would like that to be clear. We talked about Friday, but next Wednesday will be the next allotted day.

If my hon. colleague has further questions, I would be delighted to try to provide him with some answers.

Mr. Baker (Nepean-Carleton): Madam Speaker, I appreciate that. As the government House leader knows, the government chooses the order of business, and it has chosen to bring a resolution before the House. The Prime Minister (Mr. Trudeau) invited all hon. members to participate in the debate. Frankly, as a member of this House, I appreciate that. I am going to be participating in the debate this afternoon. I look forward to that, and I know there are other hon. members who look forward to it. The Minister of Justice (Mr. Chrétien) set the parameters of this debate in the course of his speech when he indicated the importance of this particular stage.

I just want to make the record clear that the government can choose the business of the House as it wants to, and we will deal with it. I know the position the government House leader is in. I sympathize with him completely, and he must know that.

As far as the opposition day is concerned, the remarks of the government House leader were quite in order. However, it would be helpful to the business of the House, and I ask the minister this as part of my point of order, if he would prevail upon the Minister of Justice not to leave these polls, with such information as they contain, at the Canadian Unity Office and at every other government department around town so that we have to go all over town to get whatever information is available. The press has to do that. There is no gathering together of it. I wish the government House leader would prevail upon his friend, the Minister of Justice, to do what is normal, to come into the House, table the questions, the polls and the results, and also table the analyses of those polls which were referred to in this matter as being available for commercial purposes by Goldfarb. I wish the government House leader would prevail upon the Minister of Justice to do all those things, table them here and then end the dispute.

I think it is important that the government House leader should know that this matter is not merely procedural. He may regard it as such, but it is not. If these are attitudinal polls with respect to the attitude of the public of Canada about the issue before Parliament, then they go much further than that, and if he wants to facilitate business he had better do a bit of facilitating himself.

Mr. Pinard: Madam Speaker, on the first part of the remarks made by my hon. colleague, this is the first indication I have had that his party intends to prolong the debate on the first phase.

Mr. Paproski: Oh, come on, Pinard.

Mr. Nielsen: It is what the Prime Minister (Mr. Trudeau) told us.

Mr. Cousineau: We listened to the hon. member for Nepean-Carleton (Mr. Baker). Wait until the minister has finished.

Mr. Beatty: Did you speak in the debate, Pinard? We want the same right.

Mr. Pinard: Perhaps I misunderstood the hon. member. Perhaps hon. members opposite intend to let it go fairly quickly. If so, I appreciate that, because what the Prime Minister said, and what I am also saying—and I wonder why hon. members opposite are crying about it—

Some hon. Members: Oh, oh!

Mr. Pinard: If hon. members do not feel well, they may get out. I do not mind.

Mr. Beatty: Did you speak yesterday?

Mr. Pinard: I will send the hon. member a copy of my speech.

What I am saying to my hon. colleague—and I want to be serious with him because I think he was serious—is that what the Prime Minister said, and what we have been saying all the time, is that we certainly do think this is a very major and important debate, and as many members as possible should participate.

Mr. Nielsen: That is not what the Prime Minister said.

Mr. Pinard: Yes, that is what he said. The Prime Minister did not specify one particular stage. My hon. friends will understand that participation in a debate can mean during the committee stage or even at the third stage when this resolution will be back.

Mr. Baker (Nepean-Carleton): What is the third stage?

Mr. Pinard: I would be glad to inform my hon. colleague of what is going on here. I thought he understood.

We are debating now a motion to refer the resolution to a committee. Once the committee receives the resolution, it will have a limited period of time in which to look at it, until December 9. The committee will then report to the House, and the House will then be in a position to look at the report of the committee which will deal exactly with the resolution.

An hon. Member: Will we debate it?

Mr. Pinard: That is exactly what is going on.

An hon. Member: And debate it?

Mr. Pinard: And debate the report of the committee, yes.

Mr. Kempling: The report, not the resolution?

Mr. Pinard: The report will deal with the resolution. It will not talk about the World Series.

Mr. Baker (Nepean-Carleton): No tricks?

Mr. Cousineau: You are filibustering.

Mr. Pinard: I am trying to explain what seems to me very obvious. When a committee reports to the House, what is considered by the House is the report of the committee. We do not intend at the time to deal with anything else but the report related to the resolution which is pertinent to the constitution. I think my colleague knows about that. If he wants us to talk about anything else, he had better tell us. What I am saying to him is that the House will have full opportunity at the third stage which I have just described to speak on the resolution which will be dealt with in the report of the committee.

• (1550)

Some hon. Members: Oh, oh!

Mr. Pinard: I suggest hon. members ask their House leader, who is very knowledgeable and who will be able to provide them with further details. I do not wish to take up the whole time of the House.

Some hon. Members: Oh, oh!

Mr. Pinard: We like to talk about the constitution.

An hon. Member: Filibuster.

Mr. Pinard: That is my answer to the first point raised by the House leader of the Tory party.

On the second point, I do not know if I should answer a question which I consider to be a prolongation of the debate which the hon. member started with Madam Speaker after she had decided to take some questions of privilege under consideration. I certainly do not intend to tell the Minister of Justice what to do. I think he answered the questions today very well. What he is doing, I think, is right. There is absolutely no breach of privilege of any sort in the way he is acting, and in a few moments I will be delighted to table the many, many polls that have been taken in the last 18 months.

Mr. Knowles: Madam Speaker, the President of the Privy Council (Mr. Pinard), if I understand him correctly, has made it clear that if there is House time between the point when the debate on the present motion has concluded and the budget is to begin, that intervening time will be used to deal with Bill C-42, Bill C-43, and the report stage and third reading of Bill C-6. Can he tell us in which order those three bills will be dealt with, if there is a gap between the consideration of this resolution and the budget?

In connection with the budget, may I remind the government House leader that yesterday his colleague, the Minister of Finance (Mr. MacEachen), in reply to a question about the budget said:

> I will attempt to do that after I have had a chance to confer with my colleagues tomorrow.

Well, that tomorrow is today. The Minister of Finance has left. Is the President of the Privy Council in a position to tell us what the date of the budget is to be?

Mr. Pinard: May I say in reply to the second part of the question that, yes, "tomorrow" is today, but it is not yet over so I am not in a position to provide any indication on this. I had expected that perhaps a question would have been put to the minister today. Obviously the hon. member had no question on the matter, and I cannot answer in the minister's name at this stage.

With regard to the first part of the question as to the order in which we would like to deal with the three bills I had mentioned, it all depends on the length of the gap. If it is a long gap—and I understand the NDP would like to see this resolution go to the committee as soon as possible because they

understand that they will have ample opportunity to debate the matter later on—we would like to look first at the Bank Act because of the great number of amendments which will have to be discussed. But if the gap is short between the end of the debate on this motion and the beginning of the debate on the budget, then I suggest that we start debate on Bill C-42 which is related to making the Post Office into a Crown corporation. As I said earlier, there is much pressure, I understand—and I recognize that kind of pressure—and we should show some responsibility and deal with the matter as soon as possible.

We have the opportunity of dealing with all those important matters and at the same time continuing the debate on the constitution, because the committee will consider the resolution on the constitution and at the same time the House of Commons will be dealing with the bills mentioned, with the budget, and with the energy measures, just as the leader of the Tory party has asked be done.

Mr. Knowles: I have two other questions which I should like to put to the government House leader under the heading of the business of the House. It is now 13 years since a special committee recommended to Parliament that a regime of collective bargaining for employees on Parliament Hill be established. The minister's predecessors promised several times that this matter would be considered. Can he say whether consideration has been given to the introduction of such legislation during this session?

My other question relates to the fact that there are thousands of veterans' widows who are disturbed and unhappy over the fact that they are having to wait four, five or six years for the pensions which were authorized earlier in this session. Will the government House leader discuss with his colleague, the Acting Minister of Veterans Affairs, the possibility of bringing in another bill in this session to amend chapter 19 of the Statutes of 1980 to shorten or eliminate that most unfair waiting period?

Mr. Pinard: With regard to the first point, Madam Speaker, there is nothing in the Speech from the Throne dealing with the request made by the hon. member so I would be surprised if, in this session, there would be an opportunity to look at legislation related to the matter raised by the hon. member.

With regard to the second point, it is not the first time that the hon. member has shown some interest in the matter. I will be glad to speak to the Acting Minister of Veterans Affairs but I cannot guarantee that we will agree to amend our legislation at this point.

Mr. Knowles: You will hear from me again.

Mr. Dick: Madam Speaker, still speaking on the business of the House, I wish to make a point on the question which was brought up. There was a misrepresentation of facts which I think should be clarified at this time. The President of the Privy Council (Mr. Pinard) paraphrased what he thought were the words of the Prime Minister (Mr. Trudeau). In fact, I have the transcript in front of me and the words do not convey what he thought was the interpretation. On that occasion the Prime Minister said:

> The Speaker has asked that Parliament return on Monday to begin debate on that resolution. Every member of Parliament from every corner of this land is asked to participate in this historic act.

By this he meant the debate on the resolution.

Mr. Pinard: I just want to say that we agree with that fully. As I was saying, the debate will not end with the acceptance of the reference of the matter to the committee; it will go on in committee, and the resolution will come back to the floor of the House where it will be debated. So every member of Parliament will have the opportunity to speak, not necessarily on the first stage but throughout the three stages. That is what I was saying, Madam Speaker.

Mr. Taylor: I rise on a point of order, Madam Speaker. After the resolution comes back from the committee it is too late. We have representations to make. Only a few members go to the committee. We have representations to make on behalf of the people who sent us here and we should not be denied the right to do so.

Mr. Pinard: Madam Speaker, it is the hon. member's leader who, while in power, advocated the creation of a great number of committees to deal with subjects of importance. I believe in this institution which includes the committee system. As I was saying, it will not only be the committee which will look into the matter. The House is now looking into it, the committee will look into it, and it will be back on the floor of the House, so the hon. member should feel much more secure now that he knows he will have sometime the opportunity to speak, either at this stage, in committee, or when the resolution is back on the floor of the House.

Mr. Taylor: I do not feel secure at all. I want to make my representations first.

Madam Speaker: Order, please. I have not recognized the hon. member.

• (1600)

[*Translation*]

Mr. Ouellet: Madam Speaker, during that exchange of views by the parliamentary leaders of the three parties in the House, reference was made to the legislation setting up the Post Office Corporation. I would like, therefore, to recall that my friends opposite have given their support in principle and said that they wished to hasten the passage of the legislation. I hope that the good will shown a few months ago is still there and that it will be possible to find the necessary time to pass that legislation. The unions which have to renegotiate collective agreements in the near future would like to do so under the Labour Code rather than under the public service legislation.

Therefore, it is necessary to obtain the co-operation of all political parties in the House and I hope that we will find the

time to do so even if we have to ask our hon. friends opposite to give up one of their allotted days to discuss that bill.

[*English*]

Mr. Baker (Nepean-Carleton): Madam Speaker, I took part in the discussion with the Minister of Consumer and Corporate Affairs and Postmaser General (Mr. Ouellet) with respect to the postal corporation bill. I would suggest that he speak to his House leader and that his House leader can help him to decide which is the best time to bring in the bill. There is nothing that I said in the exchange we had in the earlier part of the year from which I would back away.

ROUTINE PROCEEDINGS

[*English*]

Madam Speaker: Routine Proceedings. Presenting Reports from Standing or Special Committees. Tabling of Documents. Statements by Ministers.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I wish to table some papers. Do I have leave to table them?

Madam Speaker: Order. With the consent of the House, we will now revert to tabling of documents.

* * *

[*English*]

TABLING OF DOCUMENTS

LISTS OF PUBLIC OPINION SURVEYS

Hon. Yvon Pinard (President of the Privy Council): I presume that hon. members have no objection to my tabling the polls. Under the provision of Standing Order 41(2), I wish to table a copy in both official languages of lists of public opinion surveys either conducted or planned since March, 1979.

* * *

NATIONAL TRADING CORPORATION

CONCURRENCE IN FIRST REPORT OF SPECIAL COMMITTEE

Mr. Jesse P. Flis (Parkdale-High Park) moved that the first report of the Special Committee on a National Trading Corporation, presented to the house on Tuesday, October 14, 1980, be concurred in.

Motion agreed to.

Order Paper Questions

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 761, 1,285, 1,352, 1,486 and 1,494.

[*Text*]

EMPLOYMENT AND IMMIGRATION—CONSULTANTS UNDER CONTRACT

Question No. 761—**Mr. Shields:**

Since August 1, 1978, how many (a) administrative (b) policy consultants were under contract to the Department of Employment and Immigration and/or any boards, commissions or corporations reporting to the minister and, in each case, what amount was paid to them?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): (a) One administrative contract—total cost $18,639.98; (b) Nine policy consultant contracts—total cost $22,375.39.

See report below.

Administrative Contracts

August 1, 1978 to May 2, 1980

Name	Number of contracts	Cost
David Zifkin	1	$18,639.98

Policy Consultant Contracts

August 1, 1978 to May 2, 1980

Name	Number of contracts	Cost
Thomas Sloan	1	$12,856.64
John H. Tory	1	649.00
Charles King	1	4,500.00
Pierre Allard	1	4,369.75
Walker Zimmerman Consultants	1	NIL*
Team Enterprises Ltd.	2	NIL*
Bill Shead	1	NIL*
Allan Ross	1	NIL*
	Total:	$22,375.39

* As of May 2, 1980, no payment had been made on this contract.

In so far as the Immigration Appeal Board is concerned, the reply is: none

NEW MEAT RESEARCH BUILDING—LACOMBE—ALBERTA

Question No. 1,285—**Mr. Schellenberger:**

Were plans for the new meat research building at the federal agricultural station in Lacombe, Alberta, submitted to the Treasury Board and, if so (a) what is the projected cost (b) on what date will construction begin (c) what is the anticipated date of completion?

Hon. E. F. Whelan (Minister of Agriculture): Yes.

(a) The Treasury Board approved this project at the department's preliminary estimate of cost of one million dollars.

(b) Dates for commencement and completion of construction have not yet been established.

(c) As in (b).

AGRICULTURE—MONETARY ASSISTANCE—CONSTITUENCY OF OXFORD

Question No. 1,352—**Mr. Halliday:**

1. For the fiscal year (a) 1977-78 (b) 1978-79, how many (i) beef (ii) dairy (iii) poultry (iv) pork (v) egg (vi) corn producers in the constituency of Oxford, applied for assistance and received monetary assistance from the Department of Agriculture?

2. For the same years, how many persons in the constituency of Oxford applied for a loan and received a loan from the Farm Credit Corporation?

Hon. E. F. Whelan (Minister of Agriculture): 1. None.

2. Farm Credit Corporation advises that statistics are not maintained on a constituency basis. The constituency of Oxford is made up of two field areas, which results in an overlap into the constituency of Brant. However, based on the foregoing, the answer is:

	1977-78	1978-79
(a) Applied for a loan	120	109
(b) Received a loan	110	83

ST. LAWRENCE ISLANDS NATIONAL PARK

Question No. 1,486—**Mr. Cossitt:**

What is a full description of the methods and procedures for hiring of (a) permanent (b) temporary or seasonal employees in the St. Lawrence Islands National Park?

Mr. Roger Simmons (Parliamentary Secretary to Minister of State for Science and Technology and Minister of the Environment): St. Lawrence Islands National Park conducts its own recruiting only for administrative support (clerical) and operational (maintenance, etc.) positions.

(a) Hiring of permanent employees

Closed or open competition

In the event that attempts to recruit qualified candidates from within the public service are unsuccessful or where it has been determined to be in the best interests of the public service, the responsible staffing officer may, subject to the conditions of delegation, consider recruitment from outside the public service, in accordance with the Public Service Employment Act and Regulations.

(i) Open competitions (open to the public)

The park must go to the local Canada Employment Centre for referrals. Potential candidates are referred by the local Canada Employment and Immigration Centre (CEIC) office in Brockville, Ontario. The region covered by this office extends from Brockville to Gananoque but the area of the region may be increased to cover Prescott-Kingston if the local CEIC office feels that a wider search is required due to an insufficient number of candidates being available in the Brockville-Gananoque area. The candidates are then interviewed by parks personnel and rated against appropriate selection standards. Qualified candidates are then placed on an eligible list and offered positions as vacancies occur during the time the eligible list is valid, as governed by Public Service Commission regulations.

(ii) Closed competitions (open only to federal employees)

There are two types of closed competitions; local and regional. A local closed competition includes only employees of St. Lawrence Islands National Park. A regional closed competition includes Parks Canada employees, Ontario region, which emcompasses the province of Ontario. The area of competition for closed competitions is determined from the "Area of Competition Guidelines" as issued by the Public Service Commission on the basis of three considerations: the organizational unit within which a candidate must be employed in order to be considered; the geographic boundaries of the area of competition; and the occupational group and salary of employees. Closed competitions for employees of St. Lawrence Islands National Park take place when the number of candidates is sufficient to meet the three considerations listed above. Closed competitions are widened to a regional scope when the park cannot provide sufficient candidates. Closed competitions are extended to other regions and other departments when an insufficient number of candidates is available. The candidates are interviewed by parks personnel and rated against appropriate selection standards. Qualified candidates are then placed on an eligible list and offered positions as vacancies occur during the time the eligible list is valid, as governed by Public Service Commission regulations.

(b) Hiring of temporary or seasonal employees

The methods and procedures are the same as in (a)(i) and (a)(ii).

If there is a requirement to staff positions other than those in the administrative support or operational categories as described above, it is referred to the regional office for action. The personnel advisor in the regional office essentially follows very similar procedures using the Public Service Commission as a central agency instead of the Canada Employment and Immigration Centre.

RESEARCH—ENERGY

Question No. 1,494—**Mr. Orlikow:**

1. For each of the past three years, what amount did the government spend on research into all forms of energy—oil, gas, coal, tar sands, heavy oil, solar, nuclear and what is the current projected expenditure?

2. On a per capita basis, how does Canada's energy research related expenditures compare with other member countries of the OECD?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): In so far as the Department of Energy, Mines and Resources is concerned:

1 and 2. See lists below. Table I shows the governments' expenditures on energy research for four years and table II shows the per capita comparison to other member countries of the OECD (Organization for Economic Co-operation and Development) for government and industrial energy research.

Table I

Canadian $ (Millions)

Research Area	1977-78 Fed.	1977-78 Prov.	1978-79 Fed.	1978-79 Prov.	1979-80 Fed.	1979-80 Prov.	1980-81 Fed.	1980-81 Prov.
Conservation	6.7	4.0	11.6	4.8	20.5	4.5	20.5	5.2
Oil & gas	6.3	21.8	6.4	34.9	4.0	38.9	3.9	40.1
Coal	5.9	7.7	8.4	10.1	9.9	6.1	10.2	10.2
Nuclear	100.8	3.7	103.9	5.4	107.6	3.8	107.6	5.0
Renewables	6.3	3.8	13.4	9.4	40.3	9.7	40.3	10.1
Transportation & transmission	4.6	28.1	13.5	34.5	7.6	20.7	7.6	40.2
Other	.1	.2	—	1.0	—	—	1.1	.8
Totals	130.7	69.3	157.2	100.1	189.9	83.7	191.2	111.6

Table II

1979 data

U.S. $ (Millions)

	Population	Govt. R&D (U.S. $)	Per Capita (U.S. $)	Rank	Industry R&D (U.S. $)	Per Capita (U.S. $)	Rank
Australia	14.434	N/A	N/A	N/A	N/A	N/A	N/A
Austria	7.506	31.9	4.25	12	—	—	—
Belgium	9.860	97.7	9.90	4	—	—	—
Canada	23.691	233.6	9.86	5	236.9	6.00	4
Denmark	5.120	31.0	6.05	11	—	—	—
Germany	61.337	1,048.0	17.09	2	329.0	5.36	6
Greece	9.444	4.1	.43	17	—	—	—
Ireland	3.256	4.7	1.44	16	—	—	—
Italy	56.888	213.2	3.75	13	124.4	2.19	9
Japan	115.880	919.3	7.93	8	512.7	4.42	7
Netherlands	14.030	111.7	7.89	9	108.6	7.74	3
New Zealand	3.160	8.5	2.69	14	2.4	.76	10
Norway	4.074	39.5	9.70	6	46.1	11.32	2
Spain	37.554	79.3	2.11	15	16.9	.45	11
Sweden	8.296	108.5	13.08	3	—	—	—
Switzerland	6.318	52.6	8.33	7	192.4	30.45	1
U.K.	55.783	389.2	6.98	10	267.0	4.43	7
U.S.	220.415	3,783.4	17.16	1	1,309.1	5.94	5

[*English*]

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

Madam Speaker: The questions enumerated by the parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

The Constitution

GOVERNMENT ORDERS

[*English*]

THE CONSTITUTION

ESTABLISHMENT OF SPECIAL JOINT COMMITTEE OF THE SENATE AND HOUSE OF COMMONS

The House resumed consideration from Wednesday, October 15, 1980, of the motion of the Minister of Justice and Minister of State for Social Development (Mr. Chrétien):

That a Special Joint Committee of the Senate and of the House of Commons be appointed to consider and report upon the document entitled "Proposed Resolution for a Joint Address to Her Majesty the Queen respecting the Constitution of Canada" published by the government on October 2, 1980, and to recommend in their report whether or not such an Address, with such amendments as the committee considers necessary, should be presented by both Houses of Parliament to Her Majesty the Queen;

That 15 members of the House of Commons to be designated no later than three sitting days after the adoption of this motion be members on the part of this House of the Special Joint Committee;

That the committee have power to appoint from among its members such subcommittees as may be deemed advisable and necessary and to delegate to such subcommittees all or any of their powers except the power to report directly to the House;

That the committee have power to sit during sittings and adjournments of the House of Commons;

That the committee have power to send for persons, papers and records, and to examine witnesses and to print such papers and evidence from day to day as may be ordered by the committee;

That the committee submit their report not later than December 9, 1980;

That the quorum of the committee be 12 members, whenever a vote, resolution or other decision is taken, so long as both Houses are represented and that the joint chairmen be authorized to hold meetings, to receive evidence and authorize the printing thereof, when six members are present so long as both Houses are represented; and

That a message be sent to the Senate requesting that House to unite with this House for the above purpose, and to select, if the Senate deems it to be advisable, members to act on the proposed Special Joint Committee.

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): Madam Speaker, I welcome the opportunity to take part in this debate which is, as many members of the House have recognized, an important and historic debate and one which has been of very high quality. I have not been able to be here for all the comments of members of the House, but I have followed closely their remarks as reported in *Hansard*. It is clear that members on all sides of the House participating in the debate have raised questions of serious and thorough interest.

Also I am rather glad to have had the opportunity today to listen to the crossfire before we reached this stage. I was somewhat surprised by the puzzlement, concern, or almost astonishment which has just been expressed by some mmembers opposite about the course we have proposed to deal with this resolution because clearly it has been known to them for some time. I should like to refer to the remarks of the Hon. Leader of the Opposition (Mr. Clark), as reported at page 3290 of *Hansard* of October 6, which read as follows:

The significant debate will come when the resolution itself is brought directly before the House some time after the committee has made its report. Only when that resolution is presented will we know if the government has taken any account—

Mr. Baker (Nepean-Carleton): Mr. Speaker, I rise on a point of order. I apologize to the minister, but I want him to understand that what we were talking about was a resolution debatable and amendable in this House in the form of an address to Her Majesty the Queen and to the British Parliament. We were not talking about the concurrence debate which was referred to by my friend. Precisely that is what the Hon. Leader of the Opposition (Mr. Clark) was referring to at that time, just so that he understands.

Mr. Roberts: I think I understand the hon. member for Nepean-Carleton (Mr. Baker), but it does not seem to me that that is the clear purport of the remarks made by his leader.

Mr. Baker (Nepean-Carleton): Resolution.

Mr. Roberts: What is referred to is not the resolution before the House, but a resolution which has gone to the committee. It refers to the report made by the committee. His leader said:

Only when that resolution is presented will we know if the government has taken any account at all of the views that are expressed by members of this House of Commons—

Clearly the reference is a report coming from the committee after it has been referred by the House to the committee. This procedure, which seems to have elicited so much surprise today, is one that has been perfectly well known to members opposite for some time.

As I said, I welcome the opportunity to take part in the debate.

Mr. Baker (Nepean-Carleton): We welcome you too.

Mr. Roberts: I am glad the hon. House leader opposite welcomes my participation in the debate which clearly has gone on for some time.

I hope to discuss seriously some of the points made by other speakers in the debate. Inevitably in a debate which has gone on this long there is a certain redundancy of argument and a certain reference to what has already taken place. Of course in a debate which has ranged so widely, inevitably there are things that appear to be consistent and some seem to be inconsistent. It seems to me somewhat surprising when we proposed a charter of rights for individuals, which is a common element in virtually every federal system in the world, that critics should accuse us not of supporting federalism but of abandoning British tradition. When we propose an amending procedure with an attached referendum, they falsely accuse us of establishing a unitary system of government which is characteristic of the government of Great Britain. They do not condemn us for accepting the British unitary system but they accuse us of abandoning federalism.

Perhaps it is even more surprising that provincial governments attack us for suggesting that an appeal to the courts should be permissible to protect the rights of the people, and then themselves appeal to the courts to protect the rights of provincial governments, as if somehow it is more important that the courts protect the rights of provincial governments rather than the rights of individual citizens.

Of course in our proposals we have neither abandoned the British parliamentary tradition nor the principles of federalism; we embrace them. In our proposals for reform we do not alter the distribution of powers between two levels of government, the essential of any federal system, nor do we propose to abandon the traditions of British government, the linkage between the executives and the legislatures which is common to the tradition not only of this House but to the legislatures of the provinces. We are not suggesting to change any of that. Indeed we have preserved in our proposals both the desirable aspects of the parliamentary system and the balance of federalism.

I should like to refer essentially to two speeches made at the beginning of this debate. First I refer to the speech of the Leader of the Opposition in which I think we dwelt largely on a marginal or peripheral—I do not say unimportant—concern with section 42 of the amending procedure.

● (1610)

I would also like, perhaps a bit later, to refer to the remarks of the Leader of the New Democratic Party (Mr. Broadbent), partially because I believe that he stated very clearly to the House the two essential questions which confront the House and upon which the House must at this stage decide.

Let me first refer to the remarks of the Leader of the Opposition. While he did refer to the inappropriateness, as he believes it, of the government proceeding in the fashion which is described in the joint resolution that will be forwarded to the Queen, and therefore to the attention of the British Parliament, a large portion of the Opposition Leader's remarks dealt with the effect of the amending procedure which we have proposed for the consideration of the House. I would like to refer in passing to the hon. member's remarks suggesting that we were following what he called a "unilateral" procedure. Clearly, it is not a unilateral procedure because we have the support of others, and it is not merely the government.

The unilateral approach to the constitutional amendment is one which he described as contesting the validity of the approach. I think it is undoubtedly clear that what we have proposed is the proper legal approach. The British North America Act is an act of the British parliament and therefore amendable by that Parliament. Clearly, the procedures under which that amendment will take place through the British parliament are well known.

It is contested that constitutionally the precedents which underlie an address from the House of Commons and Senate of Canada may not have been fulfilled in this circumstance. It seems to me that there is confusion as to what are those precedents. Therefore, I would like to dwell on the question of what the constitutional conventions have been in the past as they relate to amendments of the constitution of Canada, the British North America Act.

One can judge differently the number of amendments which apply. Strictly speaking, there are 18 amendments to the BNA Act and, if one includes the Statute of Westminster, there are a few more. In only four instances—five, if one includes the

Statute of Westminster—out of 22 of those amendments has the unanimous agreement of the provinces been asked for and obtained. They were in relation to the Unemployment Insurance Act, 1940; the Old Age Pension, 1951; retirement age of provincial superior court judges, 1960; and the addition of supplementary benefits to old age pensions in 1964. As I say, if one includes the Statute of Westminster, 1931, that is another precedent of consultation.

However, in all the other cases, that extensive consultation agreement did not take place. In 1907 amendments requested by the Canadian Parliament were consented to by all the provinces but British Columbia. The British North America Act of 1930 which transferred resources to the four western provinces had the consent of only those four provinces. The British North America Act of 1949 confirmed the terms of the union between Newfoundland and Canada, and it had the consent of that province only. None of the other constitutional amendments in 1868, 1871, 1875, 1886, 1893, 1895, 1915, 1916, 1927, 1946, 1949, and 1950 involved the securing of provincial consent, unanimous or otherwise.

In view of the historical record, it is very difficult to contend that the precedent has been established that unanimous consent, or even substantial consensus, is a requirement for triggering the legal process which is clearly within the authority of the British parliament to enact. However, it was not on that issue which the Leader of the Opposition essentially concentrated his remarks. What he referred to again and again as the preponderant aspect of his speech was the amending formula which is contained in section 42 of the proposed resolution. This he describes, for instance, as something that "breaks that partnership" which is the essence of the federal system. He went on to say, according to *Hansard* at page 3291:

—the central government would have the authority to deprive unilaterally—

And I stress that he uses the word "unilaterally".

—the provinces of their powers . . . because this authority would not be limited, this central government could, if it chose to, deprive the provinces of all their powers for all time.

On page 3292 of *Hansard*, the opposition leader is reported as saying that section 42 is the:

—greatest menace to rights . . . this provision allows rights to be removed by referendum, and any day when there is a fever in this land against a particular group of people, against a particular group of rights, this government, by the power it seeks in section 42, could invoke that power to have a national referendum—

And he says that the government could hold that referendum any day. Again, on page 3295 of *Hansard* the Leader of the Opposition is reported as having referred to:

—the power to amend unilaterally the constitution by way of a referendum and in so doing going over the governments and the legislatures of the provinces.

Unfortunately, in his description to the House of this section, the Leader of the Opposition is guilty of both sins of commission and sins of omission. First of all, it is not accurate to describe section 42 as one which permits the Government of Canada to act unilaterally. Section 42 does not permit the government to act alone.

Section 42 requires co-operation or support in one of two ways, either by the participation and support of the provinces on the basis of the Victoria formula, or on the basis of the support of the people of Canada. It certainly does not enable the Government of Canada to act without either the support of the provinces or the people of Canada. Clearly in his remarks to the House, the opposition leader—and I do not suggest that it was intentionally, but inadvertently—mischaracterized what is said in section 42.

He is also guilty of sins of omission. He not only describes inaccurately the requirement for consultation and acceptance either by the provinces or the people of the country, but he describes a national referendum as if it alone were the key to triggering the support for an amendment if an appeal were made to the people of Canada. Not once in his remarks did the Leader of the Opposition touch upon the fact that what is required is not simply, if there is to be a referendum asking for constitutional change, a national majority of support, but a majority of support in each of the four major regions of the country. We are not talking, as some readers of his remarks might gather, of a situation in which two or three regions of the country could come together and impose their will over a fourth region of the country, where a majority across the country might impose its will on a regional majority. Section 42 describes a rather complicated referendum procedure which requires that there be strong regional support in every region of the country if there is to be the use of this mechanism.

The third thing I would say about section 42 is that it is not an extraordinary and unusual provision. Upon occasion members opposite have somehow described it as a tyrannous mechanism. I find it very puzzling that democratically elected politicians would regard an appeal to the people as some tyrannous mechanism. It is the kind of approach which we find, for instance, in the United States federation. There it is possible to get support for constitutional amendments, not simply through the support of state legislatures, but also through the provisions for conventions which can take place so that the people themselves may directly participate in having that kind of constitutional change result.

Mr. Dick: That is misleading.

Mr. Roberts: The purpose of section 42, on which the Leader of the Opposition spent so much time, is to arrive at a mechanism by which, if there is a deadlock between the views of the national government and the views of the provincial government about what constitutional changes might be required, there is a mechanism for resolving that deadlock.

No longer, after the House presents these proposed constitutional changes to the British government to put before the British parliament, will we be in a situation in which, in dire emergencies, the British parliament would bail us out. There must be some way to solve the continuing conflict between provincial and federal governments on constitutional change. Surely, in a democratic country, the best way to resolve that conflict is through some form of appeal to the people of the country.

I know that there are members opposite, and perhaps others, who are concerned about the effectiveness or adequacy of this method as a procedure for breaking the deadlock. All I can say to that is, "Les us get the bill into committee and let us have changes proposed as quickly as possible". Clearly, in the resolution we have brought forward, the series of provisions which we think command public support would be the most publicly acceptable. We are anxious to see if improvements can be suggested and if improvements are suggested, the proper place for that to take place is in committee.

● (1620)

Mr. Knowles: Mr. Speaker, would the minister permit a question at this point?

Mr. Roberts: Mr. Speaker, if the hon. member would permit, I would prefer to take the question at the end of my remarks, and I shall try and leave a minute for it. I shall not go on too long. I think he will be rather pleased with the next stage of my remarks and I do not want to deprive him of the pleasure of that. My reference is to the point of view expressed by the leader of his party during the debate, and that is what I wish to turn to now.

I suggested that the point of view expressed by the Leader of the Opposition in the opening days of debate was peripheral—and I do not mean that in any slighting way—but it seems to me that the leader of the hon. gentleman's party cut through to the essential questions that should preoccupy the House.

The amending procedure is something that can be discussed adequately in committee.

I am going to cite the words of the hon. member for Oshawa because I think they put the question before the House very well. As reported at page 3296 of *Hansard* for October 6, he said:

> The first question is—is it legitimate, is it appropriate at this time, for the Parliament of Canada, alone, to be supporting a resolution that would change the constitution of this country.

I want to discuss that question. He went on to say:

> The second question to be answered, whatever one decides on the first, is whether the particular package we have before us on a range of matters . . . is one we should support on its own terms—

I wish to say a few things about that as well.

The first question relates to the legitimacy of acting now in the way that we have proposed to the House. My argument would be that if one examines the history of attempts over more than 50 years for Canadians—officials, governments, the people of Canada—to resolve these questions, and if one looks at the urgency of the question now, given the regional discontents in our country expressed and dealt with most recently in pressing fashion in the Quebec referendum campaign—if one looks at the history, if one looks at the present crisis, if one looks at the opportunity, now is clearly the time to act.

On the final day of the first ministers' conference when provincial premiers were summing up their points of view, some of them remarked how wonderful it had been because it was such an educational experience and that they were finally getting to see, in substance, all the dimensions of the constitutional problems. If that is the case, Mr. Speaker, we have been educating ourselves for well over 50 years. It is time we graduated. There have been a whole series of attempts, all of which ended in futility—attempts to change and resolve the problems dealt with by the resolution presented to the House.

There was the dominion-provincial conference of 1927 because at that time Great Britain wished to relinquish its powers of direction over Canadian law. Discussions were held with the provinces to try to arrive at some sort of amending procedure. The proposals reached were rejected by a number of provinces.

In 1931 we tried again as a result of a request from Ontario when a dominion-provincial conference was held in the spring of that year, but no agreement was reached.

A special committee of the House of Commons was established in 1935. Between February and the end of June it held 11 sessions but could not reach agreement.

A dominion-provincial conference was called in 1935 and a continuing committee was established on constitutional questions which sat well into 1936 and reported on March 2. No further action was taken because World War II intervened.

After the war, in 1950, there was a fourth attempt to try to reach agreement, but the committee could not reach agreement and a conference convened in Quebec in September to discuss the findings of the committee equally could not come to a successful conclusion.

In 1960 the conference of attorneys general convened. It met four times before September, 1961, but failed to come to any conclusion. A draft bill was prepared for the House of Commons but it did not receive the approval of the provinces and that initiative was dropped as well.

In June, 1964, discussions were reopened, but in January, 1966, the Quebec government indicated that it would not accept the proposals put forward, so that failed.

In February, 1968, the first ministers came together and began discussions which culminated in the Victoria conference of 1971. Again, the provinces were unable to agree on constitutional change at that point, because of the disapproval of the province of Quebec.

In April, 1975, there was a federal-provincial conference, an eighth attempt to find an amending formula which would suit the country. Again, in October of that year, the provinces informed the federal government that they would not agree to the patriation exercise but wished to have a much wider ranging discussion on constitutional reform.

The ninth attempt was in 1978-79. This led to the presentation to the House of Commons of Bill C-60 at the end of October, 1978. As most hon. members know, this was the subject of very considerable discussion and controversy.

Earlier this year, from June to September, my colleague, the Minister of Justice (Mr. Chrétien), and I participated in an attempt to find a common basis of agreement with the provinces on constitutional reform.

So, Mr. Speaker, since 1927 there have been ten attempts to achieve patriation and an amending formula. Two have been on provincial initiatives, in 1931 and 1968; there have been 21 meetings of first ministers on the constitution; 43 meetings of ministers; a minimum of 17 meetings of officials alone to discuss patriation and an amending formula, and a host of other informal meetings throughout that period.

Looking at this 50 years of attempts, one is tempted to paraphrase Shaw's St. Joan—"How long, how long, O Lord, how long before Heaven is prepared to receive thy saint?"

This long history of attempts and, I think, the frustration of that process, were brought home clearly to the people of Canada by the televised proceedings earlier this year, and this history of frustrated attempts to reach agreements, I think, has some simple explanation. Partially, it reflects the divergent views on what the nature of Canada is, but also it reflects tactical considerations. I do not say this out of any disrespect for provincial governments. One expects that when the provincial governments encounter the federal government there will be hard bargaining. Clearly, in a situation where one argues, with credibility, that there had to be unanimous approval of the provinces for change, every province had an incentive to hold out for some accommodation of its specific and unique view. Every province, in a sense, would feel under that kind of tradition, that it was a hammer-lock for twisting out yet more concessions from the federal government. Clearly, in those circumstances, it is extremely difficult to bring the eleven governments together in agreement.

What we have proposed now, by removing that hammer-lock of the necessity of unanimous consent, will place the continuing negotiations of the provinces and the federal government on a much sounder, more equitable basis of discussion and negotiation.

To this long, sad and, in some ways, almost tragic history of attempts to meet the needs of constitutional reform, we have to add new elements which are clear to most of us. They were certainly clear to us last spring when we were considering the effect of the referendum debate in Quebec, that is, the urgency of the situation we face flowing from the referendum debate and the decision made by the people of Quebec at that time.

Not only did federal politicians on both sides of the House go to Quebec at that time to say they were prepared to undertake significant and thorough changes to the constitution but, I believe, each of the provincial premiers outside Quebec made the same kind of commitment. With the successful resolution of the Quebec referendum debate, we on this side of the House and, I believe, hon. members opposite as well, accepted the urgency and the need to respond—the need to fulfil the commitments which had been made to Quebeckers at that time.

I regret to say that after the summer's discussions with provincial governments, and as the summer wore on, the sense of urgency and priority which had animated discussion, began to disappear from the point of view expressed by the provinces.

To us on this side of the House, however, that urgency is still there. It may be that within the next few days the people of Quebec, through a general election in Quebec or whatever, will again be asked to comment and reflect upon and express again the decision they made last spring. We believe on this side of the House that it is urgent, and that we have a sound commitment to the people of Quebec to provide them with the kind of significant change that we believe they wish to have.

An hon. Member: What about other provinces?

Mr. Roberts: The hon. member asks about other provinces. I shall return to that in just a moment.

• (1630)

There is one other aspect which leads me to believe that we must act now. Clearly if we are to act now it cannot be with the kind of unanimity that I believe the Leader of the Opposition has suggested we should have. It is because there is—at least I believe it to be so—a sense of impatience and urgency throughout the country, not simply on the part of Quebeckers but throughout the country, that we deal with and solve these questions. There has come into the Canadian consciousness a sense that the time really has come to decide whether Canada is to be simply in a sense the sum of its parts, cumulative regions of the country, or whether there is a society based on a strong national economy and a strong national government which is much more above and beyond the parts of the country.

In relation to that question I would like to cite at some length—I hope not at too great length—some of the comments made by one of Canada's most distinguished historians, Professor Arthur Lower, before this debate began and before the resolution was presented to the public and the Parliament, but after the conclusion of the last federal-provincial conference. I think he expresses in his words the kind of concern which I have just tried to express, that sense of impatience that the governments of Canada and the people of Canada resolve their views on the fundamental nature of this country. I cite from an open letter which I believe is addressed to the Ottawa *Citizen*. In it he is referring to the federal-provincial conference. He says:

> It seems obvious that agreement will never be reached between the federal government and ten demanding provinces. Future conferences will probably find more disagreement than this last one. The cause lies in the very nature of things, for there will always be at least one province out of line. It is hardly the same as a jury trial; you cannot keep provincial premiers locked up until they come to an agreement. One could probe deeper still, for the ultimate cause lies in the dilemma we face over the nature of Canada.

He then goes on to draw some parallels with the situation in the early years of the United States when he describes the United States as having dodged the question of sovereignty for three-quarters of a century. He then says this:

> It seems to me that the point for Canada is quite clear. No more than the Americans shall we be able to go on with the question of sovereignty completely unsettled. The way out that we have tried is of course federalist, but surely federalism assumes that the last word lies somewhere. The recent conference has shown that we are trying to tell ourselves that it lies nowhere, that a country can

go on without making all-important decisions. I think this is impossible. The power of decision there must be, and it must lie at the centre.

What we have proposed is that that centre of authority ultimately should lie with the people of Canada, by being able to appeal to them to resolve disputes about the constitutional order and amendments to it.

To revert to Professor Lower, he goes on in his letter to say:

The plain fact is that if a so-called country does not have the power of decision in one set of hands, that is, one government, it is not a country at all but merely a league of states. Remember the fate of the League of Nations. No member would abandon its sovereignty and the league went to pieces.

The moral it seems to me, is plain; we must somehow or another put a stop to the present tendency, a very strong one, to convert ourselves into a league and head back to a federal union. The second moral follows at once; we must have within our borders the right to amend our constitution.

That, Mr. Speaker, is what we have suggested should be done.

My remarks therefore echo I believe those of the Leader of the New Democratic Party on the first question he posed. Is it appropriate for us to act this way at this time? I say the study of history and the sense of the present crisis of the country give us no choice but to proceed as we cannot receive we will never receive, the strong support of all the provinces. We must now proceed on the basis of the resolution which the House of Commons and the Senate will, I hope, pass to the British parliament to ask it to resolve once and for all that question.

The second question which the Leader of the New Democratic Party raised was the question of whether this particular package that we have, the one which entrenches a charter of rights, is one which we should support in its own terms, whether it was submitted as a resolution by the Parliament of Canada or whether it came after unanimous agreement between the government of the day and the provincial governments. I would say there again the climate of urgency in the country requires us to proceed in this way.

If we are to respond to those interests of French-speaking Canadians, who, I believe, are anxious to see control of the constitution in this country and who are anxious to see minority language rights entrenched across Canada, it is important that we do so urgently. I think we also must respond to the concerns of other Canadians, not simply Quebeckers, who are concerned about the protection of civil liberties in this country, who are concerned about establishing the principle of equalization within the constitution, and who are concerned about rights of mobility across the country. It is urgent for us to respond to those concerns.

It may be tempting to say, "Let us simply accept an amending procedure now and then go through what this rather rigid amending procedure describes as a possible course of action." But given, as I believe we have, the very strong general support of the people across the country; given, as I hope we will have, the support of members from all sides of the House, it seems to me that we cannot afford to go through a lengthy process of the implementation of what those, I think, generally accepted rights would require, because the formula is rigid. And rightly so.

What should be, and what I think most Canadians believe to be, and want to have, is the common heritage of Canadian citizenship. Therefore, it is important to act now. It is important to act before the people of Quebec are led to believe that their hopes and their ambitions will be frustrated by the lengthy process of delay. We believe that given the sense of impatience of the provinces; and given, I think, the very evident general support that the inclusion of this charter of liberties within the constitution which is patriated to Canada would provide, this is something which the people of Canada very much wish to see happen.

I recommend this resolution to the House. I urge members to send it to committee so that it can be discussed in detail as quickly as possible. I look forward confidently to their support for what is, I think, a proposal which has the support of the people of Canada.

Some hon. Members: Hear, hear!

Mr. Knowles: Mr. Speaker, in the midst of the minister's speech he indicated that he would accept a question at the end. May I now put it to him?

Some hon. Members: Oh, oh!

An hon. Member: Please do.

Mr. Knowles: Mr. Speaker, may I now put a question to him?

My question relates to section 42 of the proposed resolution. I ask my question as one who believes that we would be insane if we did not have in a Canadian constitution some provision for breaking a deadlock. I think if we had a constitution which we could not amend for 50 years, we would ask: why did we ever bring it here from Britain? As I say, I ask it as one who favours something like section 42.

I have now heard four ministers, the Prime Minister (Mr. Trudeau), the Minister of Justice (Mr. Chrétien), the Minister of Finance (Mr. MacEachen), and the Minister of State for Science and Technology (Mr. Roberts), all say clearly and categorically that section 42 is simply for the purpose of breaking a deadlock.

Mr. Dick: It is not true.

Mr. Knowles: If you look at the resolution, sections 41 and 42 seem to be equal choices. There is no if, and, but, comma or anything else between them. I ask the minister whether the government would be willing, when the resolution is in committee, to make a slight amendment—it takes only a slight one—to put into the resolution the words which these ministers have been giving us, namely, that section 42—that is the holding of a referendum by the federal authority—would come into play only if a deadlock has developed under section 41; only if section 41 has been tried?

Mr. Roberts: Mr. Speaker, I welcome the sanity of the hon. member. I am reassured to know that three of my colleagues have expressed the same view that I have expressed. The point

which I thought I tried to make is that we have brought forward proposals which we thought through carefully and which we believe would command a maximum of public acceptability and support, and, we hope, support in the House. The place to consider amendments clearly is within the committee. We have undertaken to consider carefully any amendments which will be brought forward. When we see what the specific form of the amendment is, then we will be able to consider whether it more adequately meets that need of a deadlock formula than the proposal which we made.

● (1640)

I want to say to hon. members in all seriousness that we are prepared to consider very carefully and seriously whatever is brought forward. I am not empowered nor am I disposed to say at the moment what our response would be before seeing it in explicit terms. I can quite easily give the assurance that whatever amendments are brought forward, we will consider them with the utmost patience and the utmost openness on the part of the government.

Mr. Knowles: Mr. Speaker, may I put this supplementary question to the minister. In view of the fact that four ministers have now clearly said that this is a deadlock provision only, will the government consider bringing in its own amendment so that it puts into the resolution the words which four ministers have uttered in this House?

Mr. Roberts: As I said, Mr. Speaker, we brought forward what we thought, after reflection, was the most appropriate mechanism. I do not know, therefore, why in a sense we should take on the burden of trying to do even better what we already thought had been done best.

Mr. Dick: You have all been wrong.

Mr. Roberts: If we are wrong and it is not the most appropriate mechanism, I urge the House to let the proposal go to committee so we can see what better mousetrap they can give us. If they provide a better mousetrap, we will buy it.

Mr. Neil: Mr. Speaker, I wonder if the minister would entertain another question.

Mr. Roberts: Yes, Mr. Speaker, but I would appreciate if I could respond to only one more.

Mr. Neil: My question is simply this. Early in his remarks the minister indicated his support for the principle of a referendum. I presume he was expressing the views of his party when he made the comment. I wonder if he personally would agree to the use of a referendum to determine the wishes of the Canadian people vis-à-vis capital punishment and, if not, why not.

The Acting Speaker (Mr. Ethier): Order, please. I do not think that question can be entertained during this debate.

Hon. Walter Baker (Nepean-Carleton): Mr. Speaker, I thank the minister for his courtesy in indicating that he has a problem and must leave. I understand that completely. I promise to be as kind to him in his absence as I would be if he were here.

I listened with great interest to the minister's speech. I listened with much greater interest to the straightforward question put to him as a minister of the Crown, fourth in order of having made representations about the matter of a deadlock with respect to the change in section 42. The question was asked by the hon. member for Winnipeg North Centre (Mr. Knowles). The question deserved a straight answer. Instead, there was equivocation. The Minister of Justice (Mr. Chrétien) was in the chamber, but he did not rise to his feet to clarify the matter. Having had that opportunity, the government has done what I hoped it would not do. It has confirmed the provisions with respect to section 42, confirmed the concerns expressed by the Leader of the Opposition (Mr. Clark), and compounded it by saying that we can move an amendment in the committee.

Anyone who has been here for a period of time knows there is no right in committee to move an amendment to the proposal before the House. We can talk about it and even recommend it, but unless the resolution comes back to the House of Commons in the form of a resolution or, as the Leader of the Opposition described it, an address to Her Majesty the Queen, there is no right of any member of Parliament to make an amendment. I intend to deal with this later, but it is so fundamental to the rights of Parliament I felt I should make some comment on it now.

When I was elected to this House is 1972 I thought we would be dealing with a number of things. I did not look that far ahead to know that we would have an opportunity to take part in a debate on something so fundamental as the constitution of one's country. It therefore goes without saying that this is an important debate. This debate deals with the fundamental issue of confederation which heretofore has always been the relationship between the federal and provincial governments, not the relationship between the Prime Minister (Mr. Trudeau) and the premiers.

The history of this country has been one long series of federal-provincial negotiations, some of them successful and some not. All were carried on in a consultative way. The feeling was expressed by Mr. St. Laurent, Mr. Pearson, Mr. Laurier before them all, and Mr. Diefenbaker, that all of this would be carried on having in mind the concept of consensus. This is the first time in our 113-year history that we have abandoned the seeking of a consensus. This makes it doubly important for all members of Parliament to express themselves with regard to this matter.

While this is an important debate, I want to say that I am sickened by the atmosphere of it, not here in the House of Commons because we often have differences of opinion. I am sickened and saddened by the tragedy which has occurred within this debate, the spectacle of five provincial premiers, who may be joined by two more, threatening to bring action in the courts. It does not matter whether they win or lose. That is

irrelevant. That is the stuff which law students worry about. It is not the concern of members of Parliament.

The existence of an atmosphere in Canada that would cause provincial premiers, for whatever purpose, to bring an action is a tragedy. We have never before come to this point. It is therefore important that the government consider what it is doing. For the first time, in a grand litigious way, a number of the provinces are bringing an action against the federal government for something it is doing.

Juxtaposed and set against that is the Prime Minister who, if he is to be likened to anything in this debate, is obviously the head of the family. He has decided not to send the document in dispute to the Supreme Court of Canada with the hope that the dispute can be ironed out as to the legalities and requirements of the law and what are the jurisdictions. That was the purpose of the question yesterday by the Leader of the Opposition. He suggested to the Prime Minister that if there is this dispute, it should be settled quickly. Why not settle it outside this place, outside the provincial conferences, at least in so far as to how far the Government of Canada can and should go? What we had tossed back was that this is apples and oranges, baloney, as someone called it, comparing one thing with another. That is not the real issue.

● (1650)

We in this House and the government ought to be looking at our capacity for finding ways to settle the dispute, not to continue it and not to exacerbate it, because while we are involved in these things what I worry about, and what affects the people of my riding, is that provincial and federal governments are occupying their time and their energies in this regard while the country suffers an economic downturn and economic problems that should require our full attention. It would be an excellent thing if somehow or other this could be diverted. The government may choose not to stop this debate, and I am not suggesting that it should. I am suggesting that the court be used in the midst of it to settle some of those issues. I hope the government will reconsider its decision not to take this matter to court.

Let me make it very clear that the issue here is not patriation. It is being cast that way, as if opposition parties, members of my party and members of others, were opposed to bringing the constitution home. That is not so. I travel as widely as does the government House leader, he more widely in his province than in mine, and I more widely in my province than in his, but I say that is not the issue. There is no problem I have found anywhere among the people I represent in this regard. There is no one anywhere in Canada who thinks it is a great idea for us to go trotting off to Great Britain, hat in hand, and stand at the skirts of Margaret Thatcher and ask her, "Please, Margaret, pass a little bill for us so we can have our constitution at home." Nobody would suggest that is so.

I think it is degrading, though, if I may say so with respect, to have the Prime Minister of Canada go to Great Britain and say, "Do not just bring my constitution home and give me an amending process so I can deal with it myself, but do a few things here that I cannot do in my own country." That is an admission of failure.

The real issue is not whether we recognize certain basic rights in a document or code of civil rights. That is not the real issue. I always thought I was a citizen of a free country where rights existed whether or not they were in a code. I always felt I had a right, as a citizen, to have the Supreme Court protect me in the event an action was brought against my person, my family or my property. I have felt those rights would be protected whether or not they were written, because that was part of my tradition as a member of a free society.

That is not the issue, whether or not we are in favour of a statement of rights. The issue is not whether or not we are in favour of something within a constitution which says we are our brother's keeper in this country. I have looked upon the whole issue of regional disparity before this document ever came to Parliament, and before it was ever thought of as necessary to be entrenched in the constitution. I never thought that was necessary, but I do not object to it being there, because in fact all of the programs show that we are our brother's keeper; that I have a duty if I live in a "have" province to assist those in the "have-not" provinces of Canada; to assist areas in respect of employment, job training and all of the other things. I have a duty to assist the people of Nova Scotia if an infrastructure is necessary there, just as the people of Ontario have an obligation.

The suggestion that this be entrenched in a constitution did not arise out of this resolution. I should make that clear. When the Leader of the Opposition was prime minister of Canada that was the first time the suggestion was made that there be entrenchment of those rights within a constitution, and I refer to those rights that affect the ability of Canadians in another part of Canada to bring or have brought to them a standard of living and a standard of service that is appropriate. We agree in that regard, and there is no issue there. There could not be an issue there if you live in a federal state.

The real issue in this matter revolves around the amending formula. As I said, for the first time we have before us a proposal which is simply unacceptable to large groups within our national community. That is the situation. No one is arguing about patriation. No one is arguing about the necessity to really spell out rights. That is not a problem. Nobody is arguing about whether rights exist, and that is not a problem. No one is arguing about regional disparity. There is encased in this document a formula which is unacceptable to large groups within the national community whose consent until now was considered obligatory by every prime minister before this one.

I must say that an amending formula is absolutely essential in a federal state. A federal state has as its hallmark something written and something set down. In most federal states they have something which sets out the legal rights, powers and dimensions of authority of the different levels of government. If you are going to do anything with that I think it is inappropriate for there to be patriation without an amending formula. I am not concerned about patriation as an issue, but I think that would be inappropriate because we could not deal

with it. We would be better off not to patriate if we did not have an amending formula because we have demonstrated our inability on most occasions to agree unanimously, all 11 governments as they now stand in the country.

If that view is shared as to the essentiality of the amending formula it is the attainment of that formula which is the real significance of patriation. The real significance in the attainment of that formula is Canadian political leadership, and that is what we have lacked here in this country, in spite of what we have tried to do in the last little while by way of obtaining what is obviously wanted by the government, a desire shared in some respects by people across this country. We have lacked real political leadership.

Members opposite should not deceive themselves. The fact that this proposal comes before us at this time under these circumstances does not represent a triumph for the Prime Minister. It is a signed, sealed and witnessed testament to the Prime Minister's failure. He and his Minister of Justice may say with conviction that we, as a nation, have failed to find an amending formula. The truth is, however, that he as a prime minister, and as chairman of a range of federal-provincial conferences, has failed and failed again.

If anything, the provinces are now more suspicious than they were ten years ago. They are more hostile to federal policies and they are less interested in speculation about the national good. In side-stepping the chaos he is creating in Canada, and that is what he is doing, the Prime Minister may be bowing to the inevitable, but I tell him he ought not to be bowing to applause. There is no doubt that it is getting increasingly difficult, perhaps now impossible, to achieve consensus among the provinces and the federal government. That would take a skilful leader, and I see no point in pretending now that the right hon. Prime Minister is a skilful leader or that he fits that description.

• (1700)

I also see no point in joining hon. members opposite in pretending that failure has been transmuted into success by their enthusiasm for this measure, because that is just not the case. It is a failure however we look at it. Because it comes to us under these circumstances, it is a testament to the failure of Canadian political leadership. It was important to achieve a consensus because the histories and the perspectives within this country are so diverse that no one man can rely on his own convictions to reflect accurately all the emotions and aspirations of all Canadians. That is a Canadian fact, and it is a fact that the Prime Minister has not come to grips with.

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

The Acting Speaker (Mr. Blaker): I want to thank the hon. member for calling it six o'clock, but if he does not mind, we will call it five o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Blaker): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty); Computers—Use by government of databanks; the hon. member for Kindersley-Lloydminster (Mr. McKnight)—Forest Fires—Plans to alleviate hardship suffered by victims; the hon. member for Comox-Powell River (Mr. Skelly)—Consumer and Corporate Affairs—Call for investigation into reason for B.C. Telephone rate increase.

It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, Notices of Motions (Papers), Private Bills and Public Bills.

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*English*]

The Acting Speaker (Mr. Blaker): Item number one, the hon. member for Leeds-Grenville (Mr. Cossitt); shall the item stand?

Some hon. Members: Stand.

STUDY OF GRAIN TRANSPORT IN WESTERN CANADA

Mr. Hal Herbert (Vaudreuil) moved:

That an order of the House do issue for a copy of the latest completed study on grain transport in western Canada.

He said: Mr. Speaker, the response to this motion on April 14 of this year by the parliamentary secretary was that the document in question was too voluminous. In fact, and I will quote the answer:

The document requested is of a voluminous character and would require an inordinate cost and length of time to prepare. I have however sent today a copy of the requested document to the hon. member.

That is so, Mr. Speaker. I did receive the document. Then the question is, why am I asking for this debate today? It is because I have several questions which I want to put on the record. The first question, of course, is accessibility by the public.

The reason I wanted the document tabled is that once it is tabled I know it is accessible to every member of Parliament, and it is also accessible to the public.

I had a second and allied question, and that was whether this document, which I consider of some importance, was also

prepared in the French language so that it could be available to those of our Canadian citizens who do not understand, or easily understand, the English language.

This debate also arises from a question which I raised in 1978 and which had to do with the Crowsnest Pass rates. The answer I got at that time, December 15, 1978, was to the effect that the total subsidy on the Crowsnest Pass rates in 1977, the last year for which figures were available, was some $239 million. The same answer also stated that the 1974 subsidy in total was $141 million, illustrating that between 1974 and 1977, some three years, there had been a 70 per cent increase. The matter concerns me for two reasons, I suppose. One was the fact that this was an amount which was being paid either by the taxpayer or the consumer and which was not particularly visible. It also seemed to be an amount which was increasing very rapidly.

On September 29 of this year the Canadian Federation of Agriculture stated that the federation supported a policy that would fairly compensate the railways for the movement of grain by rail and, it added, "while retaining the statutory rate structure" which is known as the Crow benefit.

Let us look for a moment at this particular item and put on the record precisely what we are talking about. The Crow benefit comes from an act assented to on June 29, 1897. It was an act to authorize a subsidy for a railway through the Crowsnest Pass. I will quote one sentence, as follows:

—no higher rates than such reduced rates or tolls shall be charged after the dates mentioned on such merchandise from the points aforesaid.

So from 1897 until today we continue with the same rates.

Turning back to the cost to the taxpayer and the consumer for a moment, the 1977 variable costs incurred by Canadian National exceeded the revenues by $110 million, an increase of 40 per cent over the 1974 shortfall of $79 million. The 1977 variable costs incurred by CP Rail exceeded the revenues received from the users of the service by $124 million, an increase of 62 per cent over the 1974 shortfall of $76 million.

In 1977 the total revenues received by CN and CP from the statutory rates did not even cover the variable costs incurred in the maintenance of running and yard track and roadway property. This explains the railways' reluctance to expend maintenance and capital dollars on the grain dependent lines and capital dollars on the equipment required for the transportation of grain traffic. For the year 1977 to bring the railways to a state wherein the revenues received are equal to the variable costs incurred, the users of the service would have had to be charged an additional $10 per ton.

If the government were to make up the 1977 revenue shortfall experienced by the railways, a total subsidy payment of $239 million would have been required.

In addition to the branch line subsidy payments, the federal government also incurred the ownership costs associated with the 8,000 Canadian Wheat Board hopper cars in service and the ownership and maintenance costs associated with the rehabilitation of the prairie branch lines. If the government had subsidized the railways to the break-even point in 1977, the government would have picked up 70 per cent or more of the total costs incurred in the 1977 transportation of statutory grain.

I should add that this information is contained in the Snavely report dated September, 1978. The Snavely report emphatically maintained that retaining statutory rates for the movement of prairie grain by rail would not help the system become more efficient, and the federal government could become the major financial participant in the grain-handling system. The commission said the railways should be allowed to charge market rates for moving grain so that they would have the incentive to modernize the system.

Keeping statutory rates would leave the system virtually devoid of monetary incentives for efficient use of the transportation resource and, perhaps even worse, monetary penalties for inefficient uses of that resource.

Last month, September, 1980, in the last grain transportation authority commentary produced by Dr. H. M. Horner, the federal grain co-ordinator, reference is made to a variety of factors that affect Canada's efficiency in handling grain, including reduced performance due to labour unrest, lack of suitable grain, a two-week audit of a major terminal, switching difficulties, the capacity of the tracks, and unnecessary and costly interchange of cars.

● (1710)

The statutory rate issue is perhaps the most significant factor in that the pricing structure for goods and services is a major determinant of any system's operating efficiency and capital investment levels. The existence of statutory grain rates confers an apparent financial benefit on producers of export grain and contributes significantly to the lack of railway system renewal and expansion. The lack of flexible rail pricing systems does not provide incentives for more intensive or efficient use of the system.

There is a broad area of agreement that much has to be done to ensure the most efficient use of our transportation resource. It must be remembered that attempting to bridge the gap between the railway's cost and their recompense under statutory rates with federal subsidies would leave Ottawa picking up 60 per cent of the tab for the annual grain movement.

Another related matter concerns me. On May 14 of this year I received an answer to a question which informed me that the total number of cars owned by Canadian railways on April 30, 1979, was some 157,000, of which Canadian owned cars on American lines were in excess of 27,000. The Parliamentary Secretary to the Minister of Transport (Mr. Bockstael) added that neither the government nor its agencies were taking any steps to expedite the return of Canadian rolling stock from the United States. I must admit, when we are talking of the shortage of rolling stock, that I would like a better explanation of why some 27,000 of our total numbers of 157,000 cars appeared to be permanently in the United States, not necessarily the same cars.

Thus, faced with reports of huge government subsidies and inefficient operations, I felt it was necessary that the latest government attitude to the movement of grain in western Canada be made public, hence my motion for the production of the latest study. As is recorded in *Hansard*, the requested document was sent to me. It is entitled, "Report for the Grains Group, Department of Industry, Trade and Commerce." It is contained in two volumes dated July, 1979. It was prepared by Booze, Allen and Hamilton Inc., transportation consultants, and the IBI group under the direction of the grains group of the Department of Industry, Trade and Commerce. The report contains the results of an operations analysis of grains transportation and handling in western Canada carried out during the period from August, 1978, through June, 1979.

Specifically excluded from the terms of reference were possible changes to the statutory rates, that is, the Crow rates for grain. However, a recommendation in the report shows no hesitancy in suggesting another massive input of public funding. It recommends that, in addition to the 2,000 covered hopper cars now on order by the Canadian Wheat Board, 1,900 hopper cars be ordered for delivery in each of the following years, 1980-81, 1981-82, 1982-83, and 1983-84 crop years, and a further 1,700 cars for delivery in 1984-85. A total of 9,300 cars over the six-year period will be needed, requiring an investment of about $400 million in 1979 dollars. It is estimated that up to an additional 4,000 cars costing about $173 million may be necessary.

The report goes on to comment that there is a substantial body of opinion among major participants in the production, handling and transportation of grain in Canada, that some way must be found soon to provide a compensatory return to the railways for moving grain. Failing this, the lack of capital renewal of relevant rail facilities will become critical, vitally affecting the grain industry, the railways and other important industries.

The report also states that improved information, planning and control systems are required to direct the right grain to the right terminal at the right time.

To move Canadian grain it will be necessary to ensure an adequate number of boxcars. An inventory of the Canadian grain car fleet indicates that the number of serviceable cars regularly in grain service at the end of 1978 was about 22,000 units. The fleet currently consists of about two thirds railway-owned boxcars and one third government owned hopper cars. The boxcars fleets are old, with an average age of 29 years for Canadian Pacific and 33 years for Canadian National. As a result, the anticipated attrition rates for boxcars are high. Projections to 1985, based on railway company attrition estimates, indicate that the total number of cars in grain service will decline to 13,200, or less than 60 per cent of the 1978 inventory.

In addition to the existing number of cars, there will be in service the 2,000 covered hopper cars which have been ordered by the Canadian Wheat Board for current delivery.

As I have said, it is estimated that a cumulative total of 9,300 new cars will be required by 1985-86, and that the cumulative car total would cost about $400 million, based on a price of $43,000 per hopper car at 1979 prices.

It is interesting to note that in another government document produced by the commission on the cost of transporting grain by rail, which has only recently been received here in Ottawa—in fact, the date stamp on this document is October 14, 1980—it is stated that the cost of cars just three years ago was between $22,390 and $22,710, the variation in the two prices apparent between Canadian Pacific and Canadian National not being explained. But essentially we are talking about between $22,000 and $23,000 per hopper car, meaning that at the time, the agreement to purchase 2,000 hopper cars was worth some $46 million. Now we are talking about cars costing $43,000 per hopper car at 1979 prices, and we are talking about purchasing into the 1985-86 year at which time undoubtedly the price will once again have doubled. So that the figure that I have mentioned of $400 million based on 1979 prices should be taken with a pinch of salt. In addition, 125 locomotive units will need to be added by 1985-86 at a cost of $106 million in 1979 dollars.

The report recommended that a task force be established with strong leadership and an effective mandate to implement needed changes in the grain transportation system. The report also emphasizes that the institutional, operational and capital improvements recommended, while essential to the realization of Canada's grain export potential, should not be seen as a substitute to resolution of the Crow rate issue. The railways no longer have the economic or physical capacity to underwrite the grain drain. If the Crow issue is not resolved, the problem outlined in the report will not be completely overcome and grain will suffer due to its low priority.

I find the issue to be quite relevant today, Mr. Speaker. It is something of a pleasure—maybe that is not the right word—to be able to talk of the assistance that is going to the western grain farmer which is being paid out of Canadian taxes and by the Canadian consumer, therefore the share by which the easterner is participating in helping the western farmer. It is an example of something which I do not oppose, but I think probably it needs to be said these days that everything does not flow from west to east. In this particular case there is a considerable flow of dollars from east to west.

● (1720)

I have several questions for the parliamentary secretary who, I assume, will reply on behalf of the government. The questions are as follows: when the government removed the subsidy on bread, why did it not also eliminate the heavy subsidy to the western grain farmer, the subsidy paid jointly by all taxpayers and by all consumers? Is the report of which I have been given a copy available to the public? Is it available in the French language? Is any thought being given to co-ordinating the interests of the four ministers concerned, the Minister of State (Canadian Wheat Board), Senator Argue, the Minister of Transport (Mr. Pepin), the Minister of Agriculture (Mr. Whelan), and the Minister of Industry, Trade and Commerce (Mr. Gray), so as to reduce their

overlapping activities? Will the recommended task force be established? Will the report we have discussed today be referred to a standing committee of this House for study?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I welcome the opportunity to make a few comments in relation to grain transport in western Canada because the motion before us directly addresses an issue which has preoccupied federal governments so much in recent years and because I believe this is an opportune time to put in perspective our achievements in grain transportation.

There has been considerable activity in this area in recent months. The present minister has participated actively in dialogue and discussions with western transport and agriculture ministers on several occasions. He has consulted with industry leaders, including representatives of the producers, of the pools and of the grain companies. In fact, just yesterday the Minister of Transport (Mr. Pepin) was in Winnipeg discussing the future of the office of the grain transport authority and a possible successor to Dr. Horner who recently resigned. This interest on the part of the government is not newly found. Indeed, there has been a number of studies and several major programs undertaken in the last decade. I should like to touch on these briefly and try to assess the impact of each.

We can trace the beginning of the current approach to grain transportation issues to about 1969. In that year two significant moves were made. One was the establishment of the grains group as an interdepartmental advisory body drawing its staff from the Departments of Agriculture, Industry, Trade and Commerce, and Transport. Its creation stemmed from the recognition that grain production, transportation and marketing were integral parts of a whole system which could not be dealt within isolation and that a central unit was required at the policy level to maintain contact with the many organizations involved in the grain industry, ranging from farm organizations to provincial governments, from the Canadian Transport Commission to the Canadian Grain Commission, to name only a few.

The other significant move was the establishment of a basic rail network of 12,500 miles. This enabled elevator companies and producers for the first time to make sound financial planning decisions. It was recognized, however, that a number of branch lines were uneconomic, and a branch line subsidy program was introduced. It might be worth mentioning the amount that has been disbursed under this program, as it often seems to be sidelined in the discussion of more recent programs. Since the first payments in 1971 through to 1980 the CTC has paid the railways—that is the Canadian National Railways, the Canadian Pacific Railway and the Northern Alberta Railway,—$779.1 million in branch line subsidies.

The branch line subsidy program, however, was a piecemeal approach. It was soon recognized there were more fundamental problems with the grain handling system that were far larger than simple uneconomic branch lines. Canada's exports were not keeping pace with world grain trade. This was more a symptom than a cause. The most alarming fact was that the railways were allowing their grain-related capital plant to deteriorate rapidly in favour of more profitable traffic, and grain transportation was suffering.

The first full-scale inquiry into these major problems was the commission on grain transportation and handling in western Canada, commonly called the "Hall commission" after its leader. Established in 1975 it held hearings across the west and its wideranging recommendations in 1977 had a major impact. I know a number of members who were involved in the debate at that time and will tell you how controversial many of the Hall recommendations were. There are still people in the west, and members of Parliament who will come and say, "Adopt the Hall recommendations lock, stock and barrel!"

Now many of the Hall recommendations were in fact adopted. Others, for better or worse, have been overtaken by events but not before having a very real influence on the course of action which was eventually taken. One critical area was the whole question of the prairie rail network. The Hall commission had recommended adding some 1,800 miles of track to the 12,500 miles already guaranteed in the basic network. The commission also recommended some 2,200 miles for abandonment and a reassessment over a 12-year period of the remaining 2,300 miles of the total branch line network. This was followed by PRAC because a 12-year wait left producers and companies with a great deal of uncertainty. Urgent action was needed in the form of a speedy reassessment.

The Prairie Rail Action Committee was given the task in 1977 and was told to report in 18 months, which was an early candidate of the sunset clause concept. As a result of the work of this committee a further 1,000 miles were added to the basic network and about 1,300 miles were recommended for abandonment subject to normal CTC review. PRAC was unique. Not only did it report in 15 months, or three months before its deadline, but it released recommendations as it progressed rather than waiting for a final report. This allowed elevator companies to announce over $10 million worth of improvements to their facilities before the assessment was completed. As hon. members know, this was not the end.

An election came along and we found ourselves with yet another study under way, this time by the hon. member for Moose Jaw (Mr. Neil). Now I would have been glad to give the member proposing the motion a copy of this study but we on this side of the House have not had the privilege of seeing it. This is a bit of a shame because, as a result of the study a number of lines recommended for abandonment by PRAC suddenly were included in the basic network. So it must have been an interesting study. But that is history, for another election came along and the present minister inherited the legacy I have just described.

Simply for the record, I mention the minister's announcement of August 6 this year. After his own review of a number of the lines involved, he decided the uncertainty which had lingered for years had to end and that a strong case had been made for retention of the lines. About 630 miles were thereby added to the basic network bringing the total mileage guaranteed to the year 2000 to about 15,900 miles representing

approximately 83 per cent of the branch line network which existed in the 1930s.

• (1730)

Let me go back to the Hall commission and pick up another aspect of federal study and action in grain transportation. It was by this time generally accepted that the railways were losing money. But how much? There was no common understanding of the magnitude of the losses, nor was there complete acceptance that the railways were in fact losing money on grain despite the findings of the MacPherson Royal Commission on Transportation.

Perhaps the most significant study on grain transportation was the one done by Mr. Carl Snavely, head of the commission on the costs of transporting grain by rail. The Snavely commission identified for the first time in a systematic, quantitative way the losses incurred by the railways as a result of the statutory grain rates. The proposer of the motion has been provided with a copy of this study.

The results of the study, first released in 1976, then later updated, showed that railways in 1977 experienced a revenue shortfall of $175 million on grain transportation. It is generally estimated that those losses are in excess of $200 million per year at the present time. While there are different estimates of these losses by the railways themselves and by western provincial governments, the Snavely report still provides the most independent assessment available. Whatever the actual figures, their magnitude made it clear why the railways were forced to allow their capital plant to deteriorate.

Three major initiatives have been taken to bring railway rolling stock and infrastructure back to the condition they need to be in for efficient movement of grain. The first, begun in 1973 and later accelerated, was the purchase of modern, heavy-load hopper cars. The federal hopper car fleet now numbers 8,000, purchased at a cost of $258 million. A further 2,000 cars are in the process of being acquired on long-term leases at a cost of approximately $11 million to $12 million per year. We were pleased to see the provinces get involved in this question with the acquisition of some additional hopper cars of their own.

The second initiative was the repair of the existing boxcar fleet. By 1974, when this program began, CN and CP boxcars, many of them 30 years old, were in deplorable shape. The federal government has provided over $22 million to the railways to share the cost of rehabilitating some 7,400 boxcars.

Between boxcar rehabilitation and the acquisition of hopper cars, the grain car fleet is beginning to respond to the demand placed on it. Results can be seen this past year during which grain deliveries to export points were up almost 20 per cent over the previous year.

The third and most substantial initiative was the program to bring the condition of prairie branch lines up to standard. Announced in 1977, the program involves over $700 million total expenditures, of which $240 million has already been spent. Already there are noticeable results in the condition of prairie branch lines, and, again, Canada's grain trade has benefited.

I could talk about a number of other improvements in the grain transportation system, including the expenditures at the port of Churchill since 1968, the elevator modernization at the port of Montreal and the recently concluded agreement to proceed with construction of a major grain terminal at Prince Rupert. But we have been talking primarily about studies and there are a couple of recent one I want to mention.

As I mentioned earlier, the problems of the grain transportation system were recognized as widespread and deep-rooted. Studies had indentified major institutional and economic difficulties in specific aspects of the grain industry. Significant improvements were under way, at a substantial cost, in the areas of rolling stock, rail network rationalization, branch line upgrading, and port modernization. But what was needed was a look at the system as a dynamic, interrelated structure, and recommendations on immediate action to relieve bottlenecks.

This was the study undertaken by the consultants Booz-Allen, completed in July, 1979, which, as requested in the motion put forward by the hon. member, was forwarded to him. The recommendation of their report which received the most visible follow-up was that a grain transportation improvement task force be established, headed by someone of stature in the industry, with an action-oriented mandate to propose, oversee and monitor improvements in the grain transportation system. As members know, this led to the creation of the office of the grain transportation co-ordinator.

So you see, Mr. Speaker, there has been no shortage of studies. Nonetheless, I think it is clear that this government is firmly committed to making significant improvements to the grain transportation system. Not only studies have taken place, there has also been action on a number of fronts, involving large expenditures. In fact, approximately $1.3 billion has been spent on grain transport related projects since 1970.

The government recognizes, first and foremost, the vulnerable position of the producer, particularly in such areas as a crop diversification and further processing. But now there is also a realization of the magnitude of the railways' losses, with the result that Canada is not achieving its potential in grain exports.

The debate on grain transportation is now a rational, realistic one. Different ideas are emerging, and it is our challenge to hear these and develop proposals which will be beneficial to the grain industry and acceptable to westerners. In concluding my comments on this motion, Mr. Speaker, I can assure you that this government will continue to place a high priority on improving the Canadian grain handling and transportation system, and that the country as a whole will benefit from the improvements.

The hon. member for Vaudreuil (Mr. Herbert) asked a question relating to the latest report. The latest report is available to all hon. members and the public by request. At this time it has not been translated into the second official

language, and that is the reason it has not been tabled in the House.

Mr. Gordon Taylor (Bow River): Mr. Speaker, I will try to keep my remarks brief so that the hon. member from the NDP will have a chance to contribute to this debate. Prairie farmers are sick and tired of studies; they want to see action. The first light at the end of the tunnel came for hundreds of prairie farmers when the hon. member for Vegreville (Mr. Mazankowski) was the minister of transport. He gave the farmers some hope by appointing Dr. Hugh Horner to the position of grain transportation co-ordinator.

● (1740)

Farmers have become rather depressed because this government's lack of action has set them back ten years. The parliamentary secretary stated that the government wants action and that is what we on the prairies want as well. I would now like to outline some of the concerns of the prairie farmer, Mr. Speaker.

The stage was set for improvements at Prince Rupert to be well under way by this time. The contract was not signed until September, however, so it is questionable how much work can be done over the winter. The entire summer season was lost through the inaction of the National Harbours Board and the lack of aggressiveness on the part of the Minister of Transport (Mr. Pepin). Now that an agreement has been signed and the first contract let, I hope we will see action and be able to reap the benefit of that eight million ton bushel terminal on Ridley Island.

I should like now to deal with the problem of the railways losing money. When the original contracts were made with the railways, in many instances they began the construction of branch lines. The elevators, coal mines and so on, resulted from that. The railways were also given $1 million to provide the country with passenger and freight service. As well, they were given one million acres of land and all of the mineral rights. Today, when the railways claim to be losing money, they count only the money from a particular branch line and refuse to include the vast amounts of revenue from mineral rights, hotel concessions and the other businesses they operate. Because they now separate one section of their business from the others, they claim to be losing money.

In particular, the CPR received ample compensation for the Crowsnest rate. Prairie farmers will be very reluctant to give that rate up unless they are offered something comparable. They have given up concessions too many times without receiving anything in return and have suffered as a consequence. I think the government should require the railways to include in their profit statement the vast sums of money made from mineral rights. That item should not be kept separate from others in the operation of the railway. The railways were given those mineral rights with the understanding that they would give rail service to the country but now they separate the operations as though they had no relationship whatsoever. I know that divorce is common but this divorce should not be permitted. The mineral rights were given as a concession for operating the railways, and that is what they should be required to do.

Prairie farmers have a few complaints about the Crowsnest rate as well. It is now being used as a means of cheap transportation of feed to the east, particularly Quebec where the provincial government subsidizes the production of hogs and feed. This means that the western cattle and hog producer cannot compete. The Crowsnest rate, combined with the subsidy, makes for unfair competition and the federal government should do something about this.

A lot should be said about branch lines, Mr. Speaker. On Friday I presented a motion under Standing Order 43, regarding the branch line from Rosedale to East Coulee, serving a coal mining operation, the one from Kneehill to Carbon, a grain operation, and one that I did not mention, from Strathmore to Langdon, which is also a grain operation and is required by the town. The CTC heard the applications from the CPR in connection with the Carbon line and the Strathmore line in 1978 and now they are applying again. Just yesterday, the mayor of Strathmore told me that potential business is being lost to the town because it is not known whether the railway will be there next year or not. This is a trick on the part of the railways—to keep applying and applying until they wear down the resistance of the Canadian Transport Commission. It just is not fair. When the railways branch of the CTC makes a decision after a full investigation, that should hold good for at least five years, preferably ten, so that there can be some stability in the situation and industry can be attracted to particular areas.

I hope the Minister of Transport will ensure that these repeated applications by the railways every second year will not be tolerated. It keeps potential industries out of the communities. I have mentioned three cases and I can only guess how many more there are across the country.

In Vancouver, the port will not accept grain from large transports. In the United States, large transports travel a few hundred miles to take clean grain to the terminal right at the seaport where it is loaded. But the Vancouver port refuses to accept grain from some transports. This leads one to wonder whether there is a connection with the railways to make sure that it is hauled by them. If the transports can offer fair and reasonable competition they should be permitted to do so.

There should be facilities at inland elevators to clean grain. The Rockyford Terminal Association was formed by a large group of farmers who put up their own money to show what can and should be done to clean grain and get it to the market, given a fair chance.

This leads me to another grievance that the farmers have, Mr. Speaker. They have no say in how long they must wait to load the grain on a ship. They have no say about whether the workers at the Vancouver port will go on strike tomorrow or next week, as they have gone on strike so many times over the years. A few years ago the pearl barley market was lost to the United States and we never got it back. Strikes were intended to hurt the ruthless employer, but today they are hurting innocent people like the prairie farmer whose livelihood is

being jeopardized. Some people think that the Canadian government or the taxpayer bears the cost of demurrage while the ships sit and wait but it comes out of the pockets of the prairie grain producer. Last year $18 million was lost because of the lackadaisical handling of ships in Vancouver.

There are several other things I would like to mention, Mr. Speaker, but I shall close with some remarks about the Neil report because I know my hon. friend to my left would like to have a little time to speak on this. The Neil report saved many branch lines. To some degree, these branch lines had been built with public money. They should not simply be torn up. I come from a coal mining area. I have seen a coal mine where the tracks were removed three times and built over again, each adding to the price of coal. When we have these rail lines built, surely we can leave them there even if they are not used at present to full capacity because they will likely be required in the future. We need some stability with regard to our branch lines so that we will not be driving industry away and almost forcing grain companies to close their elevators.

● (1750)

The prairie farmers are tired of studies. They are tired of putting money in other people's pockets. I hope the changes made by this government will put a few more dollars into the farmers' pockets, the people on whom we depend to grow food for this nation and for many other hungry people.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I understand from the intent of the motion that the mover is proposing to make public the Booze, Allen and Hamilton report prepared by a firm from Bethesda, Maryland, U.S.A.

I think the point was made by the Parliamentary Secretary to the Minister of Transport (Mr. Bockstael) that the report is in effect public. Certainly all of the farm organization leaders that I know of and a great many private individuals now have the report, though, granted, it is not printed in French. I think the report was published, as it says on the front page, in June, 1979. The reasons for the report go back to the crop year of 1977-1978. At that time the system appeared to find it impossible to move all the grain for which there were sales. The wheat board in a conservative estimate estimated they had forgone over half a billion dollars worth of grain sales because of the inability of the railways and the system to move the grain. What was even more galling to farmers was that after having seen that half billion dollars in sales, so to speak, go down the tube, they were asked to pay an additional $18.4 million in demurrage payments because the system was unable to perform according to requirements, and the ships were waiting.

It is interesting that the report itself was very action-oriented, and in spite of what was said in the House today, the rate structure and the compensation issue was specifically left out of the terms of reference of the Booze-Allen report. The recommendations of the report were recommendations that would be effective whether or not the rate problem, if it is a problem, was addressed. I also find the report interesting because a number of the recommendations, along with the key areas where the board saw problems, were being acted upon even before the report was published. A number of the findings of the report were fairly general knowledge to those who were interested in watching the operations of the grain trade before the report came down.

It was public knowledge that the system was not producing enough grain cars; that there would be an annual shortfall of 2,000 hopper cars until the year 1985 and that a shortfall on this scale would still continue if it were not for the intervention of some of the provincial governments, the federal government and indeed the wheat board on behalf of the producers themselves.

The report deals with a situation that has arisen because the direction of the grain trade has reversed in this country of ours. The bulk of the trade no longer moves from west to east but to where the markets are in 1980 and 1990, that is to the west, the Orient. Because of this shift we have seen the phasing out of some of the facilities at Thunder Bay because the volume of storage no longer is required. We see that the railway capacity to the west is perhaps not always adequate for the amount of traffic required of it. We are seeing very clearly that the terminal capacity at the west coast is not adequate to handle the amount of grain now available for shipment through those ports in order to meet existing markets.

Consequently, it was no surprise that the Booze, Allen and Hamilton report suggested that Prince Rupert be developed further. It pointed out the fairly obvious problems that exist in Vancouver with regard to space and the possibility of expanding the storage facility there. It pointed out there is still a very real need for terminal space at the ports. The reasons, I thought, were fairly obvious reasons. You cannot rely on ships always arriving in port on time. We have early arrivals. We have bunching of ships around the Christmas season. Captains try to get their crews to Vancouver, or any port for that matter, for the Christmas holiday, so they arrive ahead of the supposed loading time. As a result we get this bunching effect at the port of Vancouver on occasion. It is usually reported in January, but sometimes it carries over to the early part of February. The situation is exacerbated because this is also the time of year when the railways have trouble getting through the mountain passes. The report seems to be cognizant of those facts.

I think most people in the grain business are cognizant of the fact that the railway line which goes to Prince Rupert is not so subject to weather disruptions during winter. That is another of the reasons for expanding facilities at the port of Prince Rupert.

Because I have only two or three minutes before the debate is interrupted and I am not sure whether it will carry on for a full 90 minutes, I will bring my remarks to a conclusion, temporarily, and make a few points about the over-all system since we do not have time to analyse the seven or eight points in the system where problems can occur. I simply say that the report finds no problem with capacity in the country. The country elevator system has plenty of capacity. The railways are short of cars. That is a known situation and it is being

dealt with. As I say, the report did not deal with the compensation aspects. But within the industry I think there is a consensus that the Crow rate is important and necessary if producers of grain are going to continue in existence. The report did not deal specifically with this, but it is fairly obvious that the wheat board is the linchpin in the system. Whether or not the transport authority is within or outside the jurisdiction of the wheat board really does not matter. The data come into the wheat board. The computer system is in place as well as the lines to connect the system. It could make the system work better.

I think the railways are giving cause for concern—I suppose we can say two and a half railways because we have small regional railways in the country—when it comes to exchanging cars. Those cars are tied up for another day or two simply because CN wants to take its own cars and CP likewise. If we combine the two railways into one system, which makes sense for a great many other reasons, we could increase the turnaround and the efficiency of the system, putting more of the grains under the control of the Canadian Wheat Board. This would improve the efficiency of the system. Rapeseed, in particular, has been a bugbear in terms of handling arrangements. Cars must be specially sorted out to separate terminal elevators. There are no switching arrangements and no pooling arrangements for rapeseed.

If issues of this kind were looked at objectively and acted upon, the question of rate could then be judged in the proper context.

It is interesting that the Booze-Allen report even looks at the national economy when it deals with costs because the board talks about just two or three crop years paying for the extra costs of keeping the system big enough to handle large crops. Booze-Allen, at least, has not fallen into the trap of some of the previous studies of analysing the system on a corporate basis to see whether it will show a profit or not. It is simply dealing with the system as it should be dealt with, as being able to provide a service. That is the basic way of looking at grain transportation. The first question to ask is: can it do the job or can it not? Most of the basics are there if we simply reorganize the structure.

[*Translation*]

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

At six o'clock, the House took recess.

● (2000)

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

THE CONSTITUTION

ESTABLISHMENT OF SPECIAL JOINT COMMITTEE OF THE SENATE AND HOUSE OF COMMONS

The House resumed consideration of the motion of the Minister of Justice and Minister of State for Social Development (Mr. Chrétien):

That a Special Joint Committee of the Senate and of the House of Commons be appointed to consider and report upon the document entitled "Proposed Resolution for a joint address to Her Majesty the Queen respecting the Constitution of Canada" published by the government on October 2, 1980, and to recommend in their report whether or not such an address, with such amendments as the committee considers necessary, should be presented by both Houses of Parliament to Her Majesty the Queen;

That 15 members of the House of Commons to be designated no later than three sitting days after the adoption of this motion be members on the part of this House of the Special Joint Committee;

That the committee have power to appoint from among its members such subcommittees as may be deemed advisable and necessary and to delegate to such subcommittees all or any of their powers except the power to report directly to the House;

That the committee have power to sit during sittings and adjournments of the House of Commons;

That the committee have power to send for persons, papers and records, and to examine witnesses and to print such papers and evidence from day to day as may be ordered by the committee;

That the committee submit their report not later than December 9, 1980;

That the quorum of the committee be 12 members, whenever a vote, resolution or other decision is taken, so long as both Houses are represented and that the joint chairmen be authorized to hold meetings, to receive evidence and authorize the printing thereof, when six members are present so long as both Houses are represented; and

That a message be sent to the Senate requesting that House to unite with this House for the above purpose, and to select, if the Senate deems it to be advisable, members to act on the proposed Special Joint Committee.

Mr. Deputy Speaker: When the debate was interrupted at five o'clock this afternoon, the hon. member for Nepean-Carleton (Mr. Baker) had the floor.

Hon. Walter Baker (Nepean-Carleton): Mr. Speaker, at the time of the adjournment to which you referred, I had made the point that no one person in this country can rely on his own conviction to adequately and accurately reflect all the conflicting and contending emotions and aspirations of this country.

I put it to the members here, is there any one man who can come before this House and at the same time speak for Newfoundland with its trans-Atlantic traditions which were just changed some 31 years ago or about the frustrations of the seafaring provinces of the eastern part of Canada? Can he fully comprehend and fully understand those things? Can that person fully comprehend and understand the struggle of the people of Quebec to retain their pride of history, language and culture against successive waves of military invasion, commercial displacement and social and industrial change? That is a tall order for any man. Would he understand the Ontario of Toronto or the Ontario that is divorced from Toronto, such as the small town I grew up in which is about as remote from Toronto as is Medicine Hat?

If that one politician could grasp all at once the significance of being a maritimer, a Quebecker or an Ontarian, would he at the same time be able to grasp the experience of western Canada, its settlement at times seeming to be only for the exploitation of central Canada and to understand how much that means to a westerner? Could he understand how far British Columbia really is from this House and many of its debates? That is the essence of this country.

That is why in 1867 and all the conferences ahead of it it was decided that the only way this country could operate was by way of federation. It was impossible otherwise. It would have been more convenient for a unitary state, but it could not operate any other way.

Any person may think he comprehends this country in all its variety, but such understanding is not given to man. We are all shaped by our own particular view and our own particular version of the national heritage. When the Prime Minister (Mr. Trudeau) gave up meeting with the premiers and the provinces, he substituted one man's vision for a vision accommodating the perspective of all Canadians. He has either endowed himself with supernatural understanding or he has come to believe that consensus is not necessary. The Prime Minister makes light of consensus because he could not achieve consensus, not because it is worthless in Canadian terms. He must now embrace the dangerous fiction of the national will. He must now embarrass us as a nation by asking the British parliament to shut its eyes to the dissent he is unable to defuse and pass a Canada act. He sends his ministers to England to make sure that the British parliament does not make a qualitative judgment about the political process in our country.

If the Prime Minister persists in his unswerving course, he will leave behind him his constitutional settlement without the breadth of support which is required in a federal democracy. He hopes to settle this question forever. We can only hope he has not doomed this country to perpetual fractionalism, and that is the essence of this debate.

● (2010)

No consensus has been reached with the provinces. We are told it was impossible, and if it was not impossible then it is likely impossible now. If common sense ruled this debate rather than impatience, this package could have been taken to the provinces because when you look at it you will see it is not the package that was rejected in September. Many of the contentious issues which were there at the conference in September are not in that package now.

I have to be realistic. It appears that the Prime Minister is committed to pursuing his package here in the House of Commons and only here. I ask him and I ask his colleagues: will they use the House of Commons to build a more firm settlement for their constitutional arrangements, whatever is finally decided upon? Will they listen to and reflect on the views expressed by MPs who together represent a greater proportion of the population than the government majority does? It would be in the best interest of this country if they did.

I want to turn to another point, and that is a matter which was raised earlier in the course of the day with regard to a procedural matter, particularly in questions put to the government House leader. My party has raised a number of questions about the procedural process we are to go through in adopting this resolution. Procedure bores people but it protects the rights of members to properly debate and amend a proposition before them.

What exactly do we now have here before us? We are debating whether we should set up a special committee to study, not a resolution, but the subject matter of a document containing a proposed resolution. When the committee makes its report, in whatever form, it will be suggesting amendments that should in its opinion be made when the resolution itself is brought back into the House. If the House concurs, the House will be concurring in the committee's report as to whether a resolution should be brought before the House and, if so, with what amendments. Never in this entire process do we deal directly with the resolution, and as a result of the procedure which has been outlined today we cannot any of us propose direct amendments. To fulfil the requirements of the rules of this House the government will have to introduce the resolution directly, have it debated directly, and pass it directly.

When this debate began we were told there would be no tricks. It looks to me as if the whole process is a pack of tricks. We have tried to get a clarification in this House of the process of passing a constitutional resolution; none has been forthcoming. However, last week a brochure was published by the government entitled "The Canadian Constitution: Explanation of a proposed Resolution respecting the Constitution of Canada". On page 18 of this booklet there is a statement which the government did not have the honesty to give in this House. It reads:

> If the committee recommends the adoption of resolutions in the form of the proposed resolution, with or without changes, and both the House of Commons and the Senate concur in that recommendation, those concurrences will constitute a joint address. The government will then transmit the joint address to the Queen.

Let me make it clear that that will not constitute a joint address. Let me make the position of my party clear on this prostitution of the rules of the House of Commons. First, nothing can constitute a joint address unless it is a joint address. In the past such addresses were passed directly as resolutions and they must be now.

Second, we do not believe the House can deal indirectly with the subject matter of a resolution and then be deemed to have passed the resolution directly. If the government wants to change the rules it can introduce a temporary standing order to do that. It cannot sneak in through the back door.

Third, we do not accept that a majority of the House has the right to truncate the process of debate on this question any more than it can arbitrarily eliminate third reading of any particular bill.

Fourth, we believe that this procedure is being advanced to deprive the opposition and, indeed, Parliament of its full rights of amendment and debate. We do not accept that a process accepted by the House as suitable for amending its own internal rules can arbitrarily be deemed appropriate for an address to the sovereign.

Fifth, we believe our practices are quite clear—that concurring in the report on a subject matter outside the House itself leaves the implementation for a later stage.

Sixth, we believe it would be highly improper for the government to go to the Speaker and ask that she sign and engross as a joint address something which is not a joint address. It would be even more improper of the Speaker to sign such a document and thereby put the sign of approval on a misrepresentation of the House's actions.

Finally, we believe that the constitutional soundness of this whole process is extremely dubious, to put it at its mildest, and that an attempt to proceed in this manner will put the Speaker and possibly the Governor General in an invidious and dangerous position.

This is a question of due process, minority rights, the duty of the Speaker to protect minorities against an abuse of the rules, and of possible misrepresentation of the proceedings of this House. We are not prepared to accept the idea that our rules are whatever the government wishes those rules to be.

This proposition, if I may say so with great respect, is sickeningly two-faced. The government has said it would not be acceptable to limit a constitutional debate. The Prime Minister has said that. In reality the government is saying, the longer we debate, the less committee study there will be. It has said there would be no tricks. Behind the backs of the members it published a document laying out the procedural dirty tricks it would not admit to in the House. We are told by Liberal members that this is just a committee reference. In reality the government plans to rewrite the rules once this so-called document reaches the committee. Suddenly the resolution will be born of the reference of the subject matter. I protest this process; we protest this process. It is unconstitutional and what flows from it is doubtful. I hope all members of the House will remember what I have said as we proceed further in this debate.

There are questions about the propriety of section 42. There is a feeling around, and I share it, that the referendum is not dealt from a straight deck, and this is borne out by the answer or non-answer the hon. member for Winnipeg North Centre (Mr. Knowles) received from the Minister of State for Science and Technology (Mr. Roberts). It is being passed off as if the debate was on the bill of rights. I said at the outset that there is no real problem with a statement of rights in Canada, and there is not, but would it not be wise of this House to ensure what particular rights we want to entrench, because if we entrench them those rights cannot be changed quickly or easily. That is important for us to remember.

I had some early troubles with the idea of a bill of rights, and I confess there are feelings in this House among lawyers and others, as there are among judges and legislators all over Canada, and as there are among legal commentators, about the idea of a bill of rights at all. I had a little difficulty with it; I confess that to you, Mr. Speaker I could as easily argue the case against a bill of rights as I could for a bill of rights.

● (2020)

I know how this argument comes about. There is a tendency in civil law to codify. As the hon. member for Rosedale (Mr. Crombie) said the other day, we have adopted, in the good old Canadian way, two processes. Some rights are codified and some are not codified. Frankly, I do not hold that to be the real issue, but I do say it is important, if we do entrench, that we know what we are entrenching and that we really do entrench protections which not only spell out what the law is, but what the law should be and what we would like the law to be, we must buttress and augment what rights we have always felt flowed from our living in a free society.

Clause 24 of the bill relieves me of the problem of the casting aside of certain rights as a result of the codifying of other rights. My mind is relieved, and it is my belief that if we are satisfied with the wording of the clause we want to entrench, the process of entrenching can be construed not as an abandonment of the common law tradition but as a method by which the common law traditions can be strengthened.

At least that is what I hope we would want. However, given the inflexibility of entrenchment, the wording becomes extremely important.

I want to take a look at clause 1 of the bill, if I have a few moments. Clause 1 of the draft bill is the so-called guarantee of rights. It says:

> The *Canadian Charter of Rights and Freedoms* guarantees the rights and freedoms set out in it subject only to such reasonable limits as are generally accepted in a free and democratic society with a parliamentary system of government.

Any lawyer or anyone else could drive a freight train through that so-called guarantee of rights.

An hon. Member: Amend it!

Mr. Baker (Nepean-Carleton): My friend says, "amend it," and he is right, but let him not stand in this House and say that what is written here is the last word. If we look at native rights and minority language rights, we find that they are imperfection personified. I said to one of my colleagues that they look the tough sections, in any event—as if they were written on an envelope in haste somewhere between Ottawa and the northern parts of Canada when this document was taken up to be reviewed by the Prime Minister.

That is the problem, and I do not have the time to go into the detail today. The Minister of Finance (Mr. MacEachen) said he favoured the view of the Canadian Bar Association on rights. Then why was the right to own property left out? That is part of the Canadian Bar Association's view on rights. Why was that right left out? Is there some reason or other?

The minority language rights reference is not what I thought it was and not as it was represented by the Minister of

Justice (Mr. Chrétien). It creates two kinds of Canadians, and they are not French and English. Subclauses (1) and (2) discriminate with respect to rights. They create two classes of Canadians, and if we are going to talk about rights, Canadians are one class whether they are French or English and whether they live in Manitoba, Quebec or Ontario. This is not something I would feel proud of as a draftsman in terms of protecting rights. If we are going to have these rights, then let us entrench what we consider our best efforts rather than our first efforts. That is a problem we have.

We have talked about the problem of an amending formula. The hon. member for Rosedale laid out the objections, gave an alternative to the government with respect to the Vancouver formula and gave an undertaking on behalf of our party which I am prepared to repeat on behalf of our party.

The referendum in this bill is not a neutral device.

Mr. Speaker, I believe that this country is more than the sum of its parts, and I believe we cannot have deadlock forever. There is a time to act, as there was a time to act in the deadlocked Canada of 1864, and I hope that Canada as a nation will be the focus of our loyalty and the essence of our hope. I have no illusions about the provinces. They operate in a different political context than I do.

We had a message.

[*Translation*]

In the speech he made on Monday, the Minister of Justice was kind enough to draw my attention and that of my colleagues to the comments made by Premier Davis. I would like to do likewise and quote the comments made by Mr. Ryan, his leader, if Mr. Davis is mine, as reported in the newspaper *Le Devoir* on Monday, October 6.

Mr. Ryan wrote and I quote:

—the federal system has been based up to now on the principle of equality between both levels of government, each in its own jurisdiction; there was no question that one level of government be dependent on the other or have preponderance over the other. With the system introduced under the federal project, the preponderance of the federal government over the provinces is acknowledged. It is a new political principle which, in my view, gives an entirely new aspect to constitutional law and political development in Canada. And we do not believe that it is the proper way in which to lead Canada at present. We maintain that the constitution is the common property and responsibility of the two levels of government. For major changes affecting the constitution, it is necessary to obtain the consent of both levels of government. Neither of those levels can assume the privilege or the right to act alone in those matters which may indeed alter federative relations.

[*English*]

Mr. Speaker, the government has come to this House of Commons. In doing so, the government has hurt the cause of confederation in the way in which it has come. If the government wants to help the cause of confederation, then people on the government side should understand that there are representative views in this House which are different but which are nonetheless Canadian, and they ought to listen to those views. I want to give them every chance to do that.

Therefore, in closing I wish to move an amendment. I move, seconded by the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty):

That the motion be amended by adding thereto after the fifth paragraph the following:

"That the committee shall be deemed to have the resolution directly before it for the purpose of discussion and amendment, and that the committee shall report the resolution as amended in a form which will permit both Houses to directly consider and amend the said resolution".

Thank you, Mr. Speaker.

Mr. Pinard: Mr. Speaker, before we debate the amendment—and I understand that my hon. colleague will seek the floor in a few minutes—I wonder if the opposition House leader would grant me a question, just as I granted him one yesterday after my speech.

Mr. Baker (Nepean-Carleton): Oh, yes

• (2030)

Mr. Pinard: The hon. member for Nepean-Carleton (Mr. Baker) just mentioned that he doubted the legality of our process. As I understood him, he believed that some premiers would go to the court to contest the legality of our procedure in the House on the matter of the patriation of the constitution. I should like him to explain to me how it is that the premiers could not even agree unanimously on this matter? They could not even reach unanimity on this fundamental question of the legality—

Mr. Deputy Speaker: Order, please. The Chair has an amendment before it. I should simply like to note at this point that the Chair would like to take the amendment under advisement before ruling whether or not the amendment is in order. The Chair will now proceed to recognize the next speaker in the debate.

Mr. Pinard: Mr. Speaker, I rise on a point of order. When I spoke previously it was on a point of order. You had recognized me on a point of order when I asked for permission to ask a question, and I understand the hon. gentleman accepted my request. If you will recognize me, Mr. Speaker, I will ask the question, but if you do not, I will not.

Mr. Deputy Speaker: The time of the hon. member for Nepean-Carleton (Mr. Baker) has expired and the minister can only ask a question with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Pinard: Yesterday I granted the hon. gentleman a question. My question is as follows: How does he reconcile his views on the legality of our action if the premiers cannot agree on this, because only some of them say they will contest our action, and what does he say about Premier Davis subscribing totally to our action in the House?

Mr. Baker (Nepean-Carleton): I suppose I could answer that by asking my friend a question. What does he say about

his leader in Quebec totally disagreeing with the action that the government has taken?

Some hon. Members: Oh, oh!

Mr. Baker (Nepean-Carleton): I answered the hon. member's question yesterday and I wish I could repeat that answer. It is a problem. This is the position and it has nothing to do with legality or illegality. What I said at the outset stands. I said that I think the regrettable situation which we find in this country, and that is putting it mildly—

Mr. Deputy Speaker: Order, please. With all due respect to the minister, it seems to me that we are now entering into an exchange between two hon. members. With the consent of the House, the Chair would now like to recognize the Minister of Supply and Services (Mr. Blais).

[*Translation*]

Hon. J.-J. Blais (Minister of Supply and Services): Mr. Speaker, I want to express the tremendous pleasure I feel at being able to take part in this historic debate. I listened with great interest to what the hon. member for Nepean-Carleton (Mr. Baker), who must now take leave, had to say. I congratulate him on his efforts in trying to speak the language of Molière. It is the first time I have heard him, and I hope that the opportunity will present itself again only in a very distant future, after he has had a chance to take lessons. Now, that being said, Mr. Speaker, I can assure you that this afternoon—

[*English*]

This afternoon when I was listening to the preliminary debate before orders of the day were called, I thought this would be a very long debate indeed because a number of members in the opposition rose on a number of points and I had the distinct impression, this being my first full day in the House during the debate on the constitution, that this debate would be prolonged unduly. However, I was comforted by the fact that, as hon. members will recall, the hon. member for Nepean-Carleton, in effect, eliminated a large number of issues which I felt would have been debated otherwise. He indicated that patriation was not an issue. He said that patriation was generally agreed to by the people of Canada and by members of this House. I concur with that and I congratulate him on his perspicacity.

Some hon. Members: Hear, hear!

Mr. Blais: He then said that he had no difficulty with the bill of rights. He repeated this statement just before concluding. He said that there was some details with which he perhaps took issue but generally he believed in the entrenchment of a bill of rights. That again is one of the areas which I thought would have been the subject of considerable controversy, but he did away with that one and again I congratulate him on his co-operation.

The third issue was the question of the amendment. He admitted that we needed to bring the constitution home with an amending formula and he agreed with the principle which was being advanced. I felt very comforted by that particular agreement, and indeed there is very little else left for him to debate at this time. But when he started dealing with the amending formula, I could see very well that he was unable to understand what the government was attempting to do. He stated in effect that we attempted to advance the amending formula without consent from the provinces, and he even accused the Prime Minister (Mr. Trudeau) of lack of leadership when he introduced this particular amending formula.

I wish to point out to the hon. gentleman that if he reviewed the whole historical context of the debates and discussions which took place between the federal governments and the provincial governments since the statute of Westminster in 1931, he would recognize that every possible attempt has been made to secure a consensus among the provinces. The Minister of the Environment (Mr. Roberts) this afternoon gave chapter and verse on every one of the meetings, federal and provincial, prime ministerial and ministerial, which took place. He indicated that in spite of all those meetings, we were unable to reach consensus.

I do not think there is a more striking example than that of the Victoria conference in 1971. Reviewing the events of that conference, it will be recognized that in 1971 the provinces and the federal government under the leadership of the Prime Minister had agreed on an amending formula, a formula which made eminent good sense. Following that particular agreement, the then premier of Quebec, Robert Bourassa, went back to his province and stated in effect that he withdrew his consent based on the refusal by the federal government to recognize primacy over social policies at the provincial level. What he said in effect was, "I do not get the power that I want, so you will not get the amending formula." Of course, everyone knows that without the amending formula no patriation is possible.

What happened in Victoria in 1971 is exactly what had happened at every previous meeting and every meeting since, namely, that the patriation of the constitution and the amending formula, which of necessity has to be attached, has been the lever used by the provinces in order to pry out of the central government that concession which was considered proper to its own jurisdiction. So, in effect, what has happened is that every one of the provinces has imposed the unanimity rule in order to secure full consensus which applied to the specific will and desire of each of the individual provinces. In that context it is a physical, intellectual and moral impossibility for a consensus to be reached.

We went through the exercise of drafting Bill C-60 in cabinet. I sat on the cabinet committee which assisted in the drafting of that legislation. We had every hope that that bill would at least permit us to change our own structures at the federal level. That was unsuccessful. I participated in the preparation for the federal-provincial discussions in 1979 when the Prime Minister of Canada (Mr. Trudeau) attempted with the utmost flexibility, through every effort he possessed, to

secure an agreement between the provinces. That proved to be impossible.

● (2040)

Mr. Dick: He was rigid.

Mr. Blais: Rigidity is the last word I would use to describe that exercise. When we reached that impasse there needed to be a slicing of the Gordian knot. I do not know of any other example or parallel befitting the impasse we reached than the Gordian knot.

The hon. member for Grenville-Carleton agreed that we had public support. He ought to agree and take heed of it because there is a recognition throughout the country that we are doing what needs to be done and what needs to be done now.

Some hon. Members: Hear, hear!

Mr. Dick: You are losing your support.

Mr. Blais: Hon. gentlemen opposite should listen to their constituents. I have been in some of their ridings and I have received the positive response they do not expect but will wake up to. I have been in Parry Sound, Orillia, Nipissing, Toronto and New Brunswick. People said that we were doing the right thing and gave us the "go-ahead" to do it.

Some hon. Members: Oh, oh!

Mr. Blais: I have hit a sensitive nerve on the other side. I note the hon. gentlemen who are sensitive are those most open to the representations of their constituents.

The hon. member for Grenville-Carleton indicated a concern regarding certain areas of the charter of human rights. I listened this afternoon to the question of the hon. member for Rosedale (Mr. Crombie) who raised the Bakke case and the question of affirmative action. I simply call section 15 to the attention of the House, the non-discrimination section of the resolution. It contains specific provisions so that the non-discrimination rights do not in any way infringe upon positive action programs as reflected through policy or through legislation. That is the type of foresight we used in the preparation of this resolution.

Also, I was somewhat concerned about an article written by Mr. Gwyn in which he quoted the counsel for the Canadian Civil Liberties Association who expressed some reservation about the entrenchment of a bill of rights. I simply point out that the counsel is a hired hand of that particular association, whereas the chairman, Mr. Tarnapolsky, is a strong supporter of the legislation with which we are dealing, including the entrenchment of the bill of rights. I suggest that is the position to adopt. I have never been able to accept the argument that somehow we should be running after 11 legislatures in this country to protect human and civil rights of individuals, in effect something which should be up front. One will notice in the resolution before us that the first section deals with human rights and that subsequent sections deal with rights of individuals. That is the importance which ought to be given them.

I am a lawyer trained in the common law as is the hon. member for Grenville-Carleton. He expressed reservations about codifying, that is, entrenching. I do not have any of those reservations. While I have a great deal of respect for skilful lawyers who are original and like to hunt in libraries in order to unearth principles of common law which may protect their clients, I do not think the man on the street, the Canadian citizen, is interested in hiring lawyers in order to ascertain his human rights. He wants them up front.

Some hon. Members: Hear, hear!

Mr. Blais: No greater man recognized that necessity than John Diefenbaker when he saw the common law as imperfect and understood the necessity of codifying those principles and rights up front in the bill of rights he introduced in the legislation. Unfortunately that was interpreted by the Supreme Court of Canada in the guise of an interpretation statute; it was never given its intended weight. The entrenchment of a bill of rights, mobility rights and non-discrimination rights will secure for Canadians a recognition of rights recognized throughout civilization. It is time to entrench those rights.

[*Translation*]

But there is in fact another reason why I wanted to take part in this debate. It is true that I have been sitting in this House for eight years as a member of Parliament, but I have been a French Canadian and a Franco-Ontarian for 40 years, since I was born. And this really means something. Indeed, Mr. Speaker, I had the opportunity to study constitutional law when I was in primary school, in the sixth, seventh and eighth grades, because our teachers recognized that it was essential for us to know our rights if we wanted to preserve our identity as French Canadians even though we lived outside Quebec.

I can say, Mr. Speaker, that the issue of the minority language and education rights existed before confederation, as hon. members know quite well. In fact, the last issue to be settled when the confederative agreement of 1867 was passed was the protection of minority rights as concerns education. This appears under British North America Act section 93.

When I was a small boy, I lived in a city called Sturgeon Falls in northern Ontario. My great grandparents settled in northern Ontario with the building of the railway in the 1880s. They had left the province of Quebec because they considered that all of Canada was their country. They and many of their fellow citizens settled in northern Ontario.

In my native city, there were schools right from the start, but unfortunately, then came what was called regulation 17. I do not want to go over this sad moment in our history, but our basic rights were infringed upon by a statutory regulation of the province of Ontario. It was after this that French Canadian national movements such as the ACFO, the movement of

Olivar Asselin, and others, were created to strengthen the French language and culture in Ontario.

I had myself the privilege of taking an active part in French Canadian activities in Toronto. First, when I was admitted to the Bar, I sat on the advisory committee for French language education when the Étienne Brûlé secondary school was established in Toronto. It is hard to imagine that in a city of two million people where there were more than 60,000 French Canadians, we tried for four years to get a French secondary school. Four years, Mr. Speaker! I was there myself only for the last three years, and we were told that we would be unable to get 200 students in our school. Of course, we now have that school and even more because the need has been recognized, but there was already virtually systematic resistance at that time. However, this was in a city where people said: nearly all of the residents of Toronto are English Canadians! There are no French Canadians. Of course, that was not true. But in other Ontario areas where we had a French majority, we had to extract, to tear out French schools from the public administration, as well as we could. I have children, Mr. Speaker, I was fortunate. In fact, I went to an English language public school, but after that I went to Ottawa University and perfected my French.

My younger brother went through all his classes in French schools in Ontario, and is quite happy about it. I would like my children, whom I dragged along into western Canada this summer, could also have mobility, be able to go to western Canada and live as they live at home, as I lived in Sturgeon Falls, as my grandparents lived in Hull and Glengarry-Prescott. This is not asking very much. I was brought up with a concept of Canada under which I had as much place as a Francophone as any Anglophone anywhere across the land, and I am not prepared to accept anything less. I am not being selfish, because my presence is a contribution to the country. I am not talking of my own self of course, but rather the presence of French civilization that contributes to this whole country we call Canada.

Morever, Mr. Speaker, to people who may oppose this I would suggest I never forced anyone to speak French. If people want to speak to me in French, they are welcome to do so. But I recognize realities. Being Franco-Ontarian, I recognize I had to learn English. And I had no fear in doing so, because I feel it is an advantage to speak the two most used languages in the civilized world. I have absolutely no concern about this, and I worked hard to learn English. I am not ashamed of it, no more than I am ashamed of speaking French and trying to do so with all the concentration, vigour and imagination I am capable of. Mr. Speaker, this is the nature of this country.

The hon. member for Nepean-Carleton referred earlier to the problem in this country, because of the vastness of our regions like the west, for anybody to understand all that. This is a truism.

• (2050)

[*English*]

Nobody, but nobody, can deny that this country has been enriched by a vast array of human beings who brought their immeasurable wealth to our shores. Every time I attend a citizenship acceptance ceremony I am impressed. The judge always identifies the number of countries that are represented by the new citizens and, on every occasion, I tell them that this is a brand new country in the full process of evolution and development with the strongest potential of any country in the world.

Some hon. Members: Hear, hear!

Mr. Blais: I say to hon. members opposite that there is no divisiveness in what we are attempting to do. The divisiveness will come from undue delay caused by the other side of the House for no reason at all. Hon. members opposite know full well that after we patriate the constitution, as we will, we will deal *seriatim* with every issue that has to be dealt with at the federal-provincial level. That is of necessity. But we will remove that very unfortunate lever which was used by the provinces, namely, the very fact of patriation, which has stopped constructive negotiation and discussion.

Constructive negotiation and discussion is essential if this country, with its unfathomable wealth, is to be able to pursue its course as a unified country and as a country which will invite to its shores people to develop its population to a level which was foreseen by our predecessors, including Sir Wilfrid Laurier, but cannot be conceived to the full extent even by ourselves as we sit here debating this essential document.

I am pleased to have participated in this debate. The details can be discussed at a later stage, and that stage has to be in committee. Let us send this resolution to committee and we will all be better for it.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, as I stand, I am forced to admit that it is a moving experience, to stand and defend my country from internal assaults. It reminds me of when I was called upon to defend my country from external assaults. It is a very stirring and emotional experience. I would say that it is gut-gripping when so much is at stake.

The best thing I can think of to do in the circumstances is to approach the whole matter calmly and rationally and critically analyse the various proposals that are before us to decide which, if any, are acceptable and what effect each may have on the country which we in this chamber and people throughout the land hold so dear. What then are the proposals? The resolution before us has been there long enough now to allow us to stand back and look at it critically and analytically to determine what it is attempting to do and how it proposes to carry out its purposes.

It proposes to patriate what is called the constitution. I say that it proposes to patriate the BNA Act and other elements of the constitution. It proposes the entrenchment of a charter of rights and equalization principles. Finally, it proposes an

amending formula. This whole thing is to be done under a deadline. That is a large package to submit to a deadline. I would like to look at each of these areas separately. I will begin with patriation.

I suppose the process could be called patriation. It is a name which has been invented for a specific purpose, although, the closer one looks at the process, the phonier it becomes. I have no hesitation in accepting the notion that Canada's constitutional forms, documents, acts, whatever, should be amendable and dealt with in this Parliament. But as much as I want to see the constitutional provisions within our grasp here for amendment—in other words, as much as I want to see patriation—I cannot help but be struck by the irony of the way the government is going about it in this resolution.

What we are being asked to do, and I find it quite incredible, is exchange one British statute for another. That is not patriation, it is a travesty of patriation. I want patriation. I do not want a travesty of patriation.

● (2100)

Let me explain. It has to be explained and it has to be understood not just by you, Mr. Speaker, but by all hon. members opposite as well as by the entire Canadian population. In my view, we are being conned at the present time into believing that what we are doing is patriating the BNA Act and other elements of the constitution.

Let us examine the process closely. We are being asked to approve a joint resolution. The Fathers of Confederation approved a joint resolution and once the context was agreed upon in 1864 and 1866, it was transmitted to the British parliament to be passed into law. It became the BNA Act, a British statute. There is no question about that.

Once the resolution before us today is approved by both Houses of Parliament it will be transmitted to the British parliament, with a prayer, a request, that the content of the resolution, known as the Canada Act, be approved by the British parliament. That is the exact procedure used in 1867 to bring the BNA Act and Canada into being.

We all recognize that the BNA Act is now described as an act of the British parliament which, of course, it is, and some shame seems to be attached to that. If the Canada Act is approved by the British parliament it will also be an act of the British parliament. It is true that the British parliament will not be able to amend it—they withdraw from that—but it will remain an act of the British parliament and it contains elements of the constitution that have never been there before. I suggest we must very carefully look at this notion of patriation and what it means in terms of the statute. It will have been drafted in Canada, like the resolution which became the BNA Act, but it will still have been approved by the British parliament.

Boiled down to its essentials it comes to this, Mr. Speaker: Canada's constitution as set out in the Canada Act—and there is more to it than that—will be an act of the British parliament. We must think about that, Mr. Speaker. We must not allow ourselves to be fooled. I wonder if we are being taken on a ride down Tom Fool Hill? If the Prime Minister (Mr. Trudeau) has his way the British parliament will give us a new constitution. I emphasize this: the British parliament will be giving us this new constitution.

The Prime Minister sent two of his ministers to London. I suggest that in a manner of speaking what we are doing is hiding behind the skirts of Margaret Thatcher and asking her to do the dirty work that we are not prepared to do ourselves—to pass a law so that it will be effective here, and then we say, "Don't ever touch our constitution again." I suggest there is another way, one that has been proposed by this House and a shorter way. We could ask the British parliament to relieve themselves of those provisions of the statute of Westminster which enabled them to amend our constitution and we will do it here. The order of doing that would probably be the other way around—that we do it here and then ask them to deprive themselves of the right to interfere in our constitutional affairs, if you like. Meanwhile, we should not be taken in completely, utterly and entirely by the notion of patriation as it is being put across in much of the literature, printed and vocal, that is being issued across Canada.

Why are we proceeding by way of another British statute when there is a neater, tidier way of proceeding? The cabinet document that was leaked during the first ministers' meeting could give us some inkling why we are being asked to follow this route.

An hon. Member: It was not a cabinet document.

Mr. Munro (Esquimalt-Saanich): Apparently that is now being denied.

An hon. Member: It is not a cabinet document.

Mr. Munro (Esquimalt-Saanich): There is a document of advice to the Prime Minister as to the question of validity, and this is a very important point. As to the question of validity, the document states as follows on page 50:

—it is the view of the Department of Justice that a law passed by the U.K. parliament to patriate the constitution,—

Note the use of the word again.

—with an amending formula and other changes, could not be successfully attacked in the courts.

"Validity of the move", Mr. Speaker! Are they afraid of it being attacked in the Canadian courts—the validity of their action? They must be ashamed of it to judge by the way they are proceeding.

Of course, this resolution has yet to be passed by the U.K. parliament and therefore, in my judgment, the validity of the proposals could successfully be called into question in the courts before this is passed—not patriation as such, but the process by which this whole operation is being carried out.

Let me proceed to the second point, namely, that the British parliament is being asked to do a good deal more than just patriate the constitution. If that were all, then the British parliament would undoubtedly be delighted to patriate it and have done with it. But much more than that is being sought.

Westminster is, in fact, not only being asked to rid itself of the tiresome task of looking after the BNA Act and amending it from time to time when asked; Westminster is being asked, in addition, to amend it for one last time as far as they are concerned, and, in the process, rid itself of that tiresome chore.

In what areas is approval being sought for this final Westminster amendment? Largely, it is admitted with regret, in areas touching on provincial jurisdiction. Entrenched rights, many of which are property and civil rights. Under the BNA Act which is being patriated in a sense under article 50 or 51—the name is changed but it is still the BNA Act, to all intents and purposes—property and civil rights were assigned to the provinces, as was education. Those two elements are being changed in the constitution, presumably at the request of the government. The British parliament is expected to make those changes.

Equally important in the area touching upon the powers of the Senate, an area which itself impinges on provincial or regional jurisdiction, are the prerogatives of the regions or provinces. This is done without consulting with, and certainly without the consent of, the provinces.

In essence what we see first of all is the Prime Minister presenting a resolution to Parliament which because of its attack on provincial jurisdiction will fundamentally alter the federal nature of this country built up over 113 years. In addition, changes have been proposed in the powers of the Senate, thereby producing a fundamental change in the accepted parliamentary nature of this country. I shall return to this matter late in my remarks.

The argument we hear from the government's side asks what can be done after 53 years. We are being asked to do this in 53 days. What is the deadline there for, I should like to know? That is not more than 53 days away. If we cannot do it as a nation in 53 years, is this House expected to do it in 53 days?

An hon. Member: Two years.

Mr. Munro (Esquimalt-Saanich): They say it has proved impossible to get agreement short of unanimity on how to proceed with amendments affecting the provinces. I question the absence of unanimity, however. In fact, I suggest that it is not true. It is a downright lie. It is a lie.

● (2110)

The Vancouver consensus was agreed on by 11 governments meeting in Vancouver last fall. This was all governments, provincial and federal. If that is not unanimity, I do not know what is. I ask why it was rejected. Why should we turn our backs on such a prize and proceed by way of the Victoria formula which was rejected ten years ago? One can only speculate. Unfortunately, my speculation, based on 12 years of experiencing the Prime Minister's baneful influence on the public service and Parliament, leads me to the view that it is being done deliberately to provoke antagonism, just as the Pitfield document was deliberately leaked in Winnipeg to provoke dissension in the meetings of the council of ministers, and just as the other longer 65-page document—whatever it is called—on closure of the meetings on September 12 or 13 was designed to bring about the failure of the first ministers' meeting.

That, Mr. Speaker, is my reading of why we have rejected a prize, a unanimously agreed upon formula, and picked one up which was thrown overboard ten years ago. The reason is that dissension is the way this government plans to govern this country. I am afraid there is something sinister here. I will return to provide supporting evidence of my belief in a minute.

The third element has to do with an equalization provision—as though that were new. Equalization has been a constitutional practice in this country I should say for almost 30 years now. It was suggested by the leader of my party at a meeting and included in a document which has come to be known as the Kingston memorandum, agreed upon by seven premiers and the present Leader of the Opposition (Mr. Clark). It suggested that the equalization formula be included and entrenched in any constitution that might develop. The form in which it is there requires, I think, a little bit of refinement. There is no problem with the idea.

If I look behind that equalization formula I wonder whether I would find the same musty cupboard with grubs, moths and things that I found when I looked behind patriation. I think I will just leave that one for the time being and on another occasion I may have a return to it.

I think you are entitled to ask, Mr. Speaker, why I am so worried about the federal Parliament trespassing upon provincial areas of jurisdiction without consent. This brings us to the question of what is Canada. How did Canada come into being? Here again I suggest we go right back to fundamentals. Not many of us may know it, but the BNA Act—incidentally, despite what television and the billboard ads are saying—was written in Canada by Canadians. It has been ours from the beginning, despite those stupid advertisements which cost us $6 million.

The BNA Act starts out in its preamble in this fashion:

> Whereas the Provinces of Canada, Nova Scotia, and New Brunswick have expressed their Desire to be federally united into One Dominion—

This is followed in section 4 by the definition of Canada in these terms:

> —the Name Canada shall be taken to mean Canada as constituted under this Act.

In other words, the coming together of three provinces, which eventually became four provinces, desiring to be united and form a central government.

Who or what then is Canada? Since Canada came into being and is recognized as having been constituted as "Canada" by the coming together of the "Provinces of Canada, Nova Scotia and New Brunswick", and since the other provinces are regarded, once they have been created as provinces and joined the union, as being equal in all respects to the original partners, it follows, according to any logic of which I have knowledge, that Canada as an entity is a creation of the provinces.

I ask hon. members not to jump too hastily. Do not let our imaginations run too far ahead on this. Let us also remember that the foremost authority on the federal notion, K. C. Wheare of Oxford, in his *Federal Government* defined the federal principle in the following manner: "By the federal principle, I mean the method of dividing powers so that the general and regional governments are each within its sphere co-ordinate and independent".

Canada was indeed created by the provinces—in the final analysis by all the provinces. In the document whereby this creation was consummated, the BNA Act, the powers, jurisdictions and areas of operation of the two orders of government of Canada on the one hand and of the provinces on the other were set forth in relatively clear terms, implicit in which was the notion that each order of government generally speaking would be sovereign in the area assigned to it, give or take a joint jurisdiction.

Following this logic, I think it should be abundantly obvious that any changes in powers, jurisdictions or areas of operation, particularly of the creating provinces, should not occur without the concurrence of those provinces. The resolution before us, however, is barely consistent with that sort of logic because it proposes a contrary form of procedure: that which was created by the BNA Act, namely the central government, now proposes without consultation to set in entrenching concrete limitations on the freedom within which its creators, the provinces, may act. It has bypassed its creators and purports to legislate on their behalf affecting property, civil rights and education.

Do you know what I call that, Mr. Speaker? I call it constitutional cannibalism. The creature has turned on its creator to dismember it, to consume it piece by piece. This is a serious change in the structure of Canada and, Mr. Speaker, Westminster is being asked not only to make the change, but to condone it. Have we no shame in this country? Are we unable to stand on our own feet and write our own constitution? This disposition of the government to bypass the provinces in areas of clearly provincial jurisdiction emerges again in the amending formula set forth in section 42, because here we see enunciated the principle that the amendments to the constitution may, in certain circumstances, be effected through referenda thereby bypassing again constituted provincial authorities. This is again a serious change in the federal nature of Canada and one which gives rise to the deepest misgivings. The basic constitutional nature of our country is being altered without consulting the provinces and, therefore, without the agreement of the provinces; and Westminster is being asked to condone this change.

If I may move briefly to section 44, again dealing with an amending procedure, I suggest that here, too, we find a proposal which upon acceptance would alter Canada fundamentally in that it would change the nature of our parliamentary institutions. Section 44 provides, in certain circumstances, that the House of Commons' views will prevail whether the Senate is prepared to go along or not. Westminster is being asked to put its stamp of approval on this change too. It is clear to me, therefore, and I hope it is becoming clearer to others, that this resolution contains not just the one Trojan horse mentioned by my leader when he spoke on Monday last, but two. One, and a double one at that—it must be a dromedary—a potential threat to the federal nature of our country, and two, a potential threat to the parliamentary institutions of this country.

● (2120)

In relation to the second of these, the threat to the Senate, I draw the attention of the House to a citation from the Supreme Court in the reference to it in 1978 on this very issue as it arose out of Bill C-60. Eight justices examining this matter held the view, and I quote:

> The fundamental character of the Senate cannot be altered by unilateral action by the Parliament of Canada.

That is in the final paragraph of their judgment. What is Parliament doing if it proceeds along the course it is now following? It is asking Westminster to do that which unilateral action by this Parliament is unable to do. I think that is absolutely disgraceful. I am ashamed.

This is where the whole deal becomes very, very sneaky and tricky, despite what we hear. Our friends in the government will say this is not being done by the Parliament of Canada, it is the parliament of the U.K. that is being asked to do it. To that, I think the reply should be a second reading from that ruling, just a little bit earlier in the same paragraph, and I invite hon. members to read the whole judgment. The assembled judges said:

> The character of the Senate was determined by the British parliament in response to the proposals submitted by the three provinces in order to meet the requirements of the proposed federal system.

Now we see one order of government proposing that this fundamental character be altered unilaterally by another parliament. I say we have a travesty of law, a shameful travesty because this government is unwilling and unable to proceed by an agreed formula toward effecting all these changes. The Vancouver consensus would make it so simple. It could get these changes done with that formula. I do not like these implications at all.

I am fearful first of all that any constitution for this country built along these lines will inevitably create deeper divisiveness than now exists. God knows, and I seldom use that word in public unless I mean it deeply, God knows how deep those divisions are right now. I am sure the government does not. The government is completely unaware of how deep they have made the divisiveness. I suppose the line is somewhere about Lake of the Woods. From there on they say, "Get rid of that government, get them out." I have had little notes sent to me saying, "Get them out, Don, before they destroy us."

That is divisiveness. I do not like to be able to repeat that, but that is the feeling in the west. It is high time those people over there got wind of it. Apparently the leader in the Senate is unable to get the message across. He probably does not even tell them because he is scared.

We have looked at patriation and have found it a travesty. We have looked at the charter of rights and found it to be an

invasion of provincial jurisdiction without consent. We have looked at the amending formula and found it to have a double fault, bypassing the provinces and bypassing the Senate, both assaults on the fundamental nature of this country which set out in its course, and I hope it can be made to continue, as a federal country with a parliamentary system of government.

What about equalization? That is another reason why I along with a great many other Canadians have very little trust in the author of this document. I think that underlies a great deal of it. He may not realize this. I have mentioned it already, and I feel it needs mentioning again because these warnings fall on deaf ears. In the west there is a deepseated and genuine long-standing mistrust of the present Prime Minister. My own distrust is perhaps more personal, but I know that many share my doubts.

I ask myself, for example, whether I am prepared to see the British North America Act patriated, if that is the word, and entrusted to a man who had the effrontery to state publicly, and without a blush or backward glance over his own past, as he did in Winnipeg not too long ago, that a country which has been through two world wars should be ashamed to send its constitution to a foreign country for amendment. What utter balderdash, he above all people uttering even one word about world wars. He is a great one to be talking.

I must also ask myself whether I am prepared to accept at face value the patriation and other formulae proposed by a man who as recently as 1965, before entering the government, wrote as he did in an article published that year, and I quote:

Our existing constitution . . . creates a country in which Quebec may call on the support of nine allies to protect provincial autonomy.

He goes on a couple of lines later:

And this is the constitution our innovators want to change.

That was written by the present Prime Minister and is published in English in a book entitled "Federalism and French Canadians", page 44. I again quote:

Their vision of the Canadian constitution mentioned in the mandate of the legislative assembly's constitutional committee—

He was writing a brief for them.

—must be interpreted as taking place over several generations.

That was written in 1965. It is at page 43. Is the present resolution his first step? Perhaps. Finally, and again I quote:

To my mind, this—

That is, a lack of consensus in Quebec.

—only goes to prove that we must not meddle with the constitution yet.

True, he was talking from no position of power in 1965. He continues at page 43:

The real danger is that all these constitutional debates will provide an escape valve for our energies, and useful diversionary tactics for those who fear the profound social reforms advocated by the progressive element in our provinces.

I am also concerned when I think of these proposals to confide Canada's constitutional future to someone who was either unprepared, when western civilization including Canada was being threatened by the Nazi tide, or unwilling to go out and defend it, but not ashamed to have others defend it for him.

Mr. Pepin: You said that once already. Why are you repeating it?

Mr. Munro (Esquimalt-Saanich): No, I did not say that. Moreover, he did his utmost to persuade his fellow Canadians to join him in abstaining from that defence.

Mr. Cousineau: How is it possible that you have so much hatred in your heart?

Mr. Munro (Esquimalt-Saanich): I also wonder whether I can see my way clear to entrusting my country's constitution to someone who, upon becoming Prime Minister, proceeded almost immediately by pushing through a change in the rules to emasculate this House and Parliament and reduce the role of parliamentarians to total ineffectiveness, calling them nobodies once they are 100 yards away from the Hill. I also wonder whether I can put my country's constitution into the hands of a man who did his utmost to get Canada out of NATO and who, when that failed, allowed our armed strength to dwindle from 100,000 to 80,000, a reduction of 20 per cent and, even then in a cunning way, deprived those forces of updated equipment until, as a last resort, all major items had to be ordered at once at tremendous cost. Is that the sort of a man to whom I want to entrust the constitution? My answer is no.

• (2130)

I am not even sure that I want to see my country's future determined by a man who so diluted and dispirited the public service, in which I served with pride up to a point, by riding roughshod over the merit principle, by the appointment of such favourites as Pitfield and Head, that those who remain either feel filleted or are hopelessly beholden to him and his form of government for the preferment and emoluments with which he has bought their allegiance.

I wonder also about the matter of overlooking 12 Liberal years of federal fiscal fecklessness which saw increases in annual budgets from $12 billion to over $50 billion while deficits have climbed from less then $1 billion to over $15 billion. I say fervently: from men such as this may God soon deliver us.

Or again, are we ready to trust the ideas of a man who in 12 years has driven the national debt from $16.7 billion to $53.8 billion on which total public debt charges have increased from about $34 per head of population to over $200? Not necessarily to cap it all, but very nearly, I am not sure I am prepared to see my country moulded by a man who is ready enough to pay $38 a barrel to the Arab and Latin American producers, but begrudges his fellow Canadians an increase beyond $16.75 a barrel. That is a sad, sad litany. It is not a record to inspire confidence in one who aspires to create the constitutional strait-jacket by which we would be bound for the next century.

After all this I am moved to wonder why he is proceeding in this way when other less confrontational avenues are open, and I have shown where those avenues lie. Those avenues are there

but he has deliberately avoided them. Why, for example, as I suggested earlier, has he chosen a modified Victoria formula when the Vancouver consensus was accepted by all? I suggest this is confrontation for the sake of confrontation. I am wondering whether, in fact, having courted and invited rejection by the premiers, he is inviting rejection by Westminster in order to say "Ha! I told you, you are just a bunch of colonials. I will write your constitution for you and I will make this a republic", as he said he wanted to do when he spoke to the students in Montreal. Thank you, Mr. Speaker.

Miss Aideen Nicholson (Trinity): Mr. Speaker, in joining the debate on this motion I feel I am taking part in a very important step forward for Canadians.

Those who drafted the British North America Act of 1867 produced a wise and far-seeing document, but much has happened since then and, as contemporary Canadians in a fast moving world, we are influenced by events which the Fathers of Confederation could not have foreseen. Clearly, the majority of Canadians now wish to have a constitution made in Canada for contemporary Canada and which can be amended in Canada.

In fact, on May 9 of this year the House of Commons approved unanimously a motion proposed and seconded by two Conservative members from western Canada which called on Parliament to submit an address to Her Majesty the Queen requesting "that Her Majesty may graciously be pleased to cause a bill to be laid before the Parliament of the United Kingdom to provide for the amendment in Canada of the Constitution of Canada".

We may differ sincerely and profoundly on the division of powers, on an amending formula or on the process but, quite clearly, there is agreement on patriation itself. The resolution before us aims at patriation with conditions on which there is now a fair measure of agreement. The present resolution does not change the division of powers; it gives no additional powers to any level of government, but it does enhance the rights of individual citizens.

The British North America Act of 1867 recognized Canada's linguistic and cultural duality; 60 per cent of Canadians then were of British origin and 30 per cent of French origin. Since then we have seen major changes in our population. In 1971 some 44 per cent of all Canadians were of British origin, 29 per cent of French descent and 27 per cent were of other ethnic backgrounds. This 27 per cent represented more than five million Canadians living in all ten provinces. Today, approximately 30 per cent of the population of Canada is composed of Canadians of neither French nor Anglo-Celtic extraction.

The policy of multiculturalism announced by the Prime Minister (Mr. Trudeau) in 1971 recognizes the equal contributions of all Canadians as nation builders. In 1971 the Prime Minister said:

> National unity, if it is to mean anything in the deeply personal sense, must be founded on confidence in one's own individual identity; out of this can grow respect for that of others and a willingness to share ideas, attitudes and assumptions. A vigorous policy of multiculturalism will help create this initial confidence. It can form the base of a society which is based on fair play for all . . . A policy of multiculturalism within a bilingual framework is basically the conscious support of individual freedom of choice. We are free to be ourselves. But this cannot be left to chance. It must be fostered and pursued actively. If freedom of choice is in danger for some ethnic groups, it is in danger for all. It is the policy of this government to eliminate any such danger and to safeguard this freedom.

Every one of us or our ancestors emigrated to this country and together we have created a unique society, a society benefiting from the sharing of our many cultures, traditions and backgrounds. It is fundamental to the growth and success of this country that we live together in a spirit of mutual respect, understanding and equal opportunity for everyone, no matter what our race or background. That is why I consider the enshrining of the charter of human rights in the constitution essential.

Some have argued that fundamental rights are well protected by our unwritten traditions of freedom and by the legislation of provincial governments. At the beginning of this debate we heard from the Minister of Justice (Mr. Chrétien) some of the compelling arguments which the Canadian Bar Association has advanced in favour of enshrining a charter of rights in the constitution.

The rights and freedoms in the motion before us include not only human rights such as freedom of conscience and religion, freedom of thought and expression, freedom of the press, freedom of peaceful assembly, but also democratic rights—the right to vote and to stand for office regardless of race, national origin, colour, age or sex.

As late as 1909 a member of the House of Lords in England described as "momentous and far-reaching" the constitutional change involved in considering a woman eligible to vote.

[*Translation*]

Until the privy council of England made a ruling in the famous case known as the "persons" case, women were considered under the constitution to be incapable of taking part in public life.

In 1905, the superior court of British Columbia ruled that a woman was not a person qualified to become a lawyer in that province.

In 1915, in Quebec, during the proceedings launched by a woman who wanted to be admitted to the Quebec Bar, the judge stated that to admit a woman to the profession:

> —would be nothing less than a crime against public order and an obvious breach of morality and public decency.

In 1928, five Alberta residents sent a petition to the government asking that the superior court rule on whether women were "qualified persons" to be appointed to the Senate under the provisions of section 24 of the British North America Act.

The Supreme Court of Canada rejected the concept that women were persons, but the case was appealed before the legal committee of the privy council of England. The privy council accepted the concept and the constitutional law now includes a provision to this effect.

[*English*]

One of the five women involved in the "persons" case was a police magistrate who, on more than one occasion, heard argued in her court the rather interesting proposition that "women are persons in matters of pain and penalties but not persons in the matter of rights and privileges".

● (2140)

Those who argue that our rights are sufficiently well protected by existing law and traditions would do well to stop and reflect on the severe limitations faced by women even in this century. We can really take nothing for granted where basic rights are concerned.

In Canada, even in this century, laws have been passed which removed basic human rights from groups of citizens in different provinces. For example, in the west, Japanese-Canadians were deprived of their rights. There was suppression of freedom of religion in Quebec and, more recently, the right of citizens to seek employment from one province to another has been limited in Quebec and Newfoundland.

The resolution before the House provides for a Canadian charter of rights and freedoms binding on Parliament and on all provincial legislatures and governments. While it is true that a number of rights and freedoms are provided for by law now in such federal statutes as the Canadian Human Rights Act, the Canadian Bill of Rights, the Criminal Code and in various laws at the provincial level, most of these laws are subject to change, and the protection legislated today could theoretically be removed or limited by another enactment in the future. Entrenching the rights contained in this charter would place those basic human rights beyond the ordinary reach of Parliament or a provincial legislature.

I am very pleased to see the concept of mobility rights included in this charter. All citizens, as a matter of right, should be free to live and work anywhere in Canada without discrimination based on the previous province of residence. The situation which we have seen recently of one province refusing employment to Canadians who come from another province is indeed a serious matter. It is understandable, perhaps, that in times of some economic difficulty people become self-protective and more narrow and parochial in their views, but that is all the more reason to have mobility rights entrenched in the constitution to help us maintain our normal generous, open characteristics in difficult times and to remind us that we have one Canadian citizenship, not ten provincial citizenships.

The practice of using federal revenues to redistribute wealth to the less advantaged provinces of this country has existed since 1957, and this equalization principle is also in the motion before us. Equalization payments are now an established convention established by statute so that basic services to citizens can be maintained at a comparable level across Canada. Enshrining the principle of equalization in the constitution is an important recognition of the Canadian tradition of sharing our resources and our prosperity just as we share in certain risks and difficulties.

[*Translation*]

Parliament and the Government of Canada will have to respect the principle of equalization as concerns the less privileged provinces. Both levels of government will have to undertake to promote equal opportunities among Canadians, stimulate economic development to reduce disparities and provide essential public services of a reasonable quality for all Canadians.

[*English*]

On the question of language rights, the charter uses wording very similar to that agreed on by the provincial premiers in Montreal in 1978. The charter will give Canadians the right to have their children educated in whichever official language is used by the parents where there are sufficient numbers of the minority language group to justify a school.

This, of course, is a very important right when viewed in connection with mobility of workers. If we really want to make it easier for Québecois to live and work for a few years in other parts of Canada and for Anglophone Canadians to live and work in Quebec from time to time, we must make it easier for people to move their families. Undoubtedly English-speaking Canadians who move to Quebec will want to improve their French and will want their children to learn French in order to take part fully in the social and cultural life of that province. But if the long-term future of the children is in English-speaking Canada, they will also want to ensure that the children maintain and build on their knowledge of English.

Obviously one can make comparable statements about the Quebecker who moves to another province in Canada for a few years as part of his or her career line progression and who wants his or her children to maintain their proficiency in French. Parents may make different choices depending on the ages of their children, their facility in the second official language and so forth, but they should have the right of choice and the educational facilities to make that choice a reality.

An important historical and political reality in our country is that we have an entire province where a vast majority of the people speak French. The legal, religious and social institutions of Quebec are primarily of French origin. This French fact is an important part of Canada, and all of us are richer for it.

At the same time as we adopted a multiculturalism policy we adopted the official languages policy. In these twin and mutually reinforcing policies we were saying that Canada recognizes the aspirations of all its people to participate fully in our society. As Canadians we undertook then to ensure that cultural differences do not bar anyone from full participation.

Not long ago the people of Quebec voted overwhelmingly against separation and for Canada. Let us now move to ensure that it is easier for them to work and to be welcomed in all of Canada.

● (2150)

We live in an essentially tolerant country, a country in which human and cultural values matter, a country in which

there is room to accommodate the individuality and legitimate aspirations of all people. These are important values, important enough to enshrine in a constitution.

I said earlier that the motion before us aims at patriation of the constitution with conditions to which most people agree. These include, first, a charter of human rights, including mobility rights and language rights, and second, a commitment to promoting equal opportunities for the well-being of Canadians and to furthering economic development to reduce disparity in opportunities.

The rock on which many previous attempts at patriation have foundered is, of course, the amending formula. The proposal before us is that for the first two years after patriation, constitutional amendments should require the consent of the House of Commons, the Senate and all the provincial governments. Federal-provincial conferences would continue, and at the end of two years the amending formula could be either something new, agreed on by all parties, or the Victoria charter formula. There is also provision for a national referendum, if necessary. It may not be necessary. I hope that good will and the Canadian gift for conciliation and civilized compromise will carry the day.

Provincial premiers are elected to represent provincial interests rather than to take positions in the broad national interest, and they have bargained hard for their own regions. Although this has sometimes produced incongruous situations over the past 53 years when ten different prime ministers have tried to get agreement to patriate the constitution, one cannot fault the premiers for trying to get maximum advantage at federal-provincial conferences. Neither can we allow the deadlock to continue for another 53 years. The 282 members of the House of Commons are elected to think and work in terms of the nation as a whole. Many of the speeches we have heard in this debate have reflected that concern and have also reflected what we are hearing from our constituents. First, people are tired of indecision and want the constitution patriated, and second, people want to see this House deal also with the economy, with employment and with energy.

The House met a week earlier than planned, and, when this motion is passed, work on the constitution will continue in committee over the next three months, so that until the day set for the committee to report back, the House will indeed be free to deal with other matters.

I look forward to seeing the constitutional debate continue in the context of normal, orderly conduct of parliamentary business. I also trust that the provincial premiers will, in the best interest of all Canadians, find more areas of agreement with each other and with the Government of Canada.

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, it is with a great deal of pleasure that I enter into the debate on Canada's constitution. I first came to the House of Commons with patriotic feelings, a sense of Canadianship, wanting to Canadianize some of Canada's institutions and to Canadianize Canada's constitution, and also with a great will and desire to see Canada's economy fall much more directly under Canada's control.

Many of these things have not taken place, but today we find that the debate on the constitution which is taking place in the House does deal with the Canadianization of our constitution. I note that the Prime Minister (Mr. Trudeau), in his remarks on Thursday when he first announced the resolution which was placed before the House, stated in part:

> Earlier today, a joint resolution was placed on the order paper of Parliament, which, if Parliament approves, will provide a key to our future as a nation. The Speaker has asked that Parliament return on Monday to begin debate on that resolution.

That was a week later than we had originally thought we might come back. The Prime Minister went on to say:

> Every member of Parliament from every corner of this land is asked to participate in this historic act.

The words "historic act" can only mean the debate of this resolution in Parliament. Fewer than 12 per cent of the members of Parliament have spoken so far. In fact, as I stand here speaking, I am the thirty-first member to have taken part in this debate. In the past, over 60 members of Parliament have participated in various debates, so I would anticipate that, at the rate we have been proceeding, this debate will carry on for a minimum of two or three weeks longer if everyone in the House speaks.

What has struck me as being fundamental to the debate up to this stage is the amount of agreement which all Canadians, including all members of Parliament, have reached. There is a great deal of agreement, there is consensus, I dare say. I took the opportunity of looking up the word "consensus" in the dictionary on the Table, the shorter version of the Oxford dictionary. It states that consensus in the sense of government and governing does not require unanimity; consensus is the majority view.

I think you will find that of the provincial governments, the government here in Ottawa and the two chambers representing Parliament, of those 12 institutions, the majority concur. In fact, I would say that there is more than consensus, that there is unanimity on the patriation of the constitution. Of course, this resolution deals with patriation. Second, there is consensus that there should be patriation with an amending formula. I think there is consensus, or a majority view, that there should be an amending formula. The amending formula would not be the one which is proposed only by the Liberal government in the House of Commons, which is the Victoria formula. The majority view which has been expressed by the provinces is that it should be either the Vancouver or the Alberta-Vancouver formula.

Should we be so partisan as to insist on our right to penmanship, or are either of those points of view or formulas workable? I really think that they are. I think that either one is workable, although I happen to believe that one is preferable to the other. The reason I believe that the Vancouver or the Alberta-Vancouver consensus is preferable is, frankly, that although I represent a constituency in Ontario which is the largest province in Canada in population, and although my

constituency borders on the second largest province in Canada in population, that is Quebec, the two central provinces, I do not think that either of the two provinces should, for all time, have a veto. Two hundred years from now the bulk of the population of Canada might be in Alberta or in British Columbia. How much of the population of the United States was in California, Oregon and Washington 200 years ago? This is something we must consider. When we resume debate on this matter tomorrow, I hope to go into some specifics and more detail.

• (2200)

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

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

COMPUTERS—USE BY GOVERNMENT OF DATABANKS

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Mr. Speaker, on May 9 of this year I asked the President of the Treasury Board (Mr. Johnston) about an incident where an attempt was made by students of a New York private school, the Dalton school, to enter 21 Canadian computer databanks. As we all know, this work was in fact the work of Grade VIII students. While the damage done was not as extensive as originally thought, although considerable damage was done in some of the databanks they were able to enter, the students were able to enter at least two databanks. If clever grade school students could break into computer databanks with ease, what would computer professionals be capable of doing?

To make matters worse, at least two databanks approached by these students were federal government databanks. Luckily the students were unable to gain access to the computers and no information was destroyed. In response to my question the President of the Treasury Board indicated that no government databanks with sensitive information have dial-in access. However, sensitivity of information is in the eye of the beholder. I asked the minister for a list and a description of those databanks with dial-in access so that the people of Canada could be sure the information contained in government databanks is not sensitive.

I received that list and it indicates that among the databanks included in Datapac is the computer of the Department of Veterans Affairs. It concerns me that this computer is included in Datapac, a system with dial-in access, particularly if it contains private information about veterans such as medical information supplied for disability claims. I ask the parliamentary secretary or the minister to provide me with information about this databank and to take steps to protect the information contained in it, if it contains any sensitive data.

In the same context, in the Infoswitch system the Department of Employment and Immigration has a computer databank which is the field operational support system for immigration. I should like to know—and I think the House is entitled to know—the substance of that databank. Does it include information which properly should be held as personal and confidential? Are there threats to the personal privacy of individuals on the basis of information being held in that databank?

If the government feels it is necessary to keep certain databanks connected to Infoswitch or Datapac, it should take greater care for the security of its information. Encryption devices currently available at reasonable prices would protect information contained in databanks. I have been told that the government does not use these devices. I think their use would go a long way toward stopping computer vandals and more sophisticated computer thieves. I should like to ask if the minister has any plans to introduce such devices.

Also the government should help in developing standards for the private enterprise to protect its computer information. The Dalton school incident earlier this year showed that private computers were more vulnerable than government ones. Although regulation may not be necessary, at least the government could help to provide voluntary standards to assist private industry to cope with this problem.

Equally disturbing as the lack of technical protection against computer theft is the lack of legal protection. Activities similar to those of the Dalton school students are being reported with increasing frequency. Just recently, however, the Supreme Court of Canada ruled, in a similar case involving a student at the University of Alberta, that the unauthorized use of computers is not illegal. Indeed its logic was airtight. In matters of theft from telecommunications equipment, it is impossible to convict someone unless the equipment used is defined as a communications device; clearly computers are not.

• (2205)

I should stress that it is not the courts that I criticize. They were asked to interpret legislation which was obsolete and inadequate. I address my comments to the government, for Canada truly needs new legislation on this matter. Many hon. members will be aware that just last month the Canadian Bar Association sent a telegram to the Minister of Justice (Mr. Chrétien) imploring him to take immediate steps to fill in the gap created by the Supreme Court decision. According to the association, the telegram, which was co-signed by the Canadian Information Processing Society and the Canadian Law Information Council had this to say:

> The difficulty of imposing penalties on those who make unauthorized use of computer facilities puts at risk the security of commercial and government operations.

If the Criminal Code redefined communications facilities to include computers, the penalties would have a definite sting. Currently, the code provides for up to ten years imprisonment

for thefts above $200 if the Crown proceeds by way of indictment and up to two years if the theft is below $200. That is one option which the government could follow.

But failing support for this option, perhaps the provinces could be persuaded to amend their property and civil rights laws to include computer theft as a trespassing violation. When I posed this question to the minister, he indicated that the government was prepared to take action and that it was prepared, if necessary, to introduce legislation. Too much time has passed already. Canadians are entitled to know what action the government is prepared to take, and they have a right to see this bill put before Parliament without further delay.

[*Translation*]

Mr. Serge Joyal (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I am grateful to the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty) for raising this issue, and more specifically for the manner in which he raised it, because it is of such interest that it departs greatly from the party lines which generally dictate our debates in the House. He has raised the much more important issue of protecting our databanks as well as the services which Treasury Board must provide to store the information which the various departments need to carry out their duties under the constitution and their respective acts of Parliament.

The Treasury Board is responsible for the administrative policies affecting databanks, including the protection of computers. During the special audit of the computer operations he carried out in 1977, the Auditor General noticed that the government was more concerned about the protection of its systems than the private sector. The recommendations he made following this audit have been applied to his satisfaction. The hon. member, who was himself minister of state for the Treasury Board a few months ago, is fully aware of the extent to which the board wants to apply the Auditor General's recommendations when they concern security in the public sector.

The RCMP is presently establishing standards covering several security aspects in electronic data processing. In March 1980, only a few months ago, Treasury Board approved the first of these standards which dealt with management and staff. This standard advises against processing sensitive data or furnishing essential services using computers which have other unknown users, as in the case of computers linked to so-called open networks where access is not controlled and where anyone can link up directly through switched lines. It is up to each deputy minister to implement the required safety measures and to ensure the security of data banks. He is the one responsible for deciding the importance of the information and the degree of protection needed in each case by determining among other things what resources will be used to ensure the protection of information, in view of existing risks and possible threats. Furthermore, it is the duty of all departments to make an assessment of the threat or the risk to security coming from the maintenance of data banks.

The security inspection and assessment group of the RCMP is instructed to give advice, to inspect data processing facilities on the request of the departments and to formulate recommendations to deputy ministers. The latter are then asked to report to the RCMP on the implementation of the recommendations. In turn, the RCMP has to report to Treasury Board on the general conditions of security within government. The security standards on data processing which were developed by the RCMP for Treasury Board are based on the experience of the facilities inspection group which goes back many years, and they represent efficient and sophisticated measurements which allow the government to take advantage of the data processing technology while meeting our concerns in the area of security.

Datapac and Infoswitch are telecommunication services which are offered respectively by Bell Canada and CN-CP Telecommunications. The hon. member for Wellington-Dufferin-Simcoe referred earlier to both systems when he mentioned the offences made by the students in New York. Those two networks are intended specially for computer systems. Subscribers can send messages from computer terminals through transmission lines to terminals belonging to other subscribers. That is known as an open user group. There is also what is known as a closed group where a set group of users only has access to the network in order to preserve its private character. Because several users share the cost of those installations, those services save from 50 per cent to 75 per cent of transmissions costs. It is therefore obviously financially advantageous to subscribe to those commercial services.

The system known as the closed group—

Mr. Deputy Speaker: Order. I am sorry to interrupt the hon. parliamentary secretary but the time allotted to him has expired.

Mr. Joyal: Mr. Speaker, I shall send the hon. member additional notes.

Mr. Deputy Speaker: Order. That is not allowed during this debate.

• (2210)

[*English*]

FOREST FIRES—PLANS TO ALLEVIATE HARDSHIP SUFFERED BY VICTIMS

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, I rise tonight to speak on a question I raised on May 27 regarding the drought in the prairie provinces and regarding assistance that, I hoped would come from the federal government to producers of cattle and grain in western Canada at a time when it was very badly needed.

Part of my question concerned a press release—or a cabinet document or a memorandum—from Regina which said there was not much the government could do to assist producers in

western Canada "but that it was of critical importance that we be perceived to be doing something; that we should arrange and stage a public relations effort" which would be perceived by people in that area as action by the government.

That is exactly what this program is, Mr. Speaker. It has been changed many times. Cattlemen and farmers in western Canada are trying to cut through the red tape but unfortunately they are not able to.

Here are some of the changes that have been made. First of all, they were told that eligibility for assistance meant that a producer must have 75 per cent of his crop insurance or guarantee of production to be eligible and he would receive $70 per cow or bull up to $140 per dairy cow and $16 per ewe, of the basic herd. He was told he would receive one payment in 1980 and another in 1981.

When the announcement was made, it included the province of Manitoba and Saskatchewan and some parts of the province of Alberta. That was changed in midstream. To be eligible, cattle producers are required to be in a designated crop area—in an area where the crop harvested is less than 80 per cent of the average yield and where less than 60 per cent of the rainfall was between November 1, 1979, and May 31, 1980. There has been a great deal of change. When you only receive $35 per cow and you expected to receive $70 it does something to the economy and the supply of cattle feed, which is basically hay in our part of the country. In Saskatchewan, Alberta and Manitoba the price of hay increased $60 per ton after the original announcement that producers would receive $70 per animal in the basic herd. Then that amount was cut to $35 per animal. Also, instead of two payments there will be one and there may be a payment later. There is no commitment to that payment, just a statement that there may be one.

Some producers will receive payment without a check being made of their eligibility and others will not receive the payment until after their eligibility has been checked. This seems to be unfair and discriminatory and omits a lot of producers.

● (2215)

When the precipitation factor was introduced the fact that one part of Sasktachewan and the southern part of Alberta is short grass country was overlooked. Short grass country comprises most of the cattle area in Alberta. If the people who introduced the program have never heard of a winter drought they should start talking to the people who have been in that part of the country for a number of years. Unless the moisture is there in the winter and unless it is there the previous fall, the short grass will not grow. You can get all the rain you want, as that part of the country did early in the year, and it still will not produce the carrying capacity which is needed in the short grass country of southern Saskatchewan and southern Alberta.

Let us take a look at some of the other people who are neglected. For instance, what about the feed lot operators? What about the people who are feeding out the yearlings? That is not considered part of their basic herd, but their costs for hay have gone up again, $60 to $70 a tonne because of the announcement of this program in its original form and then its withdrawal halfway through.

On September 19, I issued a press release asking that the deadline for applications be extended. I did this because I and my colleagues had received numerous complaints. Producers could not get through to the Zenith number. They were not able to get application forms to apply for assistance and they were afraid they would miss what little assistance was there. Two days later, on September 22, the government announced the deadline for submitting applications had been extended. But many areas are still ineligible. When you look at the border of Saskatchewan and Alberta, you will see that that area too should be considered for assistance.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member but I have to advise him that his time has expired.

[*Translation*]

Mr. Marcel Ostiguy (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I wish to congratulate the hon. member for Kindersley-Lloydminster (Mr. McKnight) for his interest in Canadian agriculture as he is a member of the agriculture committee. I should like to correct some remarks he just made about the question he had put to the House on May 27, 1980 and which appears on page 1436 of *Hansard*.

On August 27, 1980, in Regina, Agriculture Canada announced that an amount of $13.4 million would be given for the cattle and feed program. This program followed a press release published by the Minister of Agriculture concerning the drought aid program. This program complemented the $41 million federal commitment to the Herd Maintenance Assistance Program announced last month by the Minister of Agriculture and the minister responsible for the Canadian Wheat Board and which aimed at ensuring that basic breeding herds would not be sold off because of feed shortages.

Of course, the regional offices in Winnipeg and Regina were administering this program for the cattle producers of northwestern Ontario. A sharing agreement was developed for the Herd Maintenance Program in northwestern Ontario.

The assistance provided through the Herd Maintenance Program consisted of a $70 payment and on this point I wish to correct the hon. member who told us earlier that it was $140. It is $70 for the dairy cow or the steer, $35 for the steer or the cow and $8 for ewes or rams up to 300 steer and dairy cows and up to 1,200 sheep.

On September 19, 1980, the province of Alberta announced the Feed Transportation Assistance Program.

The areas of Alberta considered for this program are the eastern parts of the province, the Peace River, Smith and Hondo sectors. This program was launched on July 1, 1980, and will last until March 1, 1981. On September 15 the provinces of Manitoba and Saskatchewan announced the continuation of their relief program for fodder and cattle.

Mr. Speaker, I would like to conclude by saying that advertising leaflets prepared by Agriculture Canada about the programs to be implemented during the periods of shortages in animal fodder are still available in all Agriculture Canada offices and I hope that the help provided by the Department of Agriculture to western farmers will compensate the deficits they are experiencing this year.

● (2220)

[*English*]

CONSUMER AND CORPORATE AFFAIRS—CALL FOR INVESTIGATION INTO REASONS FOR B.C. TELEPHONE RATE INCREASE

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, my statement tonight related to a question I asked on May 6 of the Minister of Consumer and Corporate Affairs (Mr. Ouellet). I asked whether he would inquire into some of the reasons behind the proposed increase in the B.C. Tel rates which are currently before the CRTC and, if he found that the capital investment program which was associated with those rates was not in the best interests of the consumers, would he intervene in the rate hearings.

I will give some of the background behind my question. B.C. Tel is proposing to spend approximately $2.5 billion in a capital expansion program. They are asking the consumers to foot the bill. What it will do is provide them with an automatic switching system. That is the guts of it.

What the minister has to do in this inquiry, on which we have no information at the present time, is to look into what the subscriber is getting for this $2.5 billion investment. They are getting an automated system which, it is acknowledged, will provide no better service to the consumer. In fact, it can be demonstrated that there will be a reduction in certain kinds of services they now enjoy.

There will 850 lay-offs throughout small communities in British Columbia. This will cause tremendous economic dislocation. It means the withdrawal of approximately $17 million a year payroll from communities which have no other economic alternatives. What is curious is in order to arrive at this economic dislocation, loss of payroll and disruption of their economy, people are being asked to make substantial increases in the amount they already pay B.C. Tel.

Something else they are obtaining for their $2.5 billion contribution is the continuation of a very poor quality of service. Many people in the province of British Columbia feel that the B.C. Tel system provides a service that is of poorer quality than the telephone system in Bangladesh. The CRTC was sufficiently concerned about it to hold quality-of-service hearings in British Columbia. The public was not allowed access. The commission failed to produce the report in time to allow interveners in the present hearing to use that information to argue intelligently against the rate increase currently proposed.

According to the evidence at hand, an extremely poor labour relations package will result. Company-labour management policies will result in a tremendous disruption of service. I would not be surprised if at the bottom of it was B.C. Tel's strategy to demonstrate to the CRTC through a rather intricate means that they require more money.

What does B.C. Tel get out of it? They jack up their rate of return from a current 12 per cent to 14 per cent. They get a Cadillac in terms of an automated system without the appendages of employees they now have. They continue a rather healthy profit picture, which was seemed to be in excess in 1976 when they had to return money to the consumers. This investigation is necessary. I firmly believe that the result, if it was done with diligence, would show that B.C. Tel, which is owned by a foreign-owned multinational corporation, is contemplating a capital investment program that is in the interests of the company's investment program, not in the interests of the consumers of British Columbia. In the final analysis, the question the people have to ask is whether the system is needed. The vice-president of General Telephone and Electronics, which owns the controlling interest in B.C. Tel and all the subsidiaries relating to it, basically stated this. Vice-president of finance William Harrison, in a publication put out as an in-house publication of General Telephone and Electronics, stated that basically the electro-mechanical switching which was already in place and paid for by previous rate increases by the subscribers in British Columbia was going to provide satisfactory service into the foreseeable future. Now they want to take that equipment we have paid for, and from which we are obtaining service, and which they feel will be satisfactory, and throw it out and buy a bunch of automated equipment from their subsidiaries and charge us the bill for it. Frankly, I do not think that is an acceptable procedure.

● (2225)

I suspect that if the minister's response follows true to form we will have one of three answers tonight to this particular dilemma—the one they call the oil company response, that is, "we are still looking at it"; or the credit card rip-off response, which is that the company is right, or what I call the automobile secret warranty scam, in which case "it is not my fault or my responsibility." I would certainly be encouraged if they had taken some positive action on behalf of consumers in the province of British Columbia and looked seriously at this problem and intervened by putting some serious questions before the CRTC. Thank you.

Mr. Gary F. McCauley (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Postmaster General): Thank you Mr. Speaker. I want to congratulate the hon. member for his question and his concern for consumers and workers in his riding. Coming from a province where there is a strike against the New Brunswick Telephone Company, which is in its one hundredth day, I can sympathize with some of the points raised by the hon. member.

As the hon. member knows, the CRTC regulates in the public interest all federally chartered telephone companies. In the case of a request for a general increase in rates the CRTC usually holds a public hearing to offer the public an opportunity to intervene and test the telephone company's case for an

increase in rates. The date for filing an intervention before the CRTC with respect to B.C. Tel's current application was April 21, 1980. The CRTC is responsible to Parliament through the Secretary of State and Minister of Communications (Mr. Fox) and I would direct the member to him for further questions on procedures.

The director of investigation and research under the Combines Investigation Act, who is a senior official of the Department of Consumer and Corporate Affairs, has a statutory right vested in him through the act to intervene before federal regulatory boards and make representations in respect of the maintenance of competition. For some time the director has been expressing concern about the effects which vertical integration between telephone companies and their suppliers may be having on competition in the telecommunications equipment markets.

The relationship between B.C. Tel and its suppliers is well known to the director who was involved recently as an intervener before the CRTC when that body heard and approved an application which strengthened the formal corporate ties between B.C. Tel and its supplier firms. The director and others, including the Consumers Association of Canada, opposed the B.C. Tel application at that time, and it should be noted that the issue is now under appeal before the Federal Court.

I should also note that the director is pursuing this issue of verticle integration before another forum, the Restrictive Trade Practices Commissin, which is looking very broadly at the question to determine whether or not the public interest is best served by such close corporate ties between telephone companies and their suppliers.

While vertical integration is an important issue that this department is working steadily to resolve before the CRTC, the RTPC and in the courts, it is not considered that this issue is appropriate to the confines of a general rate hearing, such as the present B.C. Tel application. The director did consider the possibility of an intervention and concluded that one would not be warranted at this time.

In arriving at this conclusion the director was guided by past experience during interventions before the CRTC, wherein it has become clear that the commission does not consider it appropriate to go beyond an examination of the specific rates under review and related cost information. I should note, however, that the director has in the past urged the CRTC to instruct federally-regulated telephone companies to establish competitive procurement practices which would, if instituted, provide the regulator with a better yardstick to measure the reasonableness of equipment costs.

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

Motion agreed to and the House adjourned at 10.30 p.m.

HOUSE OF COMMONS

Friday, October 17, 1980

The House met at 11 a.m.

● (1105)

ROUTINE PROCEEDINGS

[*English*]

PENSIONS

INDEXING PROVISIONS FOR SENIOR CITIZENS—MOTION UNDER S.O. 43

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, I rise, under the provisions of Standing Order 43, on a matter as urgent and as pressing as today's figures on the cost of living. Given that eat-in food prices went up 1.9 per cent last month for a year-to-year growth factor of 14.2 per cent, while eat-out and take-out food prices went up .6 per cent for a year-to-year total of 8.6 per cent, and because many senior citizens are so poor that they cannot eat out, I move, seconded by the hon. member for Yukon (Mr. Nielsen):

That the government give consideration to eliminating the eat-out portion for indexing purposes for old age pensioners, or, secondly, tying pensions to the poverty level.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

INCOME TAX

RELIEF FOR NORTHERN RESIDENTS—MOTION UNDER S.O. 43

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, having regard to the very real hardships and disadvantages suffered by residents living in northern and isolated parts of our country resulting from excessive living costs, under Standing Order 43, I move, seconded by the hon. member for Western Arctic (Mr. Nickerson):

That the government, in the final stages of preparing a budget, give recognition to the most fundamental principle of taxation by which the rate of tax is measured to a taxpayer's ability to pay, and to the principle of equity and fairness, which was announced by the Prime Minister in his last Speech from the Throne, by granting tax relief on all benefits and allowances paid to northerners as compensation for the financial hardships and disadvantages associated with living in the north; and further that serious consideration be given to the example of other countries with similar geographic realities and uncongenial conditions whereby cost-of-living differentials are compensated for with a lower rate of personal income tax.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

STATUTE LAW (MILITARY AND CIVILIAN WAR PENSIONS, COMPENSATION AND ALLOWANCES) AMENDMENT ACT, 1980

CALL FOR REDUCTION IN PHASING-IN PERIOD FOR VETERANS' WIDOWS—MOTION UNDER S.O. 43

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, I believe it has now been clarified that it is in order, even in the same session in which a bill has been passed and has become law, for a bill to be introduced amending a provision of the earlier legislation, as was done on Tuesday when a private member brought in a bill to amend the National Anthem Act. Therefore, seconded by the hon. member for Beaches (Mr. Young), I move:

That this House regrets that under legislation enacted earlier in this session respecting the widows of disabled veterans there is a six-and-a-half-year phasing-in period, which means that many thousands of widows will still have to wait from one up to six years before they receive the pensions to which by law they are now entitled, and this House therefore calls on the Acting Minister of Veterans Affairs to introduce forthwith a bill to amend what was this session's Bill C-40, now Chapter 19 of the Statutes of 1980, to reduce substantially or to eliminate completely that six-and-a-half-year phasing-in period, so that veterans' widows will receive the pensions granted to them by this Parliament while they are still alive.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1110)

NATIONAL RESOURCES AND PUBLIC WORKS

ATTENDANCE OF MINISTER AT STANDING COMMITTEE—MOTION UNDER S.O. 43

Mr. Jack Shields (Athabasca): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Whereas the seriousness of

Canada's oil supply is acute and remains one of the most critical issues facing Canada today, and whereas last evening the Liberal members of the Standing Committee on National Resources and Public Works displayed appalling lack of concern when they deliberately walked out of a meeting during a crucial presentation to that committee by the Alsands consortium, under the obvious direction of the parliamentary secretary to the minister of energy, I move, seconded by the hon. member for Pembina (Mr. Elzinga):

That this House direct the Minister of Energy, Mines and Resources to appear before the Standing Committee on National Resources and Public Works prior to the budget presentation so that all members of Parliament can have meaningful input before the budget is brought before this House.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HEALTH CARE

CALL FOR FUNDING TO IMPROVE SYSTEM IN ONTARIO—MOTION UNDER S.O. 43

Mr. Peter Lang (Kitchener): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. In view of the fact that in Ontario, due to cuts in hospital budgets by the minister of health, there has been a marked deterioration in the quality of health care delivery to the extent that some patients requiring intensive care must wait up to 20 days to be admitted to an intensive care unit, I move, seconded by the hon. member for Guelph (Mr. Schroder):

That this House urge the minister of health for Ontario to give human life a higher priority than money and budgets and supply the necessary funds to restore a high quality health care system in Ontario.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

SCIENCE AND TECHNOLOGY

CALL FOR DIVISION OF MINISTER'S RESPONSIBILITIES—MOTION UNDER S.O. 43

Mr. Gordon Gilchrist (Scarborough East): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Last week in Ottawa there was an important two-day conference on technological development, or the lack of it, in Canada which was well attended by almost 200 of Canada's top research people and companies. Inasmuch as the future job opportunities for young Canadians and the living standard of all Canadians are totally dependent on our industries becoming competitive with those in other countries, particularly the United States, inasmuch as research spending in Canada has been allowed to degenerate to a level as low as that of countries like Ireland and Iceland, and inasmuch as this aspect of economic development needs the vital, undivided and determined efforts of the minister, who because of his third job, that of court messenger, did not attend the important conference last week to hear the views and concerns of the delegates, I move, seconded by the hon. member for Saskatoon West (Mr. Hnatyshyn):

That the Minister of State for Science and Technology be divested of his other part-time jobs of environment and constitutional errand boy so that he can devote his full time and best efforts to the most vitally needed and yet completely neglected ministry of this government which, in this important economic aspect, over the past 12 years has proven to be totally inept.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HEALTH CARE

STEPS TO ATTRACT DENTISTS TO ISOLATED NORTHERN COMMUNITIES—MOTION UNDER S.O. 43

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, I rise pursuant to Standing Order 43. In view of the fact that many communities in the Northwest Territories rely totally on visiting dentists who come to these communities only two or three times yearly, creating a problem for the dental health of children in particular, and in view of the fact that the Department of National Health and Welfare has been aware of this problem for a long, long time, I move, seconded by the hon. member for Nunatsiaq (Mr. Ittinuar):

That the Minister of National Health and Welfare be instructed by this House to take concrete steps to attract dentists to isolated northern communities, and that in the meantime, the number of visits per year to these communities be increased.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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PERSON'S AWARD

CONGRATULATIONS TO 1980 RECIPIENTS—MOTION UNDER S.O. 43

Mr. Dennis Dawson (Louis-Hébert): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. October 18, 1980, marks the

fifty-first anniversary of the Person's case in Canada. I move, seconded by the hon. member for Welland (Mr. Parent):

That this House offer congratulations to the five recipients of this year's Person's Award: Ella Manuel, Agnes Semmler, Sophie Steadman, Elizabeth Monk and Germaine Bellemare Goudreault—

[*Translation*]

—in recognition of their work and devotion to the cause of Canadian women.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1115)

[*English*]

ENERGY

DEVELOPMENT PLANS FOR OIL AND GAS INDUSTRY—MOTION UNDER S.O. 43

Mr. Dave Nickerson (Western Arctic): Madam Speaker, I rise under the provisions of Standing Order 43. Whereas uncertainty caused by the government's indecision on frontier drilling incentives is having a serious socioeconomic effect in remote areas and impeding Canada's goal of energy self-sufficiency, I move, seconded by the hon. member for Prince George-Bulkley Valley (Mr. McCuish):

That the Minister of Energy, Mines and Resources be instructed to lay forthwith before Parliament clear plans to promote the healthy development of the frontier oil and gas industry.

Madam Speaker: For its presentation this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

INCOME TAX

REQUEST FOR ASSURANCE OF PROTECTION OF INDEXATION

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I have a question for the Minister of Finance, who will know that today's CPI figures indicate another increase in the cost of living, and also continue to project double-digit inflation for Canada, even before we know the impact of the energy price increase the government intends. Will the minister now give Parliament and the people of Canada the assurance that all Canadians will continue to have the protection of indexing of their personal income taxes?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, this question has been raised in the House on a number of occasions. I repeat the answer given on previous occasions, namely, that this is one of the options I have been considering, as the former minister of finance stated he himself had considered prior to his budget. The result of my consideration will be indicated to the House when the budget comes.

Mr. Knowles: When is that?

Mr. Clark: Madam Speaker, what the minister is saying is that this government is continuing to threaten waitresses, single-parent families and low-income Canadians across the country with the removal of indexing.

Some hon. Members: Oh, oh!

* * *

THE BUDGET

INQUIRY AS TO DATE OF PRESENTATION

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, protected by their parliamentary indemnity they think it is funny to levy this back door secret tax upon the poor. We on this side of the House do not. Even though his colleague, the Minister of Justice, declines to give information to the House of Commons, I wonder whether the Minister of Finance might be prepared now to tell us when Parliament will receive the budget that he has delayed for eight long months?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Yes, Madam Speaker. I told the hon. member for St. John's West that I would probably indicate the budget date this week, and I am pleased to do so by saying the budget will be delivered on October 28.

Some hon. Members: Hear, hear!

Mr. Clark: Madam Speaker, may I congratulate the minister on the first decision he has made this parliamentary session.

Some hon. Members: Oh, oh!

Mr. Clark: I should also like to ask the minister whether the energy policy statement which has been promised by the Minister of Energy, Mines and Resources will be made before the budget, or is the government considering having the energy policy and the budget policy announced simultaneously?

Mr. MacEachen: Speaking for myself, Madam Speaker, the budget obviously will contain matters which are related to energy policy, and it seems to me that we will make an effort

to bring these together in a way that the required budget preparation will not be jeopardized.

* * *

ENERGY

INQUIRY AS TO DATE OF ANNOUNCEMENT OF ENERGY POLICY

Right Hon. Joe Clark (Leader of the Opposition): Just to be clear on this, Madam Speaker, perhaps I should direct this question to the Minister of Energy, Mines and Resources, who promised an energy statement to the House of Commons. Does the minister intend to make that statement before budget day or, if not, does he intend to make it on budget day?

● (1120)

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I would like to give the Leader of the Opposition the assurance that this government will not do what the previous government did and come out with a budget without having an energy policy. They will come out simultaneously.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): God help the country!

* * *

PENSIONS

INADEQUACY OF OLD AGE SUPPLEMENT

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, my question is directed to the Minister of National Health and Welfare. Can the minister explain why government members turned down my motion under Standing Order 43 to give consideration to helping older people in this country cope with the incredibly high cost of food when, as it is obvious from figures released today, their $35 old age supplement is already eaten up?

[*Translation*]

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, I do not know whether I should reply to a question which seems to me slightly out of order. The hon. member knows quite well that no government member said no. I am unable to identify who said no to such a motion and I wonder if the hon. member can do so. We are always particularly interested in the fate of the humble and the poor in Canada. We have always worked in that direction and we will continue to do so.

[*English*]

CONSUMER AFFAIRS

PROTECTION OF CONSUMERS FROM DOUBLE DIGIT INFLATION

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, in that case I shall reintroduce my motion on Monday and hope that hon. members on the government side and members on all sides of the House will agree to giving pensioners a break.

My supplementary question is for the Minister of Consumer and Corporate Affairs. Surely in this instance the minister cannot deny his economic responsibility to the consumer in view of today's disturbing figures, and since the minister has so much clout in the cabinet—he certainly has enough portfolios—will he assure the House that he will protect the welfare of the consumer and through the October 28 budget stop the double digit inflation which is so devastating to those Canadians on fixed incomes?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, it is obvious that I do not shirk my responsibilities toward consumers. On the other hand, the hon. member should not think that macro-economic policies come under the jurisdiction of my department. If he has some questions to raise or representations to make, he should direct them to the Minister of Finance.

* * *

[*English*]

THE BUDGET

INQUIRY WHETHER PROVISIONS WILL INCREASE LIVING COSTS

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, my question again follows up on the news about the consumer price index today, and I would like to direct it to the Minister of Finance. There has been, as we all realize, a substantial increase in the annual inflation rate. We are looking now at a figure of 10.7 per cent. There has been a dramatic increase in the price of food, the rate of which is running at roughly 13 per cent, and a loss in purchasing power for most Canadian families, running at about $1,400 a year. This has continued over a three-year period.

I wonder if the Minister of Finance would mind confirming for this House that when his budget is presented on October 28 we will find a dramatic increase again in the cost of living for all Canadians, including dramatic increases in the price of energy and substantial tax increases? Would the minister be prepared to confirm that we will not find relief from this burden and that in fact inflation will probably be out of control as a result of this new budget?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, it is not possible for me to indicate now what measures will be in the budget, but I

should in a sense temper the statements made by the hon. member by saying that the inflation rate for 1980 will probably be in the order of 10 per cent. That is a figure I have used previously and I see no reason to change it today, even though 10 per cent is serious enough.

I also point out that in the December budget of last year the projected rate of inflation for 1980 and 1981 was 11 per cent, and I will try to avoid that higher figure in my budget presentation.

Mr. Skelly: Madam Speaker, I wonder if the optimism of the minister might be tempered a little since the future looks a little bleaker than it did even last December. One welcome aspect was the promise in the throne speech to protect Canadians who can least afford to suffer under what looks to be a dramatic increase in the inflation rate, and since the last budget I think very few people would acknowledge the claims just made by the minister.

Would the minister give us some assurance that he will move in the budget to place directly in the hands of those Canadians who can least afford the costs of inflation some relief mechanism, possibly a cost of living tax credit directly to low income and middle-income Canadians? Could he assure us that in fact the promise made in the throne speech will be in the budget?

● (1125)

Mr. MacEachen: Madam Speaker, I should point out to the hon. member that, in view of the inflationary pressures existing in the country, during the election campaign we promised to increase the guaranteed income supplement. That was one of the first actions we took when we returned to Ottawa and a new Parliament. That is very much in line with the commitment that still stands in the Speech from the Throne to help those in Canada who need help most.

Mr. Skelly: Those would have been tremendous contributions to Canadian society if we had not seen such manoeuvres on the government's part to cancel their effect with high interest rates and other negative policies. The one thing which concerns most Canadians, I think, is the fact that the price increase in food and other areas will continue unabated. Has the minister undertaken any moves for his government to consult with industry to try to control some of the price increases, and I am thinking particularly of food? Is there ongoing consultation, through the minister's department or another one, to try to handle, or perhaps to hold or contain, prices and possibly to roll them back in some areas?

Mr. MacEachen: Madam Speaker, I should point out to the hon. member that, since earlier in the year when we delivered the Speech from the Throne and promised assistance, interest rates have indeed decreased and that these gains were not nullified, as he has indicated in his question. I would also point out to the hon. member that he should look in some detail at the sources of the increases in the cost of living index which come from increasing beef, pork and poultry prices, which have accounted for most of the gain in food prices in September. I believe that once he is aware of that fact he will understand that speaking to the industrialists of the country is no solution to price increases of agricultural products.

* * *

ENERGY

ESTIMATE OF OIL AND GAS EXPLORATION ACTIVITY IN 1981

Mr. Harvie Andre (Calgary Centre): Madam Speaker, my question is for the Minister of Energy, Mines and Resources and it arises from the increasing evidence that, in spite of the propaganda in the minister's advertising campaign, all is not well in terms of Canada's energy future and that there will be a very significant decrease in oil and gas exploration activity in Canada next year. As one measure, the Canadian Association of Oilwell Drilling Contractors estimates, and I quote, that "as much as 25 per cent of exploration activity now being conducted in western Canada may swing next year into the United States".

My question to the minister is: does he accept that estimate of the Canadian Association of Oilwell Drilling Contractors and, if not, what is his estimate of the exploration activity in Canada next year? Will it be higher, lower, and by how much?

[*Translation*]

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I have already told the House that exploration activities this year in western Canada are far better than they were last year. These facts are self-explanatory.

As far as future speculations are concerned, I would rather leave that to my hon. colleague and other people who are professional speculators. I think that when our energy policy is released all Canadians, including westerners, will realize that it is very wise, very dynamic, very good for Canada as a whole and for western Canada in particular. As well the industry will see that it will be to its advantage to stay and pursue its work in Canada.

[*English*]

Mr. Andre: Madam Speaker, if the minister had been briefed by his officials and had even rudimentary knowledge of the industry, he would recognize that drilling this year was based on planning last year. We are concerned about drilling next year which is being planned and budgeted for now. If the minister is not concerned about Canada's energy future, who is? To whom should we turn in this government who is concerned? Does the minister recognize that this movement of people, money and equipment to the United States is a one-way trip and we will not get this equipment back? He said on Tuesday that he expects Canada to be self-sufficient by the end of the decade. Is this rupture of people, money and equipment part of his plan to make this country self-sufficient? If it is, could he please explain how this is helping

Canada to be self-sufficient, and helping to protect Canadians from the vagaries of insecure international supplies?

[*Translation*]

Mr. Lalonde: Madam Speaker, my hon. colleague is losing his proverbial self-control simply on the basis of sheer speculations. This government's policy is based on reality and facts. The facts are there to demonstrate that there was much more exploration this year than the previous year, and that before making final decisions the industry will clearly want to know the energy policy of the government which will be made public within two weeks. The industry will come to the decision it considers appropriate at that time. Meanwhile, I think that my hon. colleague would have everything to gain by setting aside his bitterness for another moment. I think that at the present time he is simply speculating.

* * *

● (1130)

[*English*]

NATIONAL RESOURCES AND PUBLIC WORKS

ATTENDANCE OF MINISTER AT STANDING COMMITTEE

Mr. Jack Shields (Athabasca): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. Will the minister reconsider his absolute refusal to appear before the Standing Committee on National Resources and Public Works prior to announcing or publishing the energy policy of the government and prior to the budget, so that members of the House of Commons can discharge their duties and represent the people to the minister? To paraphrase the minister's own word, I think he will find that we are not unreasonable; we just want to sit down and express some of our concerns to which he is obviously not listening.

[*Translation*]

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, without hesitation I should like to indicate to my hon. colleague that I have listened most attentively to the views expressed by hon. members. Several debates have already been held in the House over the past few months on the energy issue. One was held as recently as last Tuesday in which I participated and during which I heard the various representations of hon. members. I should like also to indicate to my hon. colleague that if any hon. member of the opposition has particular views to express on this matter, I would be delighted to meet with them. I can say that I have discussed this matter abundantly in the past with the government caucus and that I will have many opportunities to discuss it again with them until the budget comes down. If other hon. members have views they would like to convey to me, I should be happy to receive them too. As to a formal appearance before the committee, I have already agreed to appear, I think, on November 4, that is, as soon as I possibly can after the government's energy policy is released, to explain this policy and answer any question hon. members may care to ask on a precise and definite program. In the meantime, however, I think the best approach during the coming week is to make myself available to all hon. members who may want to advise me of their views on this matter.

[*English*]

Mr. Shields: Madam Speaker, we are looking for a skating expert to come to Fort McMurray to teach skating lessons, and I think we have just heard from one.

An hon. Member: Fancy skating.

Mr. Shields: My supplementary question is directed to the minister. The minister indicated that he is prepared to meet with hon. members at this time, and to sit down and hear their views. Will the minister meet with the Standing Committee on National Resources and Public Works before the budget comes down and before the energy policy comes out? The members of this committee have been doing a great deal of work. We have toured all the tar sands facilities in northeastern Alberta. We have read volumes of material. Last night we listened to a presentation by the Alsands consortium.

Madam Speaker: Order, please.

Mr. Lalonde: Madam Speaker, I am extremely happy the members of the committee have done a number of things I have done over the last several months.

Mr. Nielsen: The Liberals walked out.

Mr. Lalonde: I am glad we will have a very knowledgeable committee on national resources which will be examining our energy policy. I welcome this.

Mr. Clark: Why did the Liberals walk out?

Mr. Lalonde: We have had many debates in this House. Members of the House have had plenty of opportunity to make representations as to what the policies of the government should be. If my hon. friend wishes to make additional representations, I am at his disposal at any time.

As far as meeting with the committee as such is concerned, I indicated that I thought it was preferable to do so after the budget and after the release of our energy statement, when I will be in a position to answer all questions of hon. members in a very specific and detailed way. That will begin on November 4.

* * *

BANK OF CANADA

INQUIRY RESPECTING ESTABLISHMENT OF PRIME RATE

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I have a question for the Minister of Finance. Will the minister explain to the House, if he knows, what goes on in the mind of the governor of the Bank of Canada as he sits down to set the

prime rate? Given that yesterday he had an opportunity to allow the prime rate to go considerably below the level at which he set it, that that could have had a very beneficial effect on consumers all across the country, and that that would have affected the mortgage interest rates of people who are required to renew their mortgages today, tomorrow and next week, why would he hold it up artificially? Why would he go into the marketplace and buy in order to hold it up for an hour or two in the afternoon to establish a rate higher than necessary?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member is aware that the bank rate is established as a result of a weekly auction of treasury bills.

Mr. Knowles: A manipulative auction.

Mr. MacEachen: Yesterday the bank rate declined, as it did the preceding Thursday. I have no knowledge of what trading took place with respect to these treasury bills, but I assure the hon. member, if he is concerned on that point, that the governor of the Bank of Canada does not have a policy of maintaining interest rates above what is possible as a result of market operations. The hon. member knows as well that in this particular year there has been a rather unprecedented roller-coaster in the interest rate field, particularly in the United States.

Mr. Deans: Madam Speaker, I confess the minister is right. There has been an unprecedented roller-coaster, particularly in the United States, and we have followed it.

If the minister does not know what went on yesterday with regard to the purchase and sale of treasury bills, he should be made aware of the facts and he should be concerned that the Bank of Canada moved in and involved itself in the marketplace in a way to hold the rate artificially high. Does the minister not feel it is time for him or someone in the government to assume the political responsibility for the actions of the governor of the Bank of Canada, to take a look at what he is doing and to decide whether he is suitable to carry on in that role in the future?

Mr. MacEachen: Madam Speaker, the government, and particularly myself, certainly are taking a look at what is going on. In the very uncertain circumstances with which we are presently faced it seems to me that the policy of the bank to adjust rates in accordance with market changes is a very sound one.

Mr. Deans: But they are manipulating the market.

Mr. MacEachen: The hon. member is talking about activities of the Bank of Canada in the market. That is a matter of his knowledge, not of mine.

Because I think it is important, I would make a comment with respect to the hon. member's suggestion that we have persistently followed American trends. The fact is that at certain particular periods Canadian interest rates, particularly short-term ones, have been considerably below those existing in the United States. If he looks at the trend he will find that, while we are obviously subject to influences from the market in the United States, for obvious reasons we are not following and have not followed, and the market does not consistently follow, movements in the United States.

Mr. Deans: Definitely not.

* * *

[*Translation*]

CANADIAN PACIFIC RAILWAY

ABANDONMENT OF CERTAIN DAILY SUPPLEMENTARY SERVICE

Mr. Marcel Roy (Laval): Madam Speaker, my question is for the Minister of Transport. Has the Canadian Transport Commission approved the decision made by Canadian Pacific to abandon, on October 26, the commuter train service between Farnham, Sainte-Thérèse, Laval and Montreal, and if so, this decision should mean that the service will be incorporated in a metropolitan transport system operated by the Montreal Urban Community, such as the one the provincial government announced in 1979 for the Lakeshore service between Montreal, Vaudreuil and Rigaud, and such as was stipulated in the press release made by Canadian Pacific Rail?

Hon. Jean-Luc Pepin (Minister of Transport): Last May, the Canadian Transport Commission rendered a decision which made a distinction between regular passenger service and commuter service. In the second case, the CTC simply stated that it did not have jurisdiction, and therefore CP is free to abandon certain lines in urban areas if they are not profitable.

Furthermore, I have entered into negotiations with the Quebec transport minister with a view to assisting in the upgrading of Montreal's rail transport equipment. We have come to an agreement in principle in this area and this agreement should be finalized in the days ahead. However, there is one important thing to remember. Although the agreement will provide for a substantial federal contribution to this upgrading program, it will also state the responsibility of the province and of the municipality as far as operations and future changes are concerned. It will therefore be up to the province and the Montreal Urban Community to decide which urban lines are to be maintained.

● (1140)

[*English*]

MULTICULTURALISM

DISCONTINUANCE OF "TRADITIONS CANADA" DESK CALENDARS

Hon. Steven E. Paproski (Edmonton North): Madam Speaker, my question is for the Minister of State for Multiculturalism. In a letter which I received from the Canadian Council of Christians and Jews, the president, Dr. Goldbloom, writes:

> In 1980, money from the Government of Canada . . . made possible the sending of Traditions Canada (a desk calendar) without charge to a certain number of individuals and institutions, but such is no longer the case.

Could the minister inform the House how the government can reconcile the policy of spending vast sums of money on advertising their ideas of Canada in various publications, on the one hand, while on the other it takes away from the council funds for a publication which informs the general public of the rich diversity of Canada in many cultures and communities?

Hon. Jim Fleming (Minister of State, Multiculturalism): Madam Speaker, I would be pleased to look again at the situation the hon. member and former minister brings to my attention. I would remind him that the budget in multiculturalism, which he froze during his tenure, has recommenced and thus a number of important newspapers communicating with various of our communities where people are not easily fluent in English or French—in either of the two official languages—are now being assisted. Frankly, in a time of restraint it was felt there was a religious base to some degree to the very worth-while calendar put out, that it was a very expensive product which was not massively distributed because of its cost, and therefore it had some exclusivity to it. But I will certainly look at the question again to see if that is the best way to spend the money.

* * *

ACCESS TO INFORMATION

LOCATION OF SERVICE BUREAU

Hon. Steven E. Paproski (Edmonton North): My supplementary is for the Minister of Supply and Services, Madam Speaker. On September 23 the minister announced the October opening of a number of federal service bureaux to help Canadians gain access to government information and services—shades of Information Canada. On October 1 my office contacted the minister's office for the location of the first service bureau, which is to be located in Edmonton, according to the minister's statement. No one knew of the location at that time and we were assured that as soon as a decision was made my office would be informed. Today is October 17 and I still have no news. Can the minister now tell the House where the first bureau is located, whether it is to be in my constituency, or exactly where in Edmonton it is to be located?

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, I am not in a position today to advise the hon. gentleman where specifically the office will be located. I thought the hon. gentleman would be pleased at the fact that I chose his city as the first location for a service to the public office.

I would also like to disabuse the hon. member of the opinion he seems to hold that this is "shades of Information Canada". The service to the public offices are going to be reactive offices; they are going to be much more similar to the hon. gentleman's own constituency office than anything that had been dealt with by Information Canada.

Mr. Paproski: Duplication of services!

* * *

ENERGY

ENERGY POLICY—ACCEPTANCE BY WESTERN CANADA

Mr. Jim Hawkes (Calgary West): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. Earlier in the question period we were treated to what most western Canadians believe is the attitude of the present government. The Minister of Energy, Mines and Resources said that Canadians would be happy with his energy policy and western Canadians would be happy with his energy policy. It is comments such as that which fuel the separation movement in western Canada.

Some hon. Members: Oh!

Mr. Hawkes: I am wondering if the minister would like to take the opportunity in question period to assure us that he and his government are not acting in every way possible to fuel that separation movement and to push western Canada out of Canada.

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I regret if the translation may not have been quite accurate. I recall I answered the question in French, and what I said was that when the energy policy comes out I am sure it will be a policy well received by all Canadians, including western Canadians, who I believe are Canadians like everybody else. I do not know if the hon. member agrees with that but it is the view of this side of the House anyway.

As to the fuelling of separatist feeling or division, I have heard it talked about a lot in western Canada by a great many people lately but I would say those feelings have not been fuelled by this side of the House.

Some hon. Members: Oh, oh!

Mr. Hawkes: Madam Speaker, those of us on this side of the House who live in that region face that every day and it is that attitude and the kind of comments made by the Minister

of Energy, Mines and Resources here today which fuels that movement. I hope they will stop it.

* * *

EXTERNAL AFFAIRS

HIGH COMMISSIONER TO LONDON—INQUIRY WHETHER APPOINTMENT FOR FIVE-YEAR TERM

Hon. Flora MacDonald (Kingston and the Island): Madam Speaker, my question is addressed to the Prime Minister, who I know is well aware that the appointments of Canadian High Commissioner to London and Ambassador to France are traditionally for periods of five years. I know he is also aware that this practice of fulfilling the five-year period was respected by the previous government in the cases of the Hon. Gérard Pelletier and the Hon. Paul Martin.

I would like to ask the Prime Minister if he would confirm, contrary to continuing press speculation, that the present incumbent of the position of Canadian High Commissioner to London, the Hon. Jean Wadds, will be accorded this same treatment and the practice will extend to her in her appointment, which I am sure the Prime Minister knows is being carried out with extreme competence and high devotion to duty.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I would certainly agree that the High Commissioner to London is a very distinguished High Commissioner and I have high regard for her. As for the practice referred to by the hon. lady, I have no knowledge of any such practice or of any set time for any appointments to ambassadorial posts anywhere.

Miss MacDonald: I would like to ask the Prime Minister then, looking at the history of appointments as Ambassador to France and High Commissioner to the United Kingdom, which if he will go back over those have been for five-year periods, whether that also holds with regard to the present incumbent in London.

Mr. Trudeau: Madam Speaker, I can remember some High Commissioners to London who stayed a period considerably shorter than the five years, but it seems to me that is irrelevant. What the hon. lady is saying is that in the last 12 years, during which our government named ambassadors to Paris and high commissioners to London, they were so good we decided to keep them five years, which may be the case in the present situation. But there is no such rule.

• (1150)

PUBLIC SERVICE

TRANSLATORS' DISPUTE—GOVERNMENT POSITION

Mr. Rod Murphy (Churchill): Madam Speaker, my question concerns the worsening relations between the government and its employees and is addressed to the President of the Treasury Board.

In light of the fact that CUPTE, the translators union, the very people who are translating my words into the other official language at this time, have been forced into a strike position for next Monday, although they have already agreed with the report of the conciliation board, I wonder why it is the policy, and if not the policy certainly the practice of this government, to force its employees into strike action. This contract with the translators expired 18 months ago and the contract with the clerks expired over a year ago. Why is it the policy of the government to stall and delay and force our employees to suffer because it will not move in negotiations?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, the policy of the government is to strike a fair and equitable settlement with its employees. No one is forcing the union in question to go on strike. I was very disappointed to learn yesterday that they did not show up for the mediation procedures. There had been substantial progress made. I hope they will return to mediation and that this problem will be eliminated.

Mr. Murphy: Madam Speaker, the problem has been not that they will not show up for meetings but that the government will not move in those meetings. My question relates to that very fact. The Minister of Employment and Immigration went to Copenhagen last July where he signed an agreement providing that we would remove discrimination against women. Yet the Public Service Commission has said that one of the basic reasons for women not moving up in the public service is the fact that they have family responsibilities. The government's nominee on the conciliation board expressed his strongest dissent for the principle of paid maternity leave, one of the very things that is keeping women out of the public service. Why should they meet with the mediators when the government refuse to give them something that is fair and just?

Mr. Johnston: Madam Speaker, I think it would be helpful if the hon. member would follow the mediation proceedings and negotiations a little more carefully. We extended a very generous family leave package to the clerks and we have made the same offer to the translators. I am surprised that the hon. member would consider a provision where for 17 weeks employees receive 60 per cent of insured earnings, which is roughly $174 per week, is not generous. I think it is an important precedent and one that we should all be proud of. That has been offered to the translators and, as far as I know, it has been rejected. Their demands are much higher than that.

I want the House to bear in mind that when I say "fairness" we mean fairness to the Canadian taxpayer. This seems to escape the hon. gentleman. It is important that we be fair to both sides in this dispute, as we represent the public as well as our employees.

* * *

THE CONSTITUTION

CONSULTATIONS WITH INDIAN GROUPS

Hon. Warren Allmand (Notre-Dame-de-Grâce): Madam Speaker, I have a question for the Minister of Justice who was here a minute ago but has left. Perhaps I could put the question to the Prime Minister. This week, at a meeting in Saskatchewan with the Federation of Saskatchewan Indians, the Minister of Indian Affairs and Northern Development said that the Indians of Canada would be fully consulted on their constitutional proposals and that their rights would be protected in any new constitution.

Would the Minister of Justice or the Prime Minister tell the House whether these consultations will take place before December 9, the date when the special committee must report, and whether the protections that the Minister of Indian Affairs and Northern Development referred to might be incorporated by amendment into the proposed constitution act of 1980, submitted to the House of Commons on October 6?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, subject to verification it is my understanding that the Minister of Indian Affairs and Northern Development has his officials meeting with Indian groups this week and that he plans to meet with them in the very near future.

In so far as the undertaking that Indians and native people generally would be involved in amendments to the constitution which concern them, I gave that undertaking personally several months ago at a meeting of native chiefs here in Ottawa. I think in that regard it is clear that we have established that we are anxious to find ways in which they would see their rights better protected.

I have suggested and I repeat that as soon as we have the constitution back in Canada with the basic rights entrenched, we will be happy to go into a next phase where we would put native rights as one of the first items on the agenda and deal with it then. In the meantime, I am very happy to see our ministers and officials attempting to work out with Indians and with Inuit leaders ways in which that could be best stated in the constitution.

* * *

PENSIONS REVIEW BOARD

INQUIRY RESPECTING INCREASE IN STAFF

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, my question is for the Acting Minister of Veterans Affairs. In a letter to the late minister last August, the War Amputations of Canada made the minister and his officials aware of the fact that between 1972 and 1980 some 370 of their members died during the time the service bureau of that organization was working on their claims for pensions. In view of this very alarming statistic, can the acting minister tell the House what steps the department is taking to bring the staff of the Pensions Review Board up to strength?

[*Translation*]

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, as everyone knows, I was appointed acting minister only a few days ago and I am quite aware of the importance of the matter raised by the hon. member. I will refer it to department officials to determine how I will be able to give him a better answer in a few days.

[*English*]

Mr. Mckenzie: A supplementary question, Madam Speaker. Can the minister also tell the House, in view of the number of cases pending, if the Bureau of Pensions Advocates now has a full staff of advocates?

[*Translation*]

Mr. Lamontagne: Madam Speaker, some positions remain to be filled on that bureau and with the co-operation of my officials I intend to see to it immediately that they are as soon as possible. I am as much aware as my hon. colleague is that if there is any backlog in the bureau's work some veterans will suffer and that is something I always try very hard to avoid.

* * *

[*English*]

CANADIAN NATIONAL RAILWAYS

SUGGESTED PRIVATIZATION—GOVERNMENT POSITION

Hon. Don Mazankowski (Vegreville): Madam Speaker, I should like to direct a question to the Minister of Transport. It arises out of the recent speech made by Dr. LeClair, corporate vice-president of CNR, wherein he suggested that the government might consider the possibility of partial privatization of CNR. May I ask the minister if this is being actively considered by the government and, if so, when the details might be made known?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, indeed the vice-president of CN was reflecting the tremendous financial needs CN will have in the coming years, particularly for developments in western Canada, such as double tracking in many instances. CN has a problem and the solution Mr. LeClair recommended is one that the government is looking at presently. An announcement will be made, if needed, after discussion of this issue within the government itself.

Mr. Mazankowski: A supplementary question. If such a decision is being considered at the present time, would the

minister contemplate bringing forward legislation? How might he propose to incorporate such a plan, or has he given it that much thought?

Mr. Pepin: Madam Speaker, there are many ways in which this could be done. My hon. friend, who is very much dedicated to the adjustment of the Crowsnest rate, would look upon that as one of the ways in which the financing of CNR development could take place.

* * *

CANADA LABOUR CODE

SUGGESTED AMENDMENT RESPECTING TRAIN CREWS

Mr. Sid Parker (Kootenay East-Revelstoke): Madam Speaker, my question is also for the Minister of Transport and I have given him notice of it. As the minister is aware, there is a problem regarding CP Rail's operation of trains in the mountain region. I have been in constant contact with the Minister of Labour and the train crews involved.

I should like to ask the minister if he is in favour of recommending to the Minister of Labour some federal legislation that could help train crews and other workers under federal jurisdiction to be able to eat meals during their tour of duty? The major cause of this problem is that they are 11 hours on duty, and some of them have been dismissed because they went to eat. I want to ask the Minister of Labour if he is prepared to recommend changes to the Canada Labour Code to allow these people to eat meals.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, indeed my hon. friend has made some recommendations and suggestions to my office about what might be done to solve the present labour management problem at Revelstoke. I welcome this but he will recognize that this is essentially a labour-management problem and I will pass the information on to the Minister of Labour who should be involved.

● (1200)

In the meantime, yesterday I sent telegrams to both parties inviting them to get together to solve this problem in the shortest possible period of time, because obviously the economy of the west, and of the country as a whole, is suffering from the labour-management problem which exists in the area.

Mr. Parker: Madam Speaker, this clearly is a question for the Minister of Transport. In view of the fact that the minister's department allowed the reduction of train crews, especially in the mountain division, where employees—

Madam Speaker: Order, please. The hon. member is very argumentative in his question. I would very much appreciate it if he would ask it simply and briefly.

Mr. Parker: Madam Speaker, my question to the Minister of Transport is this. In view of the fact that the minister allowed them to reduce crews and people have had their wages reduced by $175 a month by taking jobs as brakemen on west freight, which is causing a slow-down in the operation of trains, will the minister request that CP Rail implement the three-man crew on the east mountain division in order to speed up train traffic?

Mr. Pepin: Madam Speaker, I am surprised that a socialist would talk in this fashion. Obviously, the determination as to how many employees should be on trains, or how long they should spend on coffee breaks or meal breaks, is one for determination in the contract between labour and management. Consequently my department has no authority to get itself involved in these matters. This is a contract problem. In this instance, there is discussion, between management and employees which has to be resolved. The only thing I can do, which I have already done, is to press the parties to come to terms rapidly.

As I said yesterday, members of the CTC for the western division have attended, as have the grain co-ordination people from Winnipeg. A number of people have tried to resolve the issue but the parties have not yet been able to come to a conclusion. However, I hope this will happen in coming days.

* * *

MULTICULTURALISM

FUNDING FOR RELIGIOUS GROUPS

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, my question is supplementary to that raised by my colleague, the hon. member for Edmonton North. It is directed to the Minister of State for Multiculturalism. If I understood the answer given to my colleague, the member from Edmonton North, with respect to funding for the Canadian Council of Christians and Jews, the minister indicated that funding was not forthcoming because this was a religiously-based organization. Quite apart from the fact that I take exception to the description of that organization, it is there to promote understanding between religious groups in our country.

Therefore, could the minister indicate whether or not there are guidelines or criteria with respect to funding under multiculturalism auspices, and whether or not people who have religious bases will be excluded from funding by the minister and his department?

An hon. Member: Discrimination.

Hon. Jim Fleming (Minister of State, Multiculturalism): Madam Speaker, I hear an hon. member opposite shout "discrimination", which I take to be just a silly side comment. I think that is unfair to me or to anyone who cares about the concept of multiculturalism, and I think members on all sides of the House do, at least to the best of my information.

I am trying to do my best to be straightforward about it. There are problems where there are various religions that also relate to some political base as well. Multiculturalism, as I

understand it, is a policy agreed to by all sides of the House to encourage Canadians of whatever heritage to interrelate.

The work done by the organization of Christians and Jews is exemplary. We have a close working relationship with them, and I think that was continued by the previous government as well. I simply said there was a problem. I do not think the government should get into the position of starting to judge material sent out to be sure that those materials include every possible religious faith so as to be sure we are absolutely fair. We should give as a priority the encouragement of intercultural activity which is not based on material such as those particular calendars. It is my view at the moment, as I said in my previous answer, that they are very expensive, and therefore limited in the numbers that can be distributed.

We have a limited budget; it is now at about $10 million. We have a number of demands for a number of different reasons and there must be priorities. It is simply a matter of priorities which has led to this current decision. I have already said, however, that I will certainly look at the matter again.

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[*Translation*]

FISHERIES

DAMAGES SUSTAINED BY COD FISHERMEN IN GASPÉ—REQUEST FOR INQUIRY

Mr. Alexandre Cyr (Gaspé): Madam Speaker, my question is directed to the Minister of Fisheries and Oceans. Has the minister been advised that 18 herring seine boats came within a mile of the coast at Cloridorme in the Gaspé Peninsula where they damaged almost 55 cod nets belonging to inshore fishermen and costing about $300 each?

As it is not the first time such an incident has occurred in that area, will the minister see to it that a complete inquiry is made into the situation, with a view to finding the captains of the boats involved in damaging the equipment of the Gaspé fishermen and getting them to pay damages?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, that incident was indeed brought up a few days ago. We have sent one of our representatives to look into the matter on the spot. There were damages, in some cases where the nets were not marked precisely as the rules demand to avoid that type of incident. But I can say to the hon. member that the damages involved will be reimbursed by the seine boat owners association. We feel it is possible to avoid those incidents. What is important is for everyone to be willing to respect the rules: they exist specifically to protect everyone.

[*English*]

PRIVILEGE

MR. McGRATH—GOVERNMENT ADVERTISING CAMPAIGN

Madam Speaker: On Thursday last the hon. member for St. John's East (Mr. McGrath) raised a question of privilege, the gist of which is set out in his proposed motion where he asked:

> That the matter of the financing of public advertising campaigns at taxpayers expense on behalf of a partisan policy or opinion, before such policy or opinion has been approved by the House of Commons, be referred to the Standing Committee on Privileges and Elections.

In brief, the issue is whether the allegation that the government is using public funds to publicize its parliamentary position on the constitutional question constitutes a prima facie case of breach of privilege. While this is a very important matter, the Speaker is compelled to examine it in the context of parliamentary privilege, and particularly whether it constitutes, on its face, a breach of parliamentary privilege or contempt of Parliament.

Parliamentary privilege is the sum of the rights and immunities necessary for the House and members to do their parliamentary work, and includes the necessary power of the House to enforce these rights and immunities. This excludes any matter for which a solution may be found in the Standing Orders or practices of the House, or the statute law.

In brief, these privileges of members are: freedom of speech in the House, the right to attend their parliamentary work without being subject to subpoenas to be a witness in other arenas, without being called for jury duty, and without being subject to civil arrest. In addition, the House itself has the power to provide for its own constitution, its own procedure, to discipline its members and to punish for contempt.

It seems to me that what is at issue here is the propriety of the government in spending public funds to advertise its position in the current constitutional question. The hon. member for St. John's East, in his eloquent manner, has expressed a concern that the parliamentary rules and privileges are in tune with the times, particularly the privilege of freedom of speech.

He, along with other members, is aware that the old High Court of Parliament met in secret, that publication of its proceedings was forbidden, and that the only privilege accorded members was to ensure their safe arrival to, in effect, do the King's and his Council's bidding. When the House of Commons evolved separately somewhere in the mid-fourteenth century, while this freedom from arrest to attend the sittings was already established, members still had to work on the freedom to speak freely in debate which was asserted for the first time by Speaker Thomas More only in 1523. This privilege was subsequently firmly established by the Bill of Rights in 1688.

The original purpose then of this privilege was, as the hon. member for St. John's East rightly pointed out, to guarantee the conditions necessary for productive debate, and he, as well as others, is concerned that the actions of the government play havoc with this privilege or right. The lively debate which this question of privilege initiated deals to a great extent with the

propriety of the government's actions, that is, whether or not it was proper for the government to advertise its position on a subject under debate in Parliament. To a limited extent, debate raised the issue of new techniques of public persuasion and its application to Parliament. The Chair will remain vigilant to new techniques in communication and generally to make certain that parliamentary privilege is upheld. The Chair is also confident that she will be prompted from time to time by members in this respect.

• (1210)

However, it is difficult to find a prima facie case of privilege in the allegations of government spending which do not impede the House or the members in their parliamentary work. The decision of my predecessor on December 10, 1975, referred to in the course of this debate, related to the use of government funds to pay the expenses of government members of the House of Commons while doing work at the government's request, and is thus somewhat removed from the allegations here.

The spending of public money cannot be the issue, but when a person or a government attempts to interfere with our deliberations through spending public money, or otherwise, directly or indirectly, or acts in contempt of the House, such action would constitute a prima facie case. However, the interference must be such that the member or the House is truly hindered or intimidated.

The fact that certain members feel they are disadvantaged by not having the same funds to advertise as does the government, which could possibly be a point of debate, as a matter of impropriety or under any other heading, does not constitute a prima facie case of privilege unless such advertisements themselves constitute a contempt of the House, and to do so there would have to be some evidence that they represent a publication of false, perverted, partial or injurious reports of the proceedings of the House of Commons or misrepresentations of members. There is no evidence before me to suggest that. Rather, the advertising referred to by members seems to deal with the issue of the constitution rather than the proceedings of the House. Therefore, while the hon. member raised a very important question, which was ably debated by all hon. members, it was not a question involving the privileges of the House requiring the intervention of the Chair.

Indeed, the hon. member for Winnipeg North Centre (Mr. Knowles) made the point during the debate that the subject ought to be debated. Of course, everyone agrees that the House ought to debate important questions, but other opportunities exist for debate on matters of this sort and the Chair is sure that members of Parliament will take full advantage of these opportunities.

[*Translation*]

MR. BROADBENT—PUBLICLY FINANCED POLLS

Madam Speaker: I would also like to give my ruling on the question of privilege raised by the hon. member for Oshawa (Mr. Broadbent). Notwithstanding the fact that he is not in the House at the moment and that it is usually in the presence of the member concerned that such rulings are given, I believe that I should nevertheless give my ruling today.

On Friday, October 10, the hon. member for Oshawa also raised a question of privilege related to the one I have just referred to. He concentrated on the issue of publishing the results of government polls. He complained of the fact that the results of these polls were not available and asked that priority be given to this matter during the debates now under way and that it be referred to the committee. Once again, hon. members must not forget that the rules concerning parliamentary privileges are designed to allow them to do all that is needed to fulfil their parliamentary duties and for the operation of this House. The question raised by the hon. member is certainly a very important question of principle on which he and others expressed certain opinions. This subject should probably be debated. However, as moved the motion is a substantive motion which therefore requires prior notice. The Minister of Justice (Mr. Chrétien) has stated that the results of 129 polls out of 141 will be published while those of 12 offices will remain confidential for a certain time.

The hon. member for Oshawa expressed his disagreement about this decision of the minister, as he had the right to do. However, for the Chair to give priority to any matter, there must be evidence of some element of infringement upon the privilege of members or of some substantial offence to the House and the member concerned. Even though this question is very important, the Chair cannot find any evidence of such an element.

[*English*]

MR. HNATYSHYN—PUBLIC OPINION POLLS—ADVERTISEMENT SPONSORED BY GOLDFARB CONSULTANTS

Madam Speaker: Finally, yesterday the hon. member for Saskatoon West (Mr. Hnatyshyn) raised a question of privilege based on an advertisement which appeared in a recent edition of a newspaper in which it is alleged that the information to be made available by a private pollster who had been engaged by the government appears to be similar to the information alleged to have been refused to be provided to members by the Minister of Justice (Mr. Chrétien). The hon. member also offers to provide the advertisement in question and the material sent by the Minister of Justice to all members.

Hon. members will appreciate that this alleged question of privilege may be described as an extension of our proceedings of October 9 and 10 last on which I just ruled. Again, I do not think it is unfair to suggest that we are not only dealing with a complaint about government activity, but in addition about the activity of the pollster in question.

With respect to the activities of the government, members will appreciate that unless there is an order of the House directing any such activities, the Chair must be guided by the

narrow limits of parliamentary privilege. Certainly if the pollsters' publication contains any misrepresentation of members, or false, perverted or injurious reports of the proceedings of the House, such could amount to contempt. However, there is no evidence before the House of what that publication contains and, constrained as I am by the very narrow limits of parliamentary privilege, I am unable to find a prima facie case. The hon. member, of course, may raise this matter in other, more appropriate ways provided by our rules.

MR. CLARK—ADVERTISEMENT SPONSORED BY PUBLICATIONS CANADA

Madam Speaker: The Leader of the Opposition (Mr. Clark) gave me notice yesterday of a question of privilege. I would remind the right hon. member that I have just ruled on three matters which are very closely related to what appears to be his question of privilege, as I understand it from the written notice sent to me. I must ask the right hon. member to concentrate on what he thinks constitutes a privilege and please not enter into the general debate on the three matters on which I have just ruled.

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, you are quite right that your ruling now, of which I had no knowledge yesterday, does deal with one of the questions that I wanted to raise, having to do with the propriety of the Government of Canada using advertising which is designed to manipulate opinion of the public of Canada in the way it will affect debate in this House of Commons.

You have, Madam Speaker, as is appropriate, ruled narrowly on the ground of privilege. You have made it clear that it is not your position or your right in these circumstances to rule on the ground of propriety. Certainly in our judgment the question of propriety is very much open and we regard this action as an attempt to manipulate public opinion to be a most improper action.

I was interested in Your Honour's reference to the suggestion that this matter ought to be debated in the House of Commons, particularly in light of the new techniques that are now available and now being used by the government, first of all, to sample public opinions, learn public fears and then design advertising to exploit those public fears, which the Government of Canada is now doing.

I hope in light of that reference, your favourable reference to the suggestion made by the hon. member for Winnipeg North Centre (Mr. Knowles), the government might choose to make a reference to the appropriate standing committee of the House even in the absence of a finding of privilege, of this very important question which can very materially affect not only the deliberations of this House, but the ability of the people of Canada to have information from their government which they can count upon as being true information and not information designed to manipulate opinion.

There is another matter to which I wanted to turn attention yesterday. It has to do with the privileges of the Chair and the propriety of the Government of Canada acting on a question that is under consideration by the Chair. This matter, as you indicate, was raised first by my colleague, the hon. member for St. John's East (Mr. McGrath), last Thursday. On the weekend, the Government of Canada began a series of advertisements in a range of newspapers across the country, daily, weekly, and in the ethno-cultural press, designed to cause Canadians to take their opinions about constitutional matters from a document containing clearly false statements about the constitutional matter that is before the House of Commons.

● (1220)

The narrow ground has to do with the appropriateness of the Government of Canada acting in absolute flagrant disregard for the fact that the question is under consideration by the Chair, by initiating a new series of advertisements, as I say, after the question had been raised in the House of Commons and before a decision had been rendered. I have checked to see what precedents there are in the rules of the House of Commons, and I find there are very few because this has been done so rarely that there has not been an opportunity for precedent to accumulate. I simply think this is a matter that affects the respect that must be shown the Chair and your office by hon. members of the House, including those in the government, and I think that is a matter to which it would be well for you and your officers to turn some attention.

You may recall, Madam Speaker, if I may come to the question of the narrow ground of privilege on which you found, it was our attempt last year in government to introduce a new grievance procedure in the House of Commons to allow members of Parliament to raise issues that do not fall within the strict and narrow confines of privilege but which, nonetheless, affect the capacity of the House of Commons to deal in an open and effective way with matters which were legitimate grievances.

I think there is no question at all that this deliberate use by the Government of Canada of false advertising to manipulate public opinion on a question that is before the House of Commons constitutes a very major grievance.

We had tried to introduce reforms that would allow this matter to be dealt with under the rules. This present government, having shown not as much interest in parliamentary reform, has not introduced similar reforms, so we are without remedy. We were without remedy before you on that kind of question.

There is one aspect of your ruling which I would want to consider at greater length that intrigues me, and it has to do with your finding that a case of privilege might arise if there was, indeed, a false representation of the views of members of the House of Commons.

Members of the government, most of them, are members of the House of Commons. This document "The Canadian Constitution 1980" contains information which is false. It is consequently a false representation of the position being put forward by those members of the House of Commons who are members of the government.

As I indicated yesterday, and I will not take a great deal of time, the false information arose in a number of specific ways. The first is on page 1 of this document where it says, and I am reading from the English version:

An amending procedure will ensure that all changes to the constitution can be made in Canada.

That is false, Madam Speaker, and it falsely represents the position being put forward by members of the House of Commons who are members of the cabinet, the Government of Canada. What they are proposing is not a proposal that would have all changes made in Canada. They are proposing a procedure which would allow that those changes which the Prime Minister (Mr. Trudeau) and his government personally want relating to a charter of rights will not be made in this Parliament or this country. Those changes will be made in the Parliament of Westminster and in the country of Great Britain. The statement being put out is a false representation of the views of those members of Parliament who are members of the government.

This document goes on to say:

If the proposed resolution is endorsed by Parliament, the Government of Canada will submit the joint address to the Queen—

That again is a false representation of the position held by the ministers who are members of the House of Commons. They do not propose to have an address to the Queen based upon the endorsation of the resolution. They propose, instead, as any careful reading of the motion before the House would indicate, to have the joint address founded upon a procedural vote, a vote to concur in a committee report. It will not be a vote on the substance of the resolution because, indeed, we do not have a formal resolution before us. It will not be a vote which deals with the substance of the resolution. It will be a vote which deals with a procedural question as to how Parliament deals with a committee report. Therefore, Madam Speaker, this information which is the subject of advertisement by the Government of Canada again falsely represents the position of members of Parliament who are members of the Government of Canada.

I would argue that there is also a false representation in the statement in the preface to the other document which says:

—Canada will remain . . . a federal system of government—

That, in my judgment, is very much open to question at the moment because section 42 allows the Government of Canada, in effect, to end the federal system by ignoring the provinces as partners in the Canadian federation.

I agree that that may well be a matter for debate in the House, but certainly once you give one level of government the power to ignore the other level of the government absolutely, which is the unfettered power sought by the Government of Canada in section 42, you no longer have a federal system. Therefore that statement, if not false, is at least highly misleading.

I consider it also to be misleading that this document makes no reference to section 42. Indeed, it does its best to hide in the shadows this section which the government interprets in a way different from the language of the resolution. Again, that is merely misleading.

The published statements I referred to are false. They falsely reflect the views of the Minister of State for Multiculturalism (Mr. Fleming), the government House leader, the Minister of Consumer and Corporate Affairs and Postmaster General (Mr. Ouellet), and other ministers of the Crown who are members of the House of Commons, because they do not describe with any accuracy at all the measure they have put before the House of Commons. Consequently they are false statements.

This is a matter which was not brought to your attention by my colleague, the hon. member for St. John's East, by myself or others who took part in the earlier debate, because at that time we had not seen this document with those false statements. The argument we were making at that time had to do with television and, perhaps, some radio advertisements, and billboards, deliberately general in nature. This is much more specific and, as I point out to you, there are at least two instances where the views of members of the House of Commons are falsely reflected in a way I think constitutes a breach of the privileges of at least those members. If they are not prepared to raise this matter, then I, as Leader of the Opposition and an officer of the House of Commons, am prepared to act in their stead in drawing this to your attention.

Some hon. Members: Hear, hear!

Madam Speaker: I understand that the Leader of the Opposition (Mr. Clark) is maintaining his question of privilege on the basis that certain documents contain false representations, and this is a new ground on which to invoke privilege.

Mr. Clark: That is right.

Madam Speaker: I see that several members are getting up to speak on this subject. I will hear from two members on one side and two members on the other side, and then I will decide in what direction I might be going on this particular matter.

Mr. Baker (Nepean-Carleton): Madam Speaker, I rise on a point of order in respect of what you have just said. I do not know whether it is possible for you to gauge the course of an argument in advance in that you might hear all the points from two members. You may very well, but I say with respect that perhaps you should address your mind to the arguments, and if there are questions which are unanswered they may be answered by hearing more from one side or the other.

Madam Speaker: That is exactly what I said. I will hear from two on one side and from two on the other side, and I will then decide what course I will follow. I suppose the hon. member assumed that after that I would cut off the debate. That decision has not yet been reached.

Mr. Baker (Nepean-Carleton): Thank you.

Madam Speaker: I am just attempting to introduce a little bit of discipline in respect of these questions of privilege.

Some hon. Members: Hear, hear!

Madam Speaker: Order, please. I have researched the number of questions of privilege which have been raised in this House since I have been the Speaker. I do not know whether this relates to the fact that I have become the Speaker, I have not really been able to compare that number with other periods. It seems to me that questions of privilege are being raised in order to air grievances in many cases, or to try to bring in debates which are not those which are before the House and to interrupt the business of the House.

● (1230)

The Right Hon. Leader of the Opposition has suggested that something might have to be done about allowing hon. members to air their grievances, and that the Standing Orders do not provide enough occasions on which to air the grievances of hon. members. That is not my business. If the House wishes to change its rules, it may change them, but I am here to apply the rules as I understand and interpret them. I am in the hands of the House, but the House has given me clear instructions through the Standing Orders, and I would not be fulfilling my responsibility if I did not apply those rules as fairly as I possibly can.

I will hear two hon. members on each side and then decide my course of action.

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, with regard to the first point raised by the Right Hon. Leader of the Opposition (Mr. Clark), he made the suggestion that the government refer to a committee the subject matter on which Your Honour has ruled today, or at least part of it, and I am willing to look at his suggestion if he would be willing to look at the possibility of his party's agreeing to use some of the ten allotted days which are available to the opposition parties from now until December 10. If he makes an effort to use some of those days to debate subjects he considers important, perhaps he would find those to be good opportunities to raise questions which could be debated. They could even be followed by votes, as he well knows, because he is entitled to a few votes on those allotted days. This would have the consequence of freeing the floor of this House for the discussion of the really urgent issues facing this nation.

I suppose Your Honour was right in outlining the fact that there is an obvious abuse of questions of privilege which prevents Parliament from dealing with the real business with which it has to deal under the circumstances.

[*Translation*]

With regard to what he maintains is a new question of privilege today, basing his argument essentially on the fact that he claims again that the government is guilty of misleading publicity, I have only this to say, Madam Speaker: he quoted two examples which are founded on his own personal interpretation of our constitutional measures. That is the interpretation the Leader of the Opposition gave of section 42 of the constitutional act of 1980, which is only part of the group of measures now before the House. The same goes for the other point he brought up.

I am quite willing to respect his opinion. He can see things as he wishes. I remember well his first speech in the House of Commons early last week when he spoke on the motion to refer the matter to committee. He showed his command of parliamentary procedure by objecting to the fact that the motion, which spoke of the quorum in committee, required the presence of 12 members as being sufficient for a quorum. He said he was shocked that the motion did not mention that at least two parties should be represented to have a quorum.

Since then, I am sure he must have sought the advice of his House leader, because never in a million years has a similar motion in parliamentary practice specified that two parties should be represented to constitute a quorum. In our parliamentary practice and my hon. parliamentary colleague who is a specialist in the matter, the hon. member for Winnipeg North Centre (Mr. Knowles), can vouch for that, the committee itself has always decided how it would proceed and stated that the quorum would consist of so many persons and require, in addition, that two parties be represented.

If he understands our constitutional measures as well as our Standing Orders or parliamentary procedure, I think that you are justified, Madam Speaker, in questioning the validity of his allegations about the truthfulness or falseness of the data we publish.

Madam Speaker, I say this with respect, because the hon. member is not always wrong, but in this case he is mistaken. He does not interpret the facts as we do. And it is exactly the matter being discussed in this first stage soon to be completed, I hope, which the committee will be called upon to discuss and with which the House will deal again when the committee submits its report.

I wonder why the Chair would rule there is a prima facie case of privilege affecting the freedom of speech of members of the House or their duties as elected representatives. Indeed, I wonder why the Chair would so rule, because there is clearly some discrepancy between the facts. As much as I respect the views of the Right Hon. Leader of the Opposition and of the hon. member for Joliette (Mr. La Salle) on some points. I feel that they in turn should respect mine. We do not agree on the facts and we are willing to debate the issue, Madam Speaker. Debatable questions and different views do not constitute a case of privilege. That is not what is provided under our Standing Orders to make it possible for such a highly respectable institution as Parliament to carry out its business in an orderly fashion.

In conclusion, as I do not want to waste the time of the House, I feel that the further argument put forward by the

Leader of the Opposition to the effect that the publicity is misleading does not hold water. His allegation is based on his interpretation of what we are now doing in the House. Moreover, we do not agree that this advertising campaign is directly related to the matter before the House. What is certain at least, Madam Speaker, it is not inconsistent with the motion moved by the hon. member for Edmonton East (Mr. Yurko) and which was unanimously adopted by the House. There is nothing in the advertising campaign which goes against the motion unanimously adopted by Parliament already.

Mr. Clark: That is not true!

[*English*]

Mr. Pinard: Before the right hon. member says it is not true, let me repeat what I said. What I said was that in the publicity I have seen so far—and I may have missed some of it, but I have learned nothing new from the Leader of the Opposition—there has been nothing contrary to the substance of the motion, which was approved unanimously by this House, of the hon. member for Edmonton East.

Mr. Clark: Read these, and you will see the differences.

Mr. Pinard: The Leader of the Opposition may disagree with me, but what is obvious is that I am in full disagreement with the interpretation of the facts of the right hon. Leader of the Opposition. That shows that this is a matter of debate essentially and not a question of privilege.

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I want to make a very brief intervention in support of my leader and the position he has so adequately and well articulated with respect to this question of privilege.

The government House leader has simply failed to address himself to the very specific points raised by the Leader of the Opposition (Mr. Clark). The Leader of the Opposition has pointed out that the publications put out by the Government of Canada are false, incorrect, and a misrepresentation of the position set forth, not by myself or by the Leader of the Opposition, but by the government represented by the cabinet in the House. I cannot understand why the government does not understand that simple proposition. It is simply wrong. Hon. members opposite should have the courage and forthrightness to stand and admit that these statements in this document are wrong.

Having said that, I think the points Your Honour alluded to in the course of your remarks in addressing yourself to the matters which have been raised thus far are very relevant, because we are now looking at actions which have been taken by the Government of Canada through a planned arrangement with respect to publicity and public advertising under the directorship of the Minister of State for Multiculturalism (Mr. Fleming).

Hon. members opposite stand and say quite frankly that they are going into an extensive and expensive advertising campaign to try to put across the positions of the Government of Canada and to create better understanding. However, in the course of that pursuit there is the great possibility of actions being taken by members of the cabinet and by the government represented in this House which do in effect misrepresent, by the manipulation of public opinion, the position of each and every member which thereby affect my rights as a member of Parliament. They affect my privileges. What we are now facing is the prospect and the possibility—and I take it Your Honour will have an opportunity to read this material—of a total and absolute misrepresentation of my position. If the government is left unfettered in its ability to do that with the full resources it has at its command, including the public treasury, we will possibly be entering into an area of government by public advertising agency as opposed to government responsible to the Parliament of Canada.

● (1240)

Mr. Baker (Nepean-Carleton): Government by Goldfarb.

Mr. Hnatyshyn: I simply want to reiterate that I think the Leader of the Opposition has raised a valid question of privilege, with specific instances which relate to the ruling you made this very day. I think that the representatives of the government could stand up and admit that these statements, as the Leader of the Opposition has pointed out to them, are false and incorrect. I do not want to reiterate that, but should like to simply say, as a member of Parliament, that my rights will be affected by manipulation of public opinion polls by the government, and I think it is a valid base upon which you can find our privileges to have been adversely affected.

Hon. Jim Fleming (Minister of State, Multiculturalism): Madam Speaker—

Mr. Ouellet: Tell him he is insulting the Canadian public.

Mr. Fleming: Madam Speaker, I will try to be brief but it is important that I touch on a couple of points because the Right Hon. Leader of the Opposition (Mr. Clark) in particular first said yesterday, and then again today, that I had apparently done something which was in defiance of the Chair or an insult to the Chair. I would not do that because of my respect for that institution, and because of my respect for you as the individual in the chair.

The implication of the charge made by the Right Hon. Leader of the Opposition that somehow the government had defied the Chair because some ads were run in newspapers—and I want to talk about those ads in the proper context rather than in the misleading context such as that put forward by the Leader of the Opposition—was that we were preventing you, Madam Speaker, from having the opportunity of making an objective judgment and then delivering your decision today.

It seems to me that the implication of that is that the government cannot carry on its business, and indeed could not carry on the constitutional debate while you were considering an issue which related to material discussed in the constitutional debate. It would seem to me that that would be an absurdity if indeed the business of the government and its responsibilities to the Canadian public ceased when you were

considering questions and had not decided them before the House of Commons. That would become a new method of keeping this Parliament from operating at all, although I must admit the opposition has been pretty effective in the last few days in keeping it from operating and moving ahead by bringing up these various issues.

Some hon. Members: Right on.

An hon. Member: Filibuster.

Mr. Fleming: I tried to make it very clear that I saw phase one of the constitutional advertising, as discussed during the question of privilege brought up last week, as indeed being something different from what had happened in the past. It was creating an awareness. I admitted that, and I tried to give a parameter for the circumstances in which I thought that was appropriate, and that led to considerable debate. But the ads which the Right Hon. Leader of the Opposition mentioned yesterday and now discusses, are fundamental, and are part of an ongoing practice under which, I believe, his government operated, in philosophy at least.

Mr. Clark: That is not true.

Mr. Fleming: He says it is not true. He will have his opportunity to speak. I must say, Madam Speaker, I found, and anybody who is a regular reader of *Hansard* will find, given the Right Hon. Leader of the Opposition's proximity to the *Hansard* reporters, there is a constancy in his demeaning comments to members on this side of the House. Heckling is a healthy part of this institution, but if somebody looks through *Hansard* they will find a regularity in those demeaning comments. I do not think that, with his position and the position he held in the past, he has to carry on in that way. He would gain for himself and for his office more respect if he were to listen and then participate in the debate, as he can.

Some hon. Members: Hear, hear!

Mr. Fleming: The Right Hon. Leader of the Opposition, in an interview on the CBC Sunday morning program, when speaking about how long he thought the debate should go on before reference and how he felt about the position of the government, said:

> We are speaking four days into the debate, a week after the Prime Minister dropped his surprise on the people of Canada. I think it would be surprising if there were a wide number of Canadians who yet had a chance to read the bill, read the resolution. I hope they will. I think it is very early yet to suggest what is happening in public opinion, in public support.

All those newspaper ads do is say, "Do you want to read about it? Here is the information." Surely that is the responsibility—

Mr. Clark: That is not true.

Mr. Fleming: Again I am being interrupted. If the right hon. member wishes to get up, he can do so if he wants to.

Madam Speaker: I do not know who has precedence, the Speaker or the Right Hon. Leader of the Opposition, but I just want to caution the minister not to comment on the ruling that I had made. We are not speaking of that here. We are speaking of a document published by the government. I would be grateful if the minister would concentrate on discussing that matter. Does the Right Hon. Leader of the Opposition have a point of order?

Mr. Clark: Yes, a very brief point of order, Madam Speaker. The minister has taken exception to my interventions. My interventions have been to point out the falsity of his statements. If he will stop making false statements, I will stop intervening.

An hon. Member: That is not an intervention, it is heckling.

Mr. Fleming: Madam Speaker, later I will look at the record because I believe that the Right Hon. Leader of the Opposition, by use of a synonym, has said that I have been lying to the House. Another hon. member has just said that that is right. I believe that is in contravention of the rules, but let me continue.

I am sorry, Madam Speaker, I certainly had no intention of reflecting on your decision. I was attempting to answer the first point made by the Right Hon. Leader of the Opposition in which he said that a series of ads published in the last few days were in contravention of your consideration of the question on which you ruled, and I am trying to make the point that they are not, they simply bring to the attention of the Canadian public information that is available. They take no role, make no advocacy, and are most straightforward.

The second point I should like to discuss which was brought up by the Right Hon. Leader of the Opposition is the issue of the content itself. In the simplest terms—because I believe the government House leader dealt with that matter very capably—I should like to point out that if we are going to have, as questions of privilege, debates over the content of materials as summed up by governments, then it is a very shallow argument indeed for the Right Hon. Leader of the Opposition to make because I could read from beginning to end the budget in the brief document which his government put out last December 11 and made exactly the same kind of argument about what was appropriate, what was misleading, what was true, what I thought was correct, and what was not telling the facts to the Canadian public.

What we are really having here, I believe, is a continuing effort to pull a blind over the real constitutional debate, and to delay Parliament.

Some hon. Members: Hear, hear!

Madam Speaker: I have heard a series of arguments on both sides. The document in question has been read and the Chair would like to look at the document to see whether the arguments contained in the interventions of the various members do lead to my finding of a prima facie case of privilege. I will take the question of privilege under advisement.

MR. PAPROSKI—NOTICE OF POSSIBLE QUESTION OF PRIVILEGE

Hon. Steven E. Paproski (Edmonton North): Madam Speaker, I should like to reserve my right to raise a point of privilege. When the minister stated, in answer to my question this afternoon, that I froze the multicultural budget, I think he was deliberately misleading the House. I would like to look at the blues and to reserve my right to bring forward a point of privilege.

MR. BEATTY—NOTICE OF POSSIBLE QUESTION OF PRIVILEGE

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, I should like to ask your permission to reserve my right to raise a question of privilege next week in a matter related to that raised by my leader today, but which is independent.

Over the course of your ruling today you gave the House information on how you viewed the possibility that the government's advertising might constitute a breach of the privileges of members of Parliament. On the basis of that information I should like to have the opportunity to review the government's advertisements relating to the energy program, the multi-million dollar campaign, which gives false information and may misrepresent the position of Parliament.

Second, arising out of your statement that questions of privilege should be argued on the basis of whether or not the government's actions impede the ability of members of Parliament to discharge their responsibilities, I will want to take a look at that advertising campaign to see whether a case can be made, as I believe it can, that that expenditure of tax dollars to seize control of the energy debate, which was the intention of the government when they brought it in, according to a confidential memorandum prepared by one of their officials, constitutes a breach of the privileges of members of Parliament. I would simply like to reserve my right to argue a question of privilege at some point next week, if it seems merited.

● (1250)

MR. McCAIN—NOTICE OF POSSIBLE QUESTION OF PRIVILEGE

Mr. Fred McCain (Carleton-Charlotte): Madam Speaker, like the member who has just spoken, I should like to refer to page 3728 of *Hansard* which indicates that the government House leader is of the opinion that the substance of what we have been discussing, that is, government advertising, in no way interferes with the fulfilling of the obligations of members of Parliament. Very briefly, members of Parliament seem to have been prevented from fulfilling their duties. The government House leader said:

> In the present case, there is absolutely no alleged fact which shows that members of Parliament seem to have been prevented from fulfilling their duty.

On the basis of that statement I submit that my opportunity to fulfil the responsibilities I feel as a member of Parliament cannot be properly undertaken under the circumstances of the debate, its presentation by the government, and the suggestion of the government House leader. Like the former speaker, I reserve my right to raise a question of privilege on that next week.

An hon. Member: Anything to delay debate.

ROUTINE PROCEEDINGS

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 179, 928, 1,363, 1,440, 1,477 to 1,482 inclusive.

I ask, Madam Speaker, that the remaining questions be allowed to stand.

[*Text*]

CRTC—VANCOUVER, B.C.—OFFICE SPACE

Question No. 179—**Mr. Friesen:**

1. In (a) 1975 (b) 1976 (c) 1977 (d) 1978 (e) 1979, what was the square footage of office space occupied by the CRTC in Vancouver, British Columbia, and what was the location of each space?

2. (a) For the same years what was the cost of renting/leasing the space (b) what is the length of the present lease for this space?

3. How many persons were employed by the CRTC in Vancouver in (a) 1975 (b) 1976 (c) 1977 (d) 1978 (e) 1979 on a permanent basis in the category (i) administration (ii) secretarial (iii) clerical (iv) technical (v) other?

4. What was the amount budgeted for salaries in each of the above categories in (a) 1975 (b) 1976 (c) 1977 (d) 1978 (e) 1979?

5. How many persons were hired on a (a) part-time (b) contract basis in (i) 1975 (ii) 1976 (iii) 1977 (iv) 1978 (v) 1979 and, in each case, what was the length of time?

6. What were their duties?

7. Were any of the contracts or part-time agreements extended and, if so, how many times in each case and for what reason?

8. What was the cost of the salaries for (a) part-time (b) contract personnel in (i) 1975 (ii) 1976 (iii) 1977 (iv) 1978 (v) 1979?

9. What was the cost of the original furnishing of this space for (a) office equipment (b) telephones (c) furniture (d) plants (e) art?

10. What additional costs were accrued for each of the items listed in part 9 in (a) 1975 (b) 1976 (c) 1977 (d) 1978 (e) 1979?

11. What amount of the total budget was spent on taxis in (a) 1975 (b) 1976 (c) 1977 (d) 1978 (e) 1979?

12. What communications equipment did the CRTC have installed in this office space, i.e. teletypes, word screen equipment, etc?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): I am informed by the Canadian Radio Television and Telecommunications Commission and the Department of Public Works as follows:

Order Paper Questions

1. (a) Calendar Year 1975 — no space

   (b) Calendar Year 1976 — 150.6 m^2 — 1050 West Pender DAON Bldg.

   (c) Calendar Year 1977 — 150.6 m^2 — 1050 West Pender DAON Bldg.

   (d) Jan. 1, 1978—Sept. 30, 1978 — 150.6 m^2 — 1050 West Pender DAON Bldg.

   Oct. 1, 1978—Dec. 31, 1978 — 150.6 m^2 — 701 Georgia Street I.B.M. Tower

   (e) Calendar Year 1979 — 238.6 m^2 — 701 Georgia Street I.B.M. Tower

2. (a) By calendar year:

   1975: none
   1976: $ 1,485,36 (1 month)
   1977: $18,306.07 (12 months)
   1978: $13,908.69 (9 months)
   $ 6,211.79 (3 months)
   1979: $28,992.20 (12 months)

   (b) Present lease term: January 1, 1979 to December 31, 1983 with 2 one-year options to renew.

3. (a) 1975/76 — none

   (b) 1976/77 — (i) 1; (ii) 1; (iii) none; (iv) none; (v) none

   (c) 1977/78 — (i) 1; (ii) 1; (iii) none; (iv) 1; (v) none

   (d) 1978/79 — (i) 3; (ii) 1; (iii) none; (iv) none; (v) none

   (e) 1979/80 — (i) 3; (ii) 1; (iii) none; (iv) none; (v) none

4. (a) 1975/76 — none

   (b) 1976/77 — (i) 4,625.47) (ii) 3,118.11) These figures are low as office was opened during the said fiscal year.; (iii) none; (iv) none; (v) none

   (c) 1977/78 — (i) 20,697.55; (ii) 12,243.84; (iii) none; (iv) 20,413.00; (v) none

   (d) 1978/79 — (i) 45,230.00; (ii) 15,069.00; (iii) none; (iv) none; (v) none

   (e) 1979/80 — (i) 101,600.00; (ii) 14,965.00; (iii) none; (iv) none; (v) none

5. (a) 1975/76 (i) none; 1976/77 (ii) none; 1977/78 (iii) none; 1978/79 (iv) 1 person—2 months; 1979/80 (v) 1 person—4 weeks

   (b) 1975/76 (i) none; 1976/77 (ii) 1 person—8½ months; 1977/78 (iii) 1 person—5 months; 1978/79 (iv) none; 1979/80 (v) none

6. (a) Secretarial duties

   (b) To act as the regional representative of the commission

7. No contracts were extended.

8. (a) 1975/76 (i) none; 1976/77 (ii) none; 1977/78 (iii) none; 1978/79 (iv) 2,368.78; 1979/80 (v) 1,073.25

   (b) 1975/76 (i) none; 1976/77 (ii) 23,991.00; 1977/78 (iii) 13,140.00; 1978/79 (iv) none; 1979/80 (v) none

9. (a) 5,304.
   (b) 35.
   (c) 3,695.
   (d) none
   (e) none

10. (a) 1975/76 —none

    (b) 1976/77 —(a) none; (b) 175.; (c) none; (d) none; (e) none

    (c) 1977/78 —(a) none; (b) 868.; (c) none; (d) none; (e) none

    (d) 1978/79 —(a) 965.; (b) 884.; (c) 479.; (d) none; (e) none

    (e) 1979/80 —(a) 169.; (b) 2,984.; (c) 6,758.; (d) none; (e) 385.

11. (a) 1975/76 —

    (b) 1976/77 —cost was minimal and detailed data was not kept for these fiscal years.

    (c) 1977/78 —

    (d) 1978/79 —69.00

    (e) 1979/80 —116.10

12. Telex machine xerox telecopier III.

PETRO-CANADA—SUBSIDIARIES

Question No. 928—**Mr. Munro (Esquimalt-Saanich):**

1. What amount of public funds was invested in Petro-Canada and its subsidiaries since its establishment and what are the names and functions of the subsidiaries?

2. Was all of the investment made at one time and, if not (a) on what dates were they made (b) what was the amount and the purpose in each case?

3. Since its establishment, did Petro-Canada and its subsidiaries borrow on the open market and, if so (a) in what amounts (b) for what purposes (c) was the government involved in guaranteeing the loans and, if so, to what extent?

4. Since its establishment, did Petro-Canada or its subsidiaries make any investments and, if so (a) what were they (b) for what amounts and for what particular purposes (e.g. acquisition of other companies or industries, contributions to consortia for exploration, transportation, marketing or other)?

5. Since its establishment, did Petro-Canada and its subsidiaries make returns to the public treasury and, if so (a) were they in the form of taxes or otherwise (amounts as to form) (b) from what sources (c) in what amounts and on what dates?

6. What taxes or other returns to the public treasury were made in each of the previous three years by the enterprises acquired by Petro-Canada and its subsidiaries and how were the amounts distributed between the various enterprises?

7. Since its establishment, how many employees and executives were on strength of Petro-Canada and its subsidiaries at the end of each year?

8. Since its establishment, what was the annual wage and salary bill for Petro-Canada and its subsidiaries?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Petro-Canada reports as follows: 1. All public funds are invested in the parent, Petro-Canada. Investment by the government in Petro-Canada has been as follows:

	Cash Subscription of Shares	Transfer of Interest in Investments in Return for Shares	Total
		($ Millions)	
1976	210.0	173.8	383.8
1977	154.5	—	154.5
1978	239.5	—	239.5
1979	146.0	—	146.0
1980	80.0	—	80.0
Totals	830.0	173.8	1,003.8

Subsidiaries of Petro-Canada	Functions
Petro-Canada Consulting Corporation	Inactive
Petro-Canada Exploration Inc.	Development and exploration of natural resources for fuel and energy
Subsidiaries of Petro-Canada Exploration Inc. (except as noted otherwise)	
Big Eagle Oil & Gas Ltd.	Service station holding company
Aquilla Holdings Ltd. (subsidiary of Big Eagle Oil & Gas Ltd.)	Service station holding company
Asher American, Inc.	Holds some royalty interests and some exploratory leases in U.S.
Fifth Pacific Stations Ltd.	Inactive – marketing properties – financing vehicle
GMI Co. (Bahamas) Limited	Holds investments in shares of U.K. companies
Opal Oils Limited	Service station holding company
Commodore Oils Limited (subsidiary of Opal Oils Limited)	Inactive – Beneficial owner of shares of First, Second, Third and Fourth Pacific Stations companies that are pledged to Montreal Trust under service station financing agreements.
Pacific Energy resources Ltd.	Inactive (name only) Canadian Federal Company
Pacific Petrochemicals Ltd.	Sales of raw plastics (Canadian Jobber)
*Pacific Petroleums Espanola, S.A.	Exploration and development in Spain
Pacific Petroleums, Inc.	Exploration and development in U.S.
Pacific Pipelines, Inc. (subsidiary of Pacific Petroleums, Inc.)	U.S. portion of Cochin Pipeline
Pacific Petroleums (Overseas) Limited	Inactive – U.K. company
Pacific Petroleums (U.K.) Limited	Holds permits in U.K. (Pacific Branch operation – exploration)
Petroleum Transmission Company	Owns LPG Pipeline Empress to Winnipeg
Rocair Limited	Inactive
Tri Mountain Petroleums Ltd.	Service station holding company
Value Service Stations Ltd.	Employees for Pacific operated service stations – minimal activity
*Venezuelan Canadian Oils, C.A.	Holds bonds, etc. on expropriated properties
*Venezuelan Pacific Petroleums, C.A.	Holds bonds, etc. on expropriated properties
Companies' Shares Held in Trust By Montreal Trust Company	
First Pacific Stations Ltd.	Financing of service stations
Second Pacific Stations Ltd.	Financing of service stations
Third Pacific Stations Ltd.	Financing of service stations
Fourth Pacific Stations Ltd.	Financing of service stations

*S.A. and C.A. are abbreviations for Company Limited.

2. No.

(a) See reply to Part 1.

(b) Cash subscription of shares was to supply cash for operations.

3. Yes.

(a) $240 million

(b) To assist in financing the purchase of Atlantic Richfield Canada Limited.

(c) No.

Order Paper Questions

4. Yes.

(a)	Amount ($ Millions)	(b) Purpose
Panarctic Oils Ltd.	28.5	To finance arctic islands exploration.
Atlantic Richfield Canada Limited	342.0	To purchase all issued and outstanding shares
Pacific Petroleums Ltd.	1,500.0	To purchase all issued and outstanding shares.
Westcoast Transmission Company Limited	25.8	To purchase shares, raising Petro-Canada's interest to 36.7 per cent.

5. Yes.

(a)— (c) See 6. below.

6. Income Taxes Paid	1976	1977	1978	1979
Petro-Canada	nil	nil	nil	nil
Petro-Canada Exploration Inc.	nil	nil	nil	$5,241,518
Pacific Petroleums Ltd.	$31,770,167	$32,252,497	$16,469,291	nil
Bailey Selburn Oil & Gas Ltd.	1,529,436	5,020,047	5,622,738	418,000
Western Natural Gas Company Ltd.	7,555,549	9,207,996	10,732,504	1,535,000
Opal Oils Limted	137,402	301,792	279,109	250,800
Others	43,018	6,617	13,041	10,670
	$41,035,572	$46,788,949	$33,116,683	$7,455,988

NOTE: The amount shown for Petro-Canada Exploration Inc. (PEX) for 1979 is a result of reassessments of Pacific Petroleums Ltd. and Western Natural Gas Company Ltd. All other amounts for 1979 represent installment payments.

7. December 31, 1976 442
December 31, 1977 673
December 31, 1978 2,038
December 31, 1979 2,250

8. 1976 $ 7,116,650.74
1977 $11,307,607.28
1978 $20,709,446.96
1979 $56,736,184.90

ENTERPRISE DEVELOPMENT PROGRAM—CONSTITUENCY OF OXFORD

Question No. 1,363—**Mr. Halliday:**

For the fiscal year (a) 1977-78 (b) 1978-79, how many businesses in the constituency of Oxford applied for assistance and received monetary assistance under the Enterprise Development Program?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): In so far as the Department of Industry, Trade and Commerce: in fiscal year 1978/79, one (1) loan guarantee project for $139,500 was approved for a company located in the constituency of Oxford under the Enterprise Development Program. No assistance was provided in fiscal year 1977/78 under the program. The Enterprise Development Program does not utilize formal application forms per se but rather, project submissions are prepared by officials of the department and presented to the decision-making committees. The initial approach to the department is typically a verbal or letter inquiry. In the circumstances, record keeping of the number of firms who have "applied" for program support is difficult and statistics of this nature are not maintained.

MASSEY-FERGUSON

Question No. 1,440—**Mr. Baker (Nepean-Carleton):**

1. Has it come to the attention of the government that Massey-Ferguson, which has announced a lay-off of more than 3,200 workers in Ontario, is undertaking a massive investment program in Trujillo, Peru, allocating U.S. $25 million to build a new foundry?

2. Has the government, through the Department of External Affairs or the Department of Industry, Trade and Commerce assisted Massey-Ferguson in the implementation of this investment program?

3. Has the government encouraged Massey-Ferguson to export Canadian built machinery to South American nations as an alternative to export jobs?

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

1. Massey-Ferguson Limited has advised that it has not made any investment in Peru since 1973 and has no plans for future investment there.

2. No.

3. No.

FIRA—MURATA MANUFACTURING COMPANY LIMITED

Question No. 1,477—**Mr. Deans:**

1. Did Murata Manufacturing Company Ltd., at the time of approval by the Foreign Investment Review Agency, make a number of short and long-term commitments and were some of the commitments made public and, if so (a) has FIRA conducted a yearly review to determine the fulfilment of all commitments (b) in each year since approval, did the company live up to all public commitments and, if not, which commitments were not lived up to?

2. (a) What action was taken by FIRA, if any, to insist that the original commitments were fulfilled by the company (b) were new commitments agreed to by FIRA and, if so, what were they and have they been kept?

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

1. Murata Manufacturing Company Limited—Acquisition of control of Erie Technological Products Limited

—Yes

—Yes;

(a) The investment was allowed on April 10, 1980, and the annual review of undertakings will commence on or about April 10, 1981.

(b) N/A.

2. (a) N/A

(b)N/A.

FIRA—AVCO CANADIAN ENGINEERING LTD.

Question No. 1,478—**Mr. Deans:**

1. Did Avco Canadian Engineering Ltd., at the time of approval by the Foreign Investment Review Agency, make a number of short and long-term commitments and were some of the commitments made public and, if so (a) has FIRA conducted a yearly review to determine the fulfilment of all commitments (b) in each year since approval, did the company live up to all public commitments and, if not, which commitments were not lived up to?

2. (a) What action was taken by FIRA, if any, to insist that the original commitments were fulfilled by the company (b) were new commitments agreed to by FIRA and, if so, what were they and have they been kept?

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

1. Avco Canadian Engineering Limited—Establishment of a new business

—yes

—yes;

(a) The investment was allowed on March 27, 1980, and the annual review of undertakings will commence on or about March 27, 1981.

(b) N/A.

2. (a) N/A

(b) N/A.

FIRA—BUTLER SERVICE GROUP INC.

Question No. 1,479—**Mr. Deans:**

1. Did Butler Service Group Inc., at the time of approval by the Foreign Investment Review Agency, make a number of short and long-term commitments and were some of the commitments made public and, if so (a) has FIRA conducted a yearly review to determine the fulfilment of all commitments (b) in each year since approval, did the company live up to all public commitments and, if not, which commitments were not lived up to?

2. (a) What action was taken by FIRA, if any, to insist that the original commitments were fulfilled by the company (b) were new commitments agreed to by FIRA and, if so, what were they and have they been kept?

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

1. Butler Service Group, Inc.—establishment of a new business

—yes

—yes;

(a) The investment was allowed on March 12, 1980, and the annual review of undertakings will commence on or about March 12, 1981.

(b) N/A.

2. (a) N/A

(b) N/A.

FIRA—NOKIA PRODUCTS LTD.

Question No. 1,480—**Mr. Deans:**

1. Did Nokia Products Ltd. (March 28, 1980), at the time of approval by the Foreign Investment Review Agency, make a number of short and long-term commitments and were some of the commitments made public and, if so (a) has FIRA conducted a yearly review to determine the fulfilment of all commitments (b) in each year since approval, did the company live up to all public commitments and, if not, which commitments were not lived up to?

2. (a) What action was taken by FIRA, if any, to insist that the original commitments were fulfilled by the company (b) were new commitments agreed to by FIRA and, if so, what were they and have they been kept?

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

1. Nokia Products Limited—Establishment of a new business

—yes

—yes;

(a) The investment was allowed on March 27, 1980, and the annual review of undertakings will commence on or about March 27, 1981.

(b) N/A.

2. (a) N/A

(b) N/A.

FIRA—ADAMS INVESTMENT COMPANY

Question No. 1,481—**Mr. Deans:**

1. Did Adams Investment Company, at the time of approval by the Foreign Investment Review Agency, make a number of short and long-term commitments and were some of the commitments made public and, if so (a) has FIRA conducted a yearly review to determine the fulfilment of all commitments (b) in each year since approval, did the company live up to all public commitments and, if not, which commitments were not lived up to?

2. (a) What action was taken by FIRA, if any, to insist that the original commitments were fulfilled by the company (b) were new commitments agreed to by FIRA and, if so, what were they and have they been kept?

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

1. Adams Investment Company—Acquisition of control of Franklin Supply Company Ltd.

—yes

—yes;

(a) The investment was allowed on April 29, 1980, and the annual review of undertakings will commence on or about April 29, 1981.

(b) N/A.

2. (a) N/A

(b) N/A.

BBC BROWN, BOVERI AND COMPANY LIMITED

Question No. 1,482—**Mr. Deans:**

1. Did BBC Brown, Boveri & Company Limited, at the time of approval by the Foreign Investment Review Agency, make a number of short and long-term commitments and were some of the commitments made public and, if so (a) has FIRA conducted a yearly review to determine the fulfilment of all commitments (b) in each year since approval, did the company live up to all public commitments and, if not, which commitments were not lived up to?

2. (a) What action was taken by FIRA, if any, to insist that the original commitments were fulfilled by the company (b) were new commitments agreed to by FIRA and, if so, what were they and have they been kept?

The Constitution

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

1. BBC Brown, Boveri & Company, Limited—to establish a joint-venture company to acquire control of Brown Boveri Howden Inc.

   —yes

   —yes;

   (a) The investment was allowed on May 8, 1980, and the annual review of undertakings will commence on or about May 8, 1981.

   (b) N/A.

2. (a) N/A

   (b) N/A.

[*Translation*]

Madam Speaker: The questions enumerated by the parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

THE CONSTITUTION

ESTABLISHMENT OF SPECIAL JOINT COMMITTEE OF THE SENATE AND HOUSE OF COMMONS

The House resumed from Thursday, October 16, consideration of the motion of the Minister of Justice and Minister of State for Social Development (Mr. Chrétien):

That a Special Joint Committee of the Senate and of the House of Commons be appointed to consider and report upon the document entitled "Proposed Resolution for a Joint Address to Her Majesty the Queen respecting the Constitution of Canada" published by the government on October 2, 1980, and to recommend in their report whether or not such an address, with such amendments as the committee considers necessary, should be presented by both Houses of Parliament to Her Majesty the Queen;

That 15 members of the House of Commons to be designated no later than three sitting days after the adoption of this motion be members on the part of this House of the Special Joint Committee;

That the committee have power to appoint from among its members such subcommittees as may be deemed advisable and necessary and to delegate to such subcommittees all or any of their powers except the power to report directly to the House;

That the committee have power to sit during sittings and adjournments of the House of Commons;

That the committee have power to send for persons, papers and records, and to examine witnesses and to print such papers and evidence from day to day as may be ordered by the committee;

That the committee submit their report not later than December 9, 1980;

That the quorum of the committee be 12 members, whenever a vote, resolution or other decision is taken, so long as both Houses are represented and that the joint chairmen be authorized to hold meetings, to receive evidence and authorize the printing thereof, when six members are present so long as both Houses are represented; and

That a message be sent to the Senate requesting that House to unite with this House for the above purpose, and to select, if the Senate deems it to be advisable, members to act on the proposed Special Joint Committee.

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, last night before ten o'clock I had the opportunity to start my comments. I had five minutes then, and I believe I will have six minutes now. I do not know if there will be other questions of privilege, but I would hate to divide my allotted 40 minutes into five-minute segments. So that my allotted time is not divided into three segments, I wonder if the Chair would allow me to call it one o'clock; then my time would be divided into only two segments.

The Acting Speaker (Mr. Ethier): Is it agreed that we call it one o'clock?

Some hon. Members: Agreed.

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

At one o'clock the House took recess.

● (1400)

AFTER RECESS

The House resumed at 2 p.m.

Mr. Dick: This will be my third effort to get started on this and I hope I will be able to complete my remarks in the 35 minutes I have remaining. Last night I made a few opening remarks which I concluded at page 3764 of *Hansard*, and I will pick up from where I left off last night.

I said I felt there was a consensus in Canada; in fact, I thought there was unanimity in Canada among all levels of government and all parties, whether provincial or federal, that the constitution be patriated to Canada. I also said that in the "Shorter Oxford Dictionary" definition of "consensus", where it refers to a government, it means a majority view. I think we do have a majority view, or a consensus, in Canada on the amending formula. I felt that the consensus probably revolved around the Vancouver amending formula rather than the Victoria amending formula.

I feel one thing which must be spelt out is that a consensus is most important in dealing with the fundamental law of our country, and the constitution is the fundamental law of our country. As much agreement as possible is necessary for a law to have the maximum respect. If law is not respected, then it will become ridiculed and, if it becomes ridiculed, faith in the law will be diminished and we head toward plain disrespect for the law. This is illustrated today by the example of the law in Ontario where people under the age of 16 are not allowed to use vending machines—that law is disrespected. The law dealing with the smoking of marijuana is a disrespected law in its present form. That, of course, can lead almost to anarchy,

as recently illustrated in Iran where the people lost faith in the existing constitution and there was revolution.

However, with unanimity on patriation of our constitution and with consensus on the amending formula, I would like to deal briefly with why I cannot support the Victoria amending formula as proposed. That is because it enshrines in stone, from now until doomsday, that two provinces, the province of Ontario and the province of Quebec, will forever have a veto. Whether or not they end up with only 10 per cent of the population in the country 150 years from now, they still will have a veto. I submit that is not fair and is not looking into the future. I do not think any particular province or region should have a veto on constitutional change.

With the unanimity on patriation and the consensus evolving around the Vancouver formula, any person with any leadership qualities should now be able to fashion an agreement on patriation and an amending formula, and bring the British North America Act back to Canada. Once it is in Canada we can then institute any other changes by means of our amending formula. Unless a leader is being unreasonable or is holding out for some special amending formula, or for some personal ideology that he wants to have incorporated into the package to be passed in Westminster, there is no doubt in my mind that an agreement for patriation and an amending formula could be fashioned—possibly within 48 hours.

● (1410)

That is not the case, however, and the reason is that the Prime Minister (Mr. Trudeau) and the government insist on the Victoria formula and insist on adding a great deal more to the resolution that will go to Westminster than just patriation and the amending formula.

I feel that we should be moving ahead on this in the sense that if the governing party in the House of Commons were willing to give a little and not insist that its penmanship is better than that of others, and if it really wanted to bring the country together, it could do so.

How did the parties arrive at the positions they have taken in this House? It strikes me that the government position was stated as more or less a *fait accompli* in the resolution distributed after the first speaker began his remarks two weeks ago. It was dictated by the Minister of Justice (Mr. Chrétien), the Minister of Energy, Mines and Resources (Mr. Lalonde) and the Prime Minister, and they will not vary from what they have dictated.

How has the Progressive Conservative Party arrived at the position it has taken? Frankly, I think it has arrived at it in a negative fashion. I think it has looked at the resolution and said there are too many wrongs in it and that therefore the resolution is defective and a new resolution which is not so defective should be substituted. I say that is a negative way of arriving at a position. Certainly after the press heard the former prime minister, the Leader of the Opposition (Mr. Clark) speak, they said he was against patriation and against an amending formula. That is not true but that is how they have perceived him and painted him—in a negative manner.

The New Democratic Party has arrived at its position by a more positive route, but with reservations. That party has said it supports patriation and an amending formula, but has certain reservations and will only agree with the government if it includes resource ownership in provincial hands. The hon. member for Oshawa (Mr. Broadbent) then added that he would have to meet with his caucus the next Monday and if they had some other things he would reserve the right to bring those up. That has not been reported but that party reserved its support on resources and whatever other ideas the caucus offered.

When the second speaker for the New Democratic Party spoke on October 7, we found out that the party was not just making a reservation on resource ownership. The hon. member for Yorkton-Melville (Mr. Nystrom) expanded the New Democratic Party's reservations to include section 42, the referendum amending formula; equalization; minority language education, offshore resources and native peoples. That makes six matters on which the party now has reservations.

When the hon. member for Winnipeg-Birds Hill (Mr. Blaikie) spoke yesterday, he agreed with those six reservations. I could not help but notice also that the hon. member for Prince Albert (Mr. Hovdebo) issued a press statement last weekend in which he stated his position as being closer to that of the Leader of the Opposition than to that of the leader of his own party.

It seems to me that having arrived at its position from a more positive initial response, the NDP is now four-square with the position of the Conservative party. Their reservations are abundant and many. They are not just agreeing on patriation, and on amending formula, if the Victoria formula were to be accepted, but they have many reservations in other areas.

Where do I stand myself, Mr. Speaker? As I indicated last night, I am in favour of Canadianization of the constitution. Quite frankly, I am also in favour of Canadianization of and Canadian control over our economy. I wish we were not subject to the whim and will of so many foreign powers. I am in favour of patriation and I also want an amending formula. Personally, I have no objection to the charter of rights and freedoms. I have some small quarrels or reservations with it, but in principle I have no objections to it—except that it is dividing the country unnecessarily.

Besides patriation and the amending formula, the government also wants the United Kingdom to add a lot of other amendments—to the British North America Act before it comes back to Canada. Those would be enshrined—and then a new amending formula would be imposed. It would be much more difficult to amend after that, than for the Prime Minister to get his own prerogatives entrenched while the constitution is still in the United Kingdom.

I have no disagreement with the $6 million advertising program—with the Canada geese saying, "Let's fly our constitution back to Canada", or that they want to have an amending formula. I do not complain of that; in fact I agree with it. But the ads do not say what else is in the resolution—the whole realm of other things involved.

I want to point out that I am not responsible to any premier; I am not responsible to any other person or any other politician, elected or otherwise. I am responsible only to the constituents of Lanark-Renfrew-Carleton who can judge what I have said and how I have represented them, at any election.

While I am dealing with patriation I should like to make a couple of suggestions, Mr. Speaker, regarding the interim amending formula which is set out in sections 33 to 40. I suggest that in section 38(1) set out on pages 10 and 11 of the resolution, instead of 80 per cent of the population and at least eight of the provinces, it be changed to "two-thirds of the provinces with 60 per cent of the population". Otherwise, Quebec and Ontario, which both have over 20 per cent of the population, could veto any joint action by the other nine provinces in suggesting an alternative amending formula in that interim period. I recommend two-thirds of the provinces because I do not think we should enshrine seven.

I do not know that there will always be only ten provinces in Canada. The Yukon Territory might join Canada as a province one day—and I hope it will. The Northwest Territories might even join as two provinces because of the vast area involved. We would then have 13 provinces. There is even a possibility that Ontario could be divided and become two provinces. Some people in northern Ontario have agitated for that, just as some people in the Saguenay-Lac St. Jean area of Quebec have agitated for that part of Quebec to be a different province from the part encompassing Montreal and the southern part of Quebec. We could end up with 14 provinces, and seven out of 14 is only half. That is a long way from two-thirds, which I think would stand the test of time much better. I also think there should be a requirement for 60 per cent of the population, not 50 per cent, at any time in any of the various amending formulae that come up in the various sections.

Even Premier Lévesque admitted that if he won 51 per cent of the vote in the referendum last year, it would not be sufficient to take Quebec out of Canada. He did not feel that percentage was sufficient because peoples' emotions can be inflamed enough to pick up 6 per cent, 8 per cent or 10 per cent when their support would not otherwise be forthcoming.

● (1420)

I think that 60 per cent would be a fair reflection of a higher standard of public opinion that should be required to change a constitution than merely a simple majority, or as some people have referred to as the tyranny of the majority. On certain days under certain circumstances the government would be able to get a majority, maybe not 60 per cent, and it may be more difficult to change that.

Further in the amending formula sections, if we deal with the final amending formula, which is part 5 starting at page 12, I think that section 41(1)(b) should be changed. In that section (b), which I cannot support, as I have indicated, because it gives certain provinces a veto from now until doomsday, to:

(b) resolutions of the legislative assemblies of at least two-thirds of the provinces of Canada if the provinces whose legislatures have approved the resolutions have a combined population of at least 60 per cent of the total population of Canada.

We should do away with the Victoria formula which the proposed resolution enshrines.

Now, I come to section 42. Personally I am not worried about a referendum in this country. But what has to be set aside is four ministers, including the Prime Minister and the Deputy Prime Minister and Minister of Finance (Mr. MacEachen) who both said two days ago that section 42 is only there as a deadlock-breaking mechanism if they cannot resolve constitutional problems by the various levels of government as per section 41. That is a categorical mistruth—since I am not permitted to say lie—because there is no provision in this resolution that says "if".

The government can go directly to section 42 without going to section 41 to begin with, and for that reason I cannot support section 42. Should the word "if" be inserted or in the alternative, the government wanted to go to a referendum, I personally would have no objection, but I do think the provision should be that two-thirds of the provinces having 60 per cent of the population must support it.

I come now to section 44. The government tried in 1978 to amend the Senate through proposed Bill C-60 which then dealt with the constitution. The Supreme Court overruled the government and said that the bill could not be introduced. The government is now trying to smuggle through the back door of Westminster a change in the constitution which will affect the Senate, before it comes home. We Canadians will not have a right to do it by referendum or have it resolved by the various levels of government.

If the government really wanted to resolve the deadlock, as they talk of when referring to section 42, something might be phrased in section 41. If section 44 were eliminated, I think something of this nature would be of assistance. That would bring a new section 41(2) and this might say:

If a resolution is passed by the Senate or House of Commons which is designed to amend the Constitution of Canada;

(a) the other chamber of Parliament, be it either the House of Commons or the Senate must put the same resolution as passed by the first chamber, to itself, and allowing at least 20 hours for debate followed by a vote on the resolution before 180 days have elapsed for the passage of the resolution in the first chamber, any period when the Parliament is prorogued or dissolved shall not be counted in computing those 180 days.

And a (b) section to that new Section 41(2) might read:

(b) Each provincial assembly or legislature must within two years of the date on which the resolution passed the first chamber of the Parliament of Canada put the same resolution to themselves and after allowing at least 20 hours for debate thereon, vote on the resolution.

I would then suggest that Section 41(3) could perhaps be incorporated as well. It might say:

If a resolution designed to amend the Constitution of Canada is first passed by a legislative assembly of one of the provinces then that province shall under the seal of the province immediately forward the resolution as carried to the Governor General of Canada and the lieutenants governor of the other provinces and they shall cause the resolution to be placed before Parliament and the other provincial legislative assemblies, and a) within two years of the date the resolution was passed by the initiating province it shall be caused to be debated

in each provincial legislative assembly for at least 20 hours and then voted thereon, b) as to Parliament it will first be placed before the Senate, debated and voted thereon within two years of its being passed by the legislature of the initiating province, and, secondly, will be placed before the House of Commons and be debated there and voted thereon before two years plus 180 days have elapsed from the time the resolution was first adopted by the initiating province.

And a new Section 41(4) might read:

If the House of Commons, Senate or any of the provincial assemblies does not debate and vote on the resolutions within the time periods prescribed, then it will be deemed that that body, be it the House of Commons, Senate or provincial legislature, has passed the resolution in the affirmative.

That would break any deadlock without having to go to section 42. It would also require an action in the various legislatures across the country and in both chambers of Parliament.

Section 44, as I see it, is perhaps put there because the government is afraid the Senate might not act on something and thus stall a desired amendment brought by one of the provinces, or initiated by one of the provinces, and brought forward in the House of Commons. The mechanism that I have mentioned would prevent the Senate from stalling on something by just not acting. It says that if they do not act within the prescribed period, it will be deemed that it has been done and done in the affirmative. Therefore the only way the Senate can stop that is by acting and acting in the negative. I suggest that might be the type of amending formula which would get around some of the controversy dealing with section 42 and section 44. It would also break the deadlock.

I have dealt with the patriation and the amending formula and some of the suggestions that I had. The government could divide this resolution and forget the rest for now. We would end up by having a consensus within 48 hours, certainly within a short period of time, with the vast majority of Canadians, probably 80 per cent of them, being able to support the then resolution going to Westminster. As I say, when you have the majority support of Canadians on the side of the law, then the law will not be disrespected. If the government insists on enshrining the other things, then there are some problems.

Let me deal with the areas where the problems do arise, although personally I do not find that I have a great deal of difficulty with them. First it is the Canadian charter of rights and freedoms. It starts out in the first section with guaranteeing certain rights subject only to the will of Parliament. Then the fundamental rights are set out. Oddly enough these are all included in Mr. Diefenbaker's Bill of Rights which was passed in 1960, except for some which might be called the cerebral thought processes. The additions are: freedom of conscience, thought, belief and opinion. Those are all inside somebody's head. I did not know that anybody could control what was going on inside my head. I always thought that I had those freedoms anyhow. I still think that those must be part of trying to free the cerebral process—perhaps of the Liberal backbenchers. Maybe it is something only for the Prime Minister who likes to think of himself as an intellect and therefore wanted all these things dealing with the mind put in. However, I have no problem with them if it is insisted upon that they be there, but I think it clutters things up.

The Diefenbaker Bill of Rights could have been adopted in this section. This might have deferred some of the controversy which has been stirred up.

● (1430)

If somebody is so egotistical as to insist on their penmanship and craftsmanship, then this country certainly is in difficulty. I have no problems with sections 3 and 4, democratic rights, nor 5, and 6, mobility rights. I happen to agree with that. My constituency has a border with the province of Quebec which not long ago passed regulations not allowing any people from my province to work in that province, yet their people come across and work in my constituency on a regular basis in the construction industry. That is pretty tough. People used to truck pulpwood to the Portage du Fort plant of Consolidated Bathurst. They had to buy a $500 licence to go half a mile on a paved highway after that regulation was brought in, after using that highway for five or six years at no cost, and all Quebec trucks use the Ontario highways at no cost. Therefore I have no difficulty with mobility rights. Frankly, I am surprised this does not go further and include powers over the economy.

In the legal rights section, I was sort of humoured to find in that section the following:

Everyone has the right to life, liberty and security of the person—

I was sort of humoured when the Minister of Regional Economic Expansion (Mr. De Bané) quoted the French charter of human and citizens rights of 1789 which states that "the purpose of any political association is the conservation of natural and imprescriptible human rights. Those rights are freedom, ownership and resistance to oppression". They have ownership there.

I looked into the American Bill of Rights. They have certain rights, including the right to own property. I looked into the Canadian Bill of Rights, section 1(a), which states that everyone has the right to life, liberty and property. Property has been left out of this section. It appears nowhere in this charter of rights and freedoms. Does that mean the federal government is not going to enshrine that the people of Canada have the right to property, or is it because they were afraid they would be transgressing provincial jurisdiction? They did not worry about that with civil rights and it comes in the same subsection as property and civil rights. They should have placed property in there.

There is also property controlled at the federal level, intellectual and commercial property, such as patents, trademarks and copyrights. They are not enshrined. On the right to ownership or the right to possession of property, if you do not have the right to possession of property, things, your own belongings, I submit there are no freedoms. What good are the other freedoms if you are not allowed to have these personal belongings? I find that a little bit ridiculous.

Section 8 dealing with 'search and seizure' according to established law is a pussyfooting section. I do not think it is going to change dramatically any law in this country.

Section 9 is the same as section 2(a) of the bill of rights except that it does not mention the word "exile".

Section 10(a) is the same as section 2(c)(i) of the Bill of Rights.

Paragraph (b) of section 10 is the same as 2(c)(ii) and (c) is the same as 2(c)(iii) of the Diefenbaker Bill of Rights.

Section 11(a) is the same as 2(c)(i) of the Bill of Rights.

Paragraph (b) is new, stating that a person should be tried within a reasonable time. I have no difficulty with that.

Paragraph (c) is the same as 2(f) of the Bill of Rights.

Paragraph (d) is the same as 2(f) of the Diefenbaker Bill of Rights.

Paragraph (e) is new. You cannot be convicted today of anything which is not an offence today. That is just saying you cannot be convicted of anything if at the time you are alleged to have done it it was not an offence. I do not see the necessity for that.

Paragraph (f) of section 11 deals with double jeopardy. That is already covered in the Criminal Code of Canada.

Paragraph (g) deals with the lesser sentences when they changed the Parole Act. That is already covered in an amendment to the Parole Act which we dealt with two or three years ago in this country.

Section 12 is already covered by section 2(d) of the Diefenbaker Bill of Rights.

Section 13 is covered by 2(d) of the Canadian Bill of Rights and is also covered by the Canada Evidence Act and Ontario Evidence Act.

Section 14 of this resolution is covered by section 2(g) of the Diefenbaker Bill of Rights.

Section 15(1) is covered by section 1 of the Canadian Bill of Rights.

There is one aspect which some people are concerned about. That is in section 8, where a person has the right to seizure on certain grounds. Some people feel this is going to change the law. It will not make the law like the American law. In the American law under writs, you must identify the place you are going to search, the people and what you are searching for. That is set out in the constitution of the United States, amendment number four, "the right of the people to be secure in their persons, houses, papers and effects against unreasonable searches and seizures shall not be violated and no warrant shall issue, but upon probable cause supported by oath or affirmation and, particularly, describing the place to be searched, the persons or the things to be seized". They do not mention 'things' here in this section 8, so I do not think it would follow the same way as the American law has followed, something which I certainly would not want to have brought into Canada.

I want to point out some problems in the next sections in the few minutes I have remaining.

I have no problems with sections 16 to 19 which are already entrenched in our Official Languages Act.

I do have some specific problems with section 23. I believe it is wrong. This has not yet been raised. I quote from section 23(2):

> Where a citizen of Canada changes residence from one province to another and, prior to the change, any child of that citizen has been receiving his or her primary or secondary school instruction in either English or French—

Then they have the right to continue. However, if a young married couple with pre-schoolers who speak French move to Cornwall, they will not be guaranteed the right to attend French schools. The older child would have had to start in a French school. That whole section will have to be rewritten. The people of Canada should be able to send their children to a school of the official language of their choice, period, rather than have two classes of immigrants as suggested in section 23(1) and also discriminating against pre-schoolers moving versus people whose oldest child has already commenced school, in section 23(2).

The equalization formula is wrong.

If there was good will in this place and a willingness to accept different views, the government would not have incorporated this resolution in such a way that we will never be able to amend it. Right now we are only asked to move a motion to send the "proposed resolution", not the official resolution, to a committee which will make a report. Any amendments that they think should be made in the resolution—again we cannot amend the resolution—should be included in the report. The report will be brought back to this House for a debate on whether we agree with the report, to send the resolution to England as a joint address. There is no place I can see where this provides for amendments. A place for amendments has not been guaranteed by the government.

● (1440)

The government says of section 42 that it is only a deadlock-breaking procedure, but that is patently false. As they indicated yesterday in answer to the hon. member for Winnipeg North Centre (Mr. Knowles), they would not be willing to propose an amendment.

I thank you, Mr. Speaker, for the opportunity of making a few remarks on this matter.

[*Translation*]

Mr. André Maltais (Manicouagan): Mr. Speaker, I am very happy to speak to the proposed resolution, all the more so because from time immemorial in this country the debate has resumed every year in an attempt to straighten out the constitution that was bequeathed to us in good faith but which, from an administrative standpoint, should from time to time have been modernized and assured us, I feel, of justice and equality.

The national anthem that was passed here last July starts in French with the beautiful words: *O Canada, terre de nos aïeux*. But the way we behave, I wonder if we really want to do much for future generations, or if we merely want to sign the death warrant of this great country which has every reason to survive.

I am happy to take part in this debate as a representative of a generation that is eager to make of this vast land of ours a country in which freedom and good faith are the very foundation of future discussions and future development.

Mr. Speaker, I have taken the time to ask the opinion of some people in my riding to ascertain whether the proposal put forth by the government reflected a heartfelt desire for change in the population and whether these people accepted the resolution proposed by the government in this fall of 1980. People very freely and sincerely replied that it was high time someone did something in this country and that it was time that leadership asserted itself.

For much too long, passivity has been the common name for this constitutional debate. Of course, whenever people meet, be they provincial premiers or the Prime Minister of Canada, each has legitimate interests to uphold. But there is one important thing to remember and that is that these interests must converge, in other words the whole of the country must benefit as much as possible from the efforts of each of these first ministers. And it is this aspect which has eluded those who have run the country in the past and those who, at present, oppose the decision to proceed with the patriation of the constitution.

I can say quite openly and sincerely, Mr. Speaker, that I am under no pressure from above or below to support this proposed resolution. I do so with conviction, with decisiveness, because I am certain that among all imperfect means it is still the best to achieve a breakthrough towards a new start for this country. We are at the crossroads and I sincerely believe that we cannot backtrack.

I can understand that the opposition parties and even some other well-meaning individuals are against the conditions attached to patriation, I can understand the sensitivities of other people, but I am convinced that if each and every one of us examined their motives we would all agree that the time has come to set aside partisan interests in order to find the best formula to put an end not only to 53 years of hesitation, 53 years of impatience, but to 113 years of efforts to rejuvenate this constitution and bring it home and make it Canadian.

In what frame of mind has this measure been undertaken? Are people asking themselves this question, what motivated those who have initiated this measure? This action has been undertaken in the wake of successive efforts at reaching an agreement among first ministers. It started in 1927 to be precise. Efforts were made again in 1931, 1935, 1936, 1950, 1961, 1964, 1971, 1975, 1976, 1978, 1979 and 1980. And always with the same result, just like a yo-yo that goes up and down but never stops. There has never been an agreement for the good of all. That is precisely where the mistake lies now, on the part of the official opposition and those who are against this measure, for they want to keep searching indefinitely for an ideal means while it has been amply demonstrated that this is not feasible. It is so true that in the democratic system of government the law of the majority prevails when total and absolute majority cannot be achieved. In a type of negotiation where two levels of government are involved, it is a lot to expect all these premiers to agree, all of them at the same time on the same items. This is why, following the attempts of an openly separatist and equally hypocritical party, the Canadian government has had to set in motion a process to patriate the constitution. This is a moral commitment, which was very firm, and for those who followed the various stages of the referendum campaign in Quebec, I should simply like to quote briefly from a statement made by the Right Hon. Prime Minister (Mr. Trudeau) in Quebec City on May 14, 1980. When people are speaking of moral commitment, when people are wondering about our being justified in acting this way today, reference should be made to that statement which is crystal clear, and which Quebeckers know very well. Mr. Trudeau said, and I quote: "If the answer to the referendum question is No, we have all said that this no would be interpreted as a mandate to change the constitution in order to renew our federalism." That I did not say. Neither did Mr. Clark, nor Mr. Broadbent, nor even the nine premiers of the other provinces. The 75 hon. members who were elected in that province to go and represent them in Ottawa said No and this means we want some change.

Further, Mr. Trudeau said in conclusion, and I quote: "I know because I talked to those hon. members this morning, I know that I can commit myself most firmly that if the answer is "no"—"—and note this—

—we will immediately set in motion the mechanism to renew the constitution, and we will not stop until it is done.

It is precisely this moral commitment which has triggered the admittedly rapid procedure designed to patriate the constitution. But before we got to the present stage, throughout the summer, the Minister of Justice (Mr. Chrétien) travelled from one provincial capital to another in order to prepare yet another constitutional conference where we might reach an agreement. For three months, week after week, justice ministers of various provinces met nonstop with the Minister of Justice of Canada in an attempt to find a common ground.

Moreover, in September, another constitutional conference was held to determine the exact position of various heads of government regarding constitutional renewal. Instead of presenting the Canadian government with a counter offer, the provincial premiers chose once again to devise a formula leading to a deadlock. That is to say they chose to deal with purely provincial concerns instead of taking a comprehensive view of the situation which directly concerns all Canadians.

● (1450)

And this government has a broader role to play in the House of Commons, the undivided role of representing all Canadians. True, this order of government has a role equal to the one played by the provinces, but a different one, even though it is

of equal importance. And it is to represent in all fairness and equity all Canadians from coast to coast. At the constitutional conference held last September, one of the major points to remember is that the Prime Minister of Canada did not have the mandate to hand over to each provincial premier a part of our Canadian heritage. Nobody has the mandate to hand over to any region of Canada whatever belongs *de facto* and *de jure* to every Canadian citizen.

When I asked a little while ago in what spirit that reform, that unlocking action had been initiated, I did say that it had been devised out of a moral commitment. And when the Progressive Conservative Party was in power, they also had voiced such a moral commitment to get to effect those changes. At his press conference two weeks ago, the Leader of the Opposition indicated that he agreed in principle with the government's proposal, but that he could not agree with the means being used. But should we fight over the means, the structures? Should we not instead seek a formula which would meet the needs of Canadians? Who will actually benefit from this constitutional breakthrough? Everybody seems eager to defend his own structure, to speak on behalf of the group he represents, but there is something all hon. members should try to understand, and it is that we represent each and every member of these organizations. The same people who are part of these organizations have also elected us. This is a basic truth which is often overlooked.

Furthermore, the government's proposal is designed for future generations, while this debate more often than not is used to promote short-term political interests. The generation to which I belong is really getting impatient and is not interested in sacrificing its youth discussing constitutional matters for the next 53 years. This is of paramount importance.

For too long we have been sacrificed in Quebec and elsewhere in Canada in the interests of a false nationalism, always inspiring but restrictive. This plan requires from all Canadians what the philosopher Bergson called a supplement of soul. That is what we need in the House. We have the impression, not to say personal conviction, that some people are interested in discussing rather than making headway.

The people of Manicouagan are proud workers who elected me to defend the economy, to find work for their children and not to quibble for 50 years about issues which are mostly out of date. I think that if Canada is to progress we need that change of direction which will enable us to plan much further. The debate which has been going on for years is a stumbling block hindering Canada's evolution.

Still in 1980 we are taking up weeks to discuss a matter which members of Parliament should have solved in the fifties. This was for the country a truly rotten gift which is corroding the social fabric to the extent that we now have the impression that a withdrawal would be the best formula. The members of the government team have taken up the challenge to expand Canadian views and allow Canadians to be everywhere at home.

Of course, this is a tremendous challenge and there are people who are convinced, I think, that it might be an impossible undertaking.

Yet, it has been demonstrated that Canadians want to meet that challenge, particularly in Quebec. In spite of what some people might think of his character, the Prime Minister of Canada has been elected five times in Quebec and each time with an increased majority. So, as concerns Quebec, there is no need to say that he has the absolute confidence of the people and if you want to talk about a traitor you should find another person than this Prime Minister.

If you want to learn about our Prime Minister's vision concerning the constitution, you just need to refer to the book he wrote in 1976 entitled "Federalism and French Canadians", on page 52. About a possible constitutional reform, he said and I quote:

> There is nothing easier than proposing constitutional reforms, and I could very easily outline several points that would some day have to be taken into account by a new constitution. For example:
>
> (a) A bill of rights could be incorporated into the constitution, to limit the powers that legal authorities have over human rights in Canada. In addition to protecting traditional political and social rights, such a bill would specifically put the French and English languages on an equal basis before the law.

Virtually the exact wording or at least the spirit of that text is to be found in the proposed resolution.

> (b) The protection of basic rights having thus been ensured, there would be no danger in reducing the central government's predominance in certain areas (for example, by abolishing the right of reservation and disallowance); at the same time, this would have the advantage of getting rid of some of the constitution's imperial phraseology.

And so on and so forth—

When faced with references to sell-out or about-face, to a man who does not know where he is going, it is very easy to prove that this is not so by going through the writings of that man in order to show how true it is. If one politician stood up these recent years, it is the current leader of the Liberal party. And I feel this is what the people want, somebody with a direction, somebody with a vision of this country's future. And it is important to emphasize this because in Quebec we hear regularly the terms traitor and treason. These terms bounced around all through the referendum campaign. And, needless to repeat, both French-speaking Quebeckers and the total Quebec population voted no, they voted to remain in Canada. This is fundamental.

And the patriation and amendment provisions, as with all the aspects included in the document, confirm the supremacy of citizens over the structure of state. I cannot see why the provinces can object to what is inside, because this exercise is simply to give more rights to citizens, but without, of course, going through the provincial structures, and all premiers would prefer that this go through provincial structures. If we could

not go through provincial structures, it is because they did not have enough vision and generosity to let the citizens have a charter of basic rights and freedoms, language rights and other aspects included in the document.

The most upset may be provincial governments. They will have to react, because their citizens will have received more rights and, faced with these new rights granted citizens, they will have to change their structures in order to allow for more freedom in the land. And references to encroachment on the federal spirit are misleading, because in this House we represent the same people.

● (1500)

Those people who have elected us have also elected their provincial spokesmen or premiers. We represent the same people but we have different duties, that is to ensure that rights and freedoms are protected throughout the country. If provincial premiers had endorsed the philosophy contained in this draft resolution, if they had agreed to widen their vision of a free and equitable Canada, we could have reached this kind of unanimity very easily and therefore passed this resolution in a more happy way. But we have not been able to do this because some narrow minds have forced us to act through the central government and this is unfortunate. The time had come for a man to show some leadership and assert once and for all that it was necessary to take all legitimate actions to put the proposal before the federal Parliament and bring back home something which belongs to us.

People of my generation want things to change. They really want to look toward the future and the challenge of the year 2000 is a priority to us. We no longer want to sit on the past and begin criticizing what could have been done and what should have been done. We are determined to look to the future with some people of good will and good faith and forget the fights which hopefully have separated us for some time and look at the future in a very generous way. Indeed the role of Parliament and of the state is to fulfil three essential duties: to protect the citizens' freedom, to provide them with the highest security and give them prosperity. Those are the three very basic elements of a state, whether a central, a provincial or a municipal government. What we want is to forget the present time and project ourselves into this future, to become really one of the most generous countries as far as freedoms are concerned, a country likely to grow in harmony.

There is danger, in the present debate, if hon. members do not assume their responsibilities, of our country being divided even more because of an endless and mostly useless debate in which all parties are hurling abuse at one another. The proposal has been put before Parliament. We still have to discuss its principles for some time. Let us hope that next week we will be able to refer it to the committee. Everyone will have a chance to express his point of view and then we will be able to see to what extent it is still possible to improve this document. Again I repeat that it is not a perfect document. If anybody here has a perfect document in his pocket, let him table it. It is about time.

We must work with what is humanly possible and above all we must base our willingness for a change on good faith and on future generations instead of always aiming for a short term and taking what is now a fact as something that cannot be changed.

This proposal even contains an amending formula which is very flexible, in my opinion. It was adopted in Victoria, and for the next two years we will be absolutely unable to change anything without full endorsement from all first ministers. Quebeckers have to send a new government team to discuss renewed federalism on their behalf. The whole division of powers has yet to be studied. The premiers who really wish in all good faith to work at establishing new means to provide their provinces and Canada with strong instruments, powerful economic instruments, will have the possibility to do so during these next two years.

If the proposed resolution itself includes items with which some of the premiers disagree, they can still discuss them further among themselves and develop an amendment proposal which would retain some of the elements of the constitutional proposal, and everything will be possible. But one thing is clear, and that is that the document will be Canadian and will have belonged to us while we now have to go and beg elsewhere for things which are the pride of the country. I would remind members opposite that history might judge very severely the stand they have taken recently. We have only to recall the debate on the flag and the emotional hours we spent in this House in the longest debate ever held in our history, when members opposite were literally against the proposal for all sorts of reasons, traditions representations, honour, and if we now talk about this matter with the youngest and the oldest among us, we realize that it was a mistake to take such a stand concerning the approval of the flag. This flag is now a symbol of unity throughout the country. No one believes that any other flag could represent us.

I remind members opposite of the critical need to understand the dangers of this debate. I recognize that one might disagree with some of the means proposed, but I do not accept that the means must come second to the whole Canadian ideal we are defending. I could have spoken expressly about the language. I could have spoken about each of the rights provided in the charter. But I believe that in the last two weeks, several of my colleagues on both sides of the House have already done so and that it would serve no purpose to add anything to the comments which have been made.

However, there is perhaps one element I would like to mention, that two major points stand out when we examine the history of the old constitutional conflict. The problem of this country is not a problem of dictatorship, it is not a problem of wealth, it is not a problem of poverty, but rather a problem of

structure and of sharing. The great advantage that Canadians have always had has been to be heirs to a country which might be too vast for certain minds. The problem of this country is that some people find it hard to understand the concepts of time and space. When we look at what is going on around us, at all the wars, the famines and the dictatorships, and when we compare this with the country we call Canada, it is very easy to see that we are like spoilt children who find it hard to be generous and to share even though their stomachs are full.

And what intensifies even more so this conflict are our personality clashes. This is what is eroding the national fiber of this country. We are incapable of appreciating this great heritage of ours and through the structures of society reach the people to whom we are answerable. This whole set up of school, municipal, provincial and federal structures is here to be of assistance to the private citizens and not the opposite.

This is what we must understand and this is what people outside these walls must understand. There is no intention of taking things and rights away from anybody. The idea is to give people more of the same. The member for Manicouagan, the Prime Minister of Canada or the Premier of Quebec or of any other province or any member of Parliament for that matter are only transitory figures but the country as a whole will remain and generations will succeed one another. What we must always have present in our mind is what we are going to leave behind for future generations and in which spirit we are going to transmit that heritage. The proposed resolution is drafted in that kind of spirit, namely the granting of cultural guarantees. I am referring to language rights but also to mobility rights and the mobility rights contained in this proposed resolution are a thing I am experiencing in my own riding.

● (1510)

Here is an example to illustrate how this happens. Over the past few years the economic centre of our country has been shifting westward. Contractors in my region, the type of people whom we might call the builders of our country, go to Edmonton to do business there. Quite often these people do not speak English very well. Nevertheless they are ready to take up the challenge and to follow the trends of the economy. The very principle of the resolution recognizes freedom of movement for citizens and capital from one part of the country to the other. And this is a fact. Ask any Canada employment centre how many people knock on the door to inquire about mobility plans to go west and how many westerners seek to go east. By this resolution, we enshrine this reality. Is anyone in this House opposed to such proposal? Is any province against such proposal? And yet we have heard premiers say: Listen, this is going to confuse our mobility plans. Mobility programs for citizens of our country are not designed to meet the needs of manpower plans, but to enable people to work where they want to.

Manpower plans can be adapted to the population. That is what we must confirm in this resolution. French-speaking families moving westward would then be able to get certain French-speaking institutions, if numbers warrant, and that matter would not be left for the federal or provincial governments but for the courts to decide. They would be able to rule in these matters on the basis of jurisprudence and after examining the facts.

I think there are very few cases of such generous projects in the history of Canada and what is most astonishing is the fact that those who oppose it do so simply on the basis of the methods and means used to implement it. Such an approach is risky for those who are unable to overcome their own opposition and deal strictly with the principle. That is I think the saddest aspect I see in the negative criticism made about supporting this resolution.

In closing my remarks, I would simply say that the great principle of liberalism, which I think everybody in this House would defend, puts the priority on the individual and not on the structures or on the state and I would challenge anybody in the House to find a formula within the proposed resolution that is contrary to what I have just said. Everything in that proposed resolution is addressed directly to the citizens and not the institutions, and that is what confirms the supremacy of the rights of the citizens over those of the state. That is what is important. In a world that is overmechanized, overbureaucratized, it was high time such principles were stated; it may also be high time to switch to action in order to achieve concrete objectives: that is why we are elected.

Go out in the street and ask the people what they think of this protracted debate. They will tell you, over and over again: You were elected to do that work; you are paid to solve those problems. Quit calling on us as witness and act. But act according to our freedoms and in terms of the generation to come. That is what we ask of you. Stop going over the same things time and time again and assume your responsibilities. That is the stand we must take, that is what we must act upon, instead of going around in circles and hiding behind false principles and sophistry to justify our inertia. There is only one thing to do: we must break out of the deadlock, go further and assert that we are a free country, capable of bringing back home what belongs to us, and mature enough to include in our constitution commitments that require surpassing ourselves. I ask them to be understanding. I ask them to consider from the north to the south and from the east to the west this large continent which we have inherited and to think that the discussions which are going on are perhaps the mere last effort which will enable us finally to obtain our basic rights as Canadian citizens, that the forthcoming years are merely a gleam of the future and that we will be able to gain control and to carry on the harmonious development of this country. I am convinced that if our fathers had been timid rather than confident, today our standard of living would not be so high

and our freedoms would not be so well asserted. A nation grows old when it resists expansion. Our country perhaps has arrived at the age of puberty but I am now convinced that we are not far from adulthood and that we will be able to take up the great challenge passed onto us by former generations and anticipated by future generations of Canadians.

[*English*]

Mr. Les Benjamin (Regina West): Mr. Speaker, I am pleased to take part in the debate on the resolution to establish a Special Joint Committee of the Senate and the House of Commons to consider the total package the government wishes to send to Her Majesty the Queen.

Yesterday was international credit union day. I thank my colleagues in all parties for giving unanimous consent to my motion under Standing Order 43 earlier today which paid tribute to the credit union and caisse populaire movements in Canada and around the world. It is in that spirit and in accordance with the principles and philosophies of the co-operative movement, the major foundation of the political party to which I am happy to belong, I want to make my remarks on the resolution containing a joint address to Her Majesty the Queen regarding the Constitution of Canada.

Usually I am a hard-nosed partisan democratic socialist. Usually on social and economic issues I will argue, berate and condemn—and sometimes support—any of the actions, policies or ideas of my fellow Canadians who are Liberals or Conservatives whether in this chamber or anywhere else in the country. But this is not the time or the subject on which to do that. My comments apply to myself as well as to everyone in this place. Fingerpointing, personal attacks or extreme partisanship have no place in this particular debate. There must be an openness and willingness to consider positively the points of view, ideas and amendments submitted by any hon. member of this chamber or the committee, or when the committee reports back to the House.

There is a better way to conduct ourselves in this debate. We do not need a stubborn, arbitrary, unilateral manner. We do not need a mindless, thoughtless, incoherent babble from people who oppose someone or who oppose part or all of what is being submitted by the government. We certainly do not need personal attacks nor do we need the imputing of motives. In fact, we should be listening to one another and accepting the views of others in good faith. There is not a member of this House who agrees with this resolution 100 per cent; I suspect even the Prime Minister (Mr. Trudeau) could point out two or three things that are in it which he does not like. And that applies to every member in this chamber.

● (1520)

We do not need a gang of five going to court, nor do we need an attitude and state of mind from the government which precludes openness and favourable consideration of suggestions and amendments put forward by opposition parties or individual members from any party when the committee meets. I and others do not like the fact that the government is acting unilaterally on this matter, even though I fully understand and appreciate why they feel compelled to do so. Someone said, and I forget who it was: We were elected to make laws, not legislatures. We were elected to support or oppose governments, not establish them. We were elected to work under the rules, not make them by ourselves.

The five principles that are in the legislation have been policies of my party at various periods of time. For example, patriation has been part of our party policy since the 1930s, when the CCF spoke up for patriation of our constitution. We support the amending formula. Language rights has been party policy for many years. I am hopeful the government will, in committee, do something about what appears to me to be a double standard. But we support in principle the entrenching of language rights. We have supported for many years entrenching a charter of rights even though that in itself will not be sufficient to guarantee those rights. We have always supported the principle of equalization and here again we hope the government will accept amendments which would make that provision in the resolution even better. We hope it will specify and spell out equalization payments.

Most of all, my party insists that this resolution embody a sixth principle, namely, the matter of ownership, control and the right to manage the resources by the provinces.

Mr. Deputy Speaker: The hon. member for St. John's East (Mr. McGrath) rises on a point of order and wishes to ask a question with the hon. member's permission.

Mr. Benjamin: Mr. Speaker, I am trying to get this finished so I can get to the airport. I will try to keep my remarks under 40 minutes and if he would be good enough to question me then I would be happy to try to answer him.

Yesterday was the tenth anniversary of the imposition of the War Measures Act during peacetime. Ten years ago yesterday my former leader and political mentor—I hope he still is my political mentor—Tommy Douglas, told this House the NDP party did not accept the government's heavy-handed tactics which could cause a person to be held for 90 days or more without an opportunity to prove he or she did not belong to a subversive organization. He said:

> This government now has the power by order in council to do anything it wants—to intern any citizen, to deport any citizen, to arrest any person or to declare any organization subversive or illegal.

I am not convinced the present wording of the government's proposed constitution act would prevent a repeat of this denial of rights. Section one of the proposed charter of rights says:

> The Canadian charter of rights and freedoms guarantees the rights and freedoms set out in it subject only to such reasonable limits as are generally accepted in a free and democratic society with a parliamentary system of government.

The words "as generally accepted" are a loose definition which could be interpreted in many ways. I hope the government will be willing to review this section when it is before the committee. I wonder why this qualification should apply to the right under section 12:

> —not to be subjected to any cruel and unusual treatment or punishment.

Would that qualification to which I referred permit a repeat of the disgraceful treatment accorded to Japanese Canadians 40 years ago? Talk about the entrenching of rights in a constitution does not necessarily guarantee one will receive those rights. The counter-example is that in the American constitution, with those rights entrenched, the treatment of the American-Japanese was as bad as, or worse than, that accorded the Japanese in Canada. It took the Americans as long to redress the harm done as it did Canada. I agree the Americans did redress that harm in a better way then we did, in a larger way. But it took them as long, even though those rights were entrenched. So entrenchment by itself does not guarantee one will always receive those rights.

Why should there be a qualification on the right to be told with what offence you are being charged? I hope the government as well as all other members of the committee will want to look at that and improve upon it. There are many ideas in the constitutional proposal I agree with; I have illustrated the five principles that are there and the sixth that we feel must be there. While we will support the passing of the motion to establish the committee we will take full part in the proceedings of that committee and we will have amendments and proposals to make. We want to hear from and listen favourably to the suggestions and amendments made by members of the Conservative party and the Liberal party. We want to deal with other concerns.

I cannot vote against the principle of patriating our constitution. I cannot vote against the entrenchment of language rights. I cannot vote against a charter of rights being in our constitution. I cannot vote against equalization. But surely that does not prevent me, or any hon. member in this House, or any citizen of Canada, from expressing concerns about other provisions in the resolution and asking for, and achieving some success with regard to acceptance of amendments moved by the opposition parties or by the government which make improvements or corrections affecting concerns other than the principles I enunciated and which we feel we must support.

● (1530)

For example, there is a need to provide for equalization payments instead of the possibility, maybe the probability, of patronage pay-offs. The constitution must always be in touch with the people of our country; it must be a reflection and not a manipulation of the people who live here.

The Indian and native people in my part of the country have special concerns. Of equal priority to constitutional reform is the need to correct the greatest land fraud in history—the unpaid debt of land entitlements. In my province the federal government generously gave the Hudson's Bay Company 3.3 million acres of land and it swiftly gave the CPR ten million acres. It negotiated with the Indian people and they were entitled to 1.5 million acres through agreements which have yet to be lived up to. My colleague, the hon. member for Nunatsiaq (Mr. Ittinuar) will speak further on this matter. Do these original peoples, whose roots in our country go back thousands of years, deserve that kind of treatment?

I want to deal with resources for a few moments. In order to understand why resources are important to me, to my party, to my province and, indeed, to all western provinces and, in effect, to all of the provinces and territories, one needs to go back in history before the discovery of oil or gas or potash. The national policy for this country, developed by Sir John A. Macdonald, goes back to the days when tariffs were used to encourage the growth of domestic industry in central Canada. An indivisible part of national policy has been the provision of transportation services to the maritimes and the west by the federal power.

Thus, this country grew by two principles: tariff protection for central Canada and efficient transportation for the west and the Atlantic. In recent years, however, the transportation system has not been adequate. As Mr. Justice Hall said in his eminent report, "Feelings exist that western Canadians are the source of someone else's affluence and to a degree they blame the transportation system for their frustration."

For one reason or another, the federal government has never understood this feeling. The Prime Minister (Mr. Trudeau) seems to be unable to speak about western concerns without tipping over a bale stack in the process. During the constitutional negotiations this summer, the Prime Minister asked the west to trade resource dollars for federal investment in the transportation system. In all sincerity and kindness I should like to ask the Prime Minister why the west should pay twice—once through tariffs and once again through resource dollars.

The west has been vulnerable to boom and bust cycles in the economy. I remember the "dirty thirties"—I am a child of the depression. I saw farmers who lost their homes and their farms when four-fifths of the crops went to pay off interest on debt. In the past five years the west has been moving ahead and now that we are moving, our citizens feel others are holding us back just when we have the chance to diversify our economy with resources in order to avoid the boom and bust cycle.

The issue of resources is as important to us, Mr. Speaker, as language and culture is, not only to the people of Quebec, but to the rest of Canada. To us in the west at least, resources are just as important and through bitter experience, that concern has become equal to other concerns. Two decisions of the Supreme Court are part of our bitter experience. In 1973, the government of Saskatchewan levied a tax to capture windfall profits from oil companies. There was no objection to them receiving their cost of production and a reasonable return on their investment. In the CIGOL case, the Supreme Court supported a challenge to the Saskatchewan government's right to levy that tax. It was bad enough that we had to fight the oil industry and the oil corporations but in that instance the minister of justice of the day went to the Supreme Court on behalf of the federal government in support of the oil companies' case. And some people wonder why there is bitterness!

In the Central Canada Potash case, the Supreme Court struck down Saskatchewan's pro-rationing regulations which were originally introduced by a provincial Liberal government. Saskatchewan won both court cases in the lower courts but lost

in the Supreme Court. Neither case upheld a federal law. Both struck down a provincial law concerning resources, leaving the companies unregulated and untaxed by either government.

No constitution is acceptable to the NDP unless it clarifies the situation and provides that natural resources and the right to indirect taxation belong to the provinces. It should provide, specifically, for the provinces to levy indirect taxes; for provincial concurrence with federal paramountcy for interprovincial trade and for provincial concurrence with federal paramountcy for international trade.

If the federal government accepts the principle of provincial ownership of resources and accepts this amendment to the proposed constitution, we will have the beginnings of a workable package. This is not just meaningful to Saskatchewan, Mr. Speaker. I know the premier of Alberta has pooh-poohed this to some extent and said it did not mean much to that province. I wish he had checked with his minister of mineral resources. In the case of Alberta alone, 20 per cent of oil and gas production is freehold, that is, it is on land where someone other than the government owns the mineral rights. Most of those lands in Alberta—and here we go again, Mr. Speaker—are owned by Canadian Pacific and Hudson's Bay Oil and Gas. Production from those freehold lands amounts to 90.5 million barrels of oil annually and 489 billion cubic feet of gas annually. If Alberta is permitted to levy indirect taxation equivalent to a 30 per cent royalty under our constitution on production from freehold lands, it would collect a net in excess of $600 million per year. How rich would you have to be before you would not seriously consider wanting the right to that $600 million per year? By the way, that would exceed Saskatchewan's total income from hydrocarbon production, so it is important. And not only to Saskatchewan, Mr. Speaker.

Sometimes the problem is not so much what the government wants to do as the way in which it wants to do certain things. I have read the resolution for a joint address and it raises many questions. First of all, is it wise to write the constitution in a language that few people can understand? Being an innocent prairie boy, I had a great deal of difficulty understanding some of the wording. One need only look at what I see as being the "guts" of the resolution, section 51 of the Constitution Act. What does that mean to the average citizen? Imagine putting that on a ballot for a referendum.

More important, in my view—and certainly this is not the view of my party as far as I am aware; the party has not officially expressed a view—there is an illusion that this resolution, once it is accepted here and in the United Kingdom, will somehow patriate our constitution. This resolution asks the United Kingdom parliament to pass a law called the Canada act which, in turn, automatically becomes the constitution act. No matter how one reads it, the Canada act will remain on the statute books of the United Kingdom unless and until it is repealed by the United Kingdom parliament. The United Kingdom parliament is totally sovereign over its own laws and it could repeal the Canada act or amend it. I am not saying that the United Kingdom parliament would do that, but it could.

• (1540)

In Canada we do not have provision for a chapter in our statutes. We would have the constitution act printed as an appendix to our statutes, as is the BNA Act. Hon. members know what can be done with an appendix; it can be taken out by a doctor, or in its other sense removed by Parliament. Merely passing this resolution is not sufficient to totally patriate our constitution, neither will unilateral action solve this problem threatening to divide us.

Our country was not created because it was convenient geographically. In the nineteenth century there were serious divisions between us then as there are today. There were some factors then, as there are now, which provide a basis for co-operation. Co-operation 113 years ago was essential because British trade and fiscal policy removing imperial preference left us vulnerable to continental integration. Agricultural and other trade was potentially continental; we had to head off competition with the Americans. Co-operation was required from all people in Canada in those days. It still is. The Canadian Wheat Board is a good example. The first American canals and railways pressured us into building railroads. These were expensive ventures which required a strong federal government. However, it has always been the case that we also need strong provincial governments. After all, it was the provinces—New Brunswick, Nova Scotia, Upper and Lower Canada—which originally passed resolutions to create the BNA Act. There was no national Parliament as we know it now. The constitutional debate which create our country had input not just from heads of government but from the general consensus of the people.

I regret very much that following the September 8 to September 12 conference the government did not follow a policy resolution of the New Democratic Party. I want to read it into the record. We said, prior to the conference that if by the end of the first ministers' conference there is deadlock and no prospect of success through the first ministers' negotiating process alone, in the place of unilateral action, which could be divisive, we recommend a new round of deliberations be started almost immediately and that the conference participants include multiparty delegations selected by Parliament and each of the provincial legislatures. These delegations should be made up of equal numbers of delegates from each province and the number of delegates from Parliament would be equal to the total number of delegates from the provinces. We further said, Mr. Speaker, that in addition, the original peoples be given the right to direct representation and vote in the deliberations; that the multiparty delegations from the Territories be given the right to direct representation and vote in the deliberations; that a delegation of women's organizations be given the right to direct representation and vote in the deliberations, and that after a series of regional meetings in the intervening period, this process of deliberation end one year from now. We stated, also, that a two-thirds majority of those individual delegates present and voting on proposals in each session should determine the recommendations by the conference and that the package of proposals produced by the

negotiations would require ratification by seven legislatures representing all of the regions of Canada, one of which must be the province of Quebec, and by the Parliament of Canada. Having obtained such ratification, these proposals would then constitute law and would then constitute Canada's constitution.

I guess it is too late for the government to do that now. We just wish they had listened and taken that into account and considered doing it.

I want to close my remarks with some final thoughts on the whole matter. However, allow me first to complete my remarks in terms of whether or not we are following the best method. I do not disagree with what the government wants to do; I do disagree with some of the ways in which the government proposes to do it. We are being asked to have the parliament of the United Kingdom pass an act which has the force of law in Canada. It seems to me that one thing you do not do is allow one legislative body and government to set the rules for the structure of executive powers which are to reside somewhere else.

As a result of the Quebec referendum, the government—and I understand this—has chosen to move quickly, albeit unilaterally, in order to try to satisfy the people in Quebec, as well as all the rest of Canada, who want to have their constitution brought home. Yet the action being taken by the government has been rejected by the people in Quebec, certainly by Mr. Lévesque and by Mr. Ryan. This should give the government pause and cause it to be even more favourably disposed to receive and accept amendments from members on this side of the House as well as amendments from its own side.

When any one of us from any party presents a case, a point, a suggestion or an amendment, it should be received and considered in good faith as being sincerely and honestly meant, in the most open, positive and most favourable way possible by all other members of this House and of the committee.

I close by saying that the government having made the decision it has made—and it has the right to make the decision in terms of how the government wishes to proceed—this Parliament has the opportunity to bring about an accomplishment which could be heralded, remembered and spoken about for the next 200 years. We have that opportunity, provided we all deal with this together in a spirit of co-operation. If we do not deal with this in that manner so that it will be something spoken of and remembered and recognized for the next 200 years, we will not have done our job very well. We will have let down our country and our people.

We do well to remember and think about our original peoples and all they have done over these thousands of years; we might all think about and remember *les habitants* and all they have done since they came to this country and pioneered in the Atlantic and Quebec regions and then in the west. Think about all those who came since then—the English-speaking peoples, the peoples of many other races and cultures, who settled this country. I invite my compatriots here to consider, too, what some others have done. Specifically, I want to tell my hon. friends in this chamber about one of the most moving experiences of my life. It occurred when I visited a cemetery in Adagem, which is in northern Belgium. There were 980 Canadians aged 19 to 30 buried there. They were from the Regina Rifles Regiment, the South Saskatchewan Regiment and the Royal 22nd Regiment, the Van Doos. There were the names of French and English Canadians alongside Polish, Ukrainian and German names. When all of us are carrying on this debate, deciding on how to conduct and address ourselves to succeeding generations, let us remember all of those and make sure that what they have done has not been for naught.

Some hon. Members: Hear, hear!

● (1550)

Mr. Ron Irwin (Parliamentary Secretary to Minister of Justice and Minister of State for Social Development): Mr. Speaker, that was a very moving finish to a very eloquent speech. It is indeed an honour to be here today to address what is a very important resolution not only to this House but to the country, a resolution which will ultimately patriate our constitution for the last time, which will entrench a charter of rights and give us an amending procedure.

It is my hope that this matter will soon go to the committee of the House and the Senate so that it can be expeditiously dealt with at the committee level and a joint address sent to England and the Queen before Christmas. It is unfortunate that a group of premiers have decided to take us to court, but not unexpected. The premiers of this country have been looked after by a successive number of federal parliaments. It is about time we started to look after the country. I am going to quote a lot of Conservatives. In 1865, Sir John A. Macdonald made a very profound observation. He said:

> We have strengthened the general government. We have given the general legislature all the great subjects of legislation. We have conferred on them, not only specifically and in detail, all the powers which are incident to sovereignty, but we have expressly declared that all subjects of general interest not distinctly and exclusively conferred upon the local governments and local legislatures shall be conferred upon the general government and legislature. We have thus avoided that great source of weakness which has been the cause of the disruption of the United States.

In the ensuing 115 years, through judicial interpretation and legislative negotiation, we have gone in the complete opposite direction. It is a myth today to say that the federal government is stronger than or even as strong as the collective powers of the provinces. Let me set out immediately the distribution of direct expenditures on goods and services between the two levels of government over the past 113 years.

In 1870 the federal government spent 52 per cent and the provincial governments, including the municipalities, 48 per cent. By 1926 we were down to 26 per cent and the provincial and municipal governments up to 74 per cent. In 1950 we moved up to 48 per cent with a provincial-municipal level of 52 per cent. In 1975 we were down to 24 per cent and the provinces with the municipalities were spending three times as much as us.

We have been too generous to the provinces and in our generosity have seriously impaired the imbalance of federal-provincial relations. No matter what party you belong to, you

are still a member of this Parliament and want to maintain a balance. Either that or you do not understand what confederation is all about.

I might say that one of the most generous periods has been under the present Prime Minister (Mr. Trudeau) in the last 12 years.

Some hon. Members: Oh, oh!

Mr. Irwin: You laugh, but the facts say so. Check them. Instead of talking rhetoric, go to the figures, they are there.

Madam Speaker: I am sorry to interrupt the hon. member, but I am prepared to rule now on the amendment proposed by the hon. member for Nepean-Carleton (Mr. Baker). I am in the hands of hon. members. I could delay the ruling if the hon. member wants to continue his speech. However, since the amendment is an important one, I am prepared to listen to some argument from both sides. I do have some reservations about the amendment; however, I am prepared to rule now. I am in the hands of hon. members as to whether they would like me to rule now or have the hon. member continue.

Mr. Collenette: Madam Speaker, after quick consultation with my colleague, the Parliamentary Secretary to the Minister of Justice (Mr. Irwin), may I say he will be quite willing to yield the floor to you to give this judgment at this time. It is crucial that we have a ruling on the substance of the amendment proposed by the hon. member for Nepean-Carleton. We are quite in agreement with that.

Mr. Baker (Nepean-Carleton): If you make your ruling now, Madam Speaker, you will not be permitting us to argue in advance of having prepared the ruling. I wonder if the hon. gentleman would like to continue his speech. I do not want to hold up the debate. What is being suggested could be done the first thing after question period. It appears there is some doubt on the part of the Chair. I would like to be able to consider an argument with respect to it because I put the motion forward quite seriously. I hope that will be agreeable to my hon. friend.

Madam Speaker: That is acceptable to me, if that is the desire of the House. If we hear the hon. gentleman, we will have to think about what we do at four o'clock. We would again have to decide whether to continue with this matter or take it up on Monday.

Mr. Collenette: I am sorry, Madam Speaker, I misunderstood. I thought you were going to render a decision on the admissibility of the amendment proposed last evening. If you are saying you want to entertain argument, before you make your definitive decision, I suggest that we hold this over until Monday.

Madam Speaker: Is that agreeable to the House?

Some hon. Members: Agreed.

Madam Speaker: We will hold it over until Monday.

Mr. Irwin: I will continue. Sir John A. Macdonald strengthened the union. He knew the union and knew what he wanted to do. We have gone through a traumatic experience in Quebec—and we have short memories if we do not think it was. Having overcome a cultural challenge, we are now looking at an economic challenge. It makes little difference to me if this country is destroyed culturally or economically. In the end, it is the same result.

Last weekend I was in my riding of Sault Ste. Marie. Whenever possible, I discussed the constitution with various friends. Quite frankly, in Sault Ste. Marie at this time of the year it is not the main topic of discussion. We do not stand on street corners and talk for 40 minutes about the constitutional debate. However, I did try. I found, as probably most members opposite found, that the people want patriation. They want an end to 50 years of endless and often needless debate. There is a time when you have to get off the ski lift and attack the hill. I suggest that members opposite are too frightened to get off the ski lift and do something.

Some people have asked, what is the disagreement. Actually, they ask what we are doing here. I have a certain difficulty explaining to them that on most of the items we have agreement. We all want patriation, we all want some charter, we all agree on entrenchment of fundamental rights such as conscience, religion, expression and a free press. There have been no serious disagreements about democratic rights such as voting and the duration of legislatures and parliaments. There have been some questions about mobility rights, but in our hearts, as indicated by the speeches, it is obvious to all present that we want Canadians to be able to move anywhere in Canada and work at what they want without having to be born in a specific province or having to live in a specific province for a certain number of months.

• (1600)

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

PRIVATE MEMBERS' MOTIONS

[*English*]

Mr. Deputy Speaker: Notice of motion No. 8, the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty). Shall the item stand?

Some hon. Members: Stand.

Mr. Deputy Speaker: Stand by unanimous consent. Item No. 11, the hon. member for Waterloo (Mr. McLean). Shall the item stand?

Some hon. Members: Stand.

Mr. Deputy Speaker: Stand by unanimous consent. Item no. 12, the hon. member for Prince Albert (Mr. Hovdebo). Shall the item stand?

Some hon. Members: Stand.

Mr. Deputy Speaker: By unanimous consent.

Item No. 14, the hon. member for Lévis (Mr. Guay). Shall the item stand?

Some hon. Members: Stand.

Mr. Deputy Speaker: By unanimous consent.

* * *

OFFICIAL SECRETS ACT

REFERENCE OF CONTENTS TO STANDING COMMITTEE

Mr. Albert Cooper (Peace River) moved:

That the Standing Committee on Justice and Legal Affairs be empowered to study the contents of the Official Secrets Act and to recommend any changes that the committee deems necessary, in order that the act would be limited in its application to enemy espionage and offences to national security.

He said: Thank you, Mr. Speaker. As indicated in the notice of motion, it should be obvious to some that the purpose of this motion is to revive a motion of a similar nature made in this House by my predecessor, the Hon. Gerald W. Baldwin, one of this nation's greatest champions of human rights. Mr. Baldwin, as I understand it, is now happily retired. I am sure he is watching us all very closely to make sure we do not let this motion get talked out, but will let it proceed uninhibited.

You will notice, Mr. Speaker, that unlike my predecessor's motion, my motion does not attempt to restrict the government's claim of Crown privilege in committee. Thus, I fail to see any reason why the government should not support this motion. All it asks is merely that the Official Secrets Act be studied with great care by the committee. There can be no harm in that, only a great deal of good.

I am confident all members on both sides of the House will support this motion in the same way as they supported the motion by Mr. Baldwin. I was not in the House the last time around, but now I and other newly elected members have the opportunity of showing our support for this badly needed public scrutiny of the Official Secrets Act.

I sincerely hope the Right Hon. Prime Minister (Mr. Trudeau) will once again show his support for this cause for which Mr. Baldwin struggled so long. It would indeed be fitting if today the House passed this motion, almost exactly one year since Mr. Baldwin moved his motion under Standing Order 43. It would, I feel, be a great gesture of respect and admiration for the many years Mr. Baldwin devoted to this place. Therefore, Mr. Speaker, I am asking hon. members to unanimously support this motion since doing so will result in a great step toward alleviating this nation of a 69-year old pain in the democratic neck.

I have recently been informed that the Department of Justice is presently reviewing this antiquated act. We in this House are all happy to hear it, but that should in no way constitute a reason for this House not passing my motion. We must act now, and since the Department of Justice is studying the matter I hope its officers will provide their full co-operation to the committee.

I hope the Prime Minister will again see the light as he did one year ago. I hope the government will not deny the people of this country the opportunity to take this legislation out of the justice department's dark and mysterious secret closets.

At this point I suppose I should begin to speak at length on the precise reasons for which this act is such an inherent evil contained within our statutes, but I feel we all know and have witnessed the detrimental results which occur when citizens have been prosecuted under it.

We all watched with disbelief as one of this nation's respected daily newspapers, *The Toronto Sun*, was prosecuted for merely carrying out its duty to the public. We stood aghast while good Canadian citizens such as Peter Treu were being stripped of their rights, and while people were being told they did not even have the right to a public trial. Today we sit and wonder why it has taken a decade, ten long, frustrating years, for the people whose rights were violated, for the truth about the October crisis, to begin to trickle out from the cracks of bureaucratic secrecy in the name of national security. Some 650 people were arrested during that nightmare in 1970—650 reasons why the Official Secrets Act must be reviewed.

I should mention that this is the first time I have risen in this House to speak. It is indeed a great honour for me and I look forward to the years ahead during which I hope I will do this place honour by upholding its many fine traditions. I should very much like to speak at length about the constituency of Peace River, explaining to you, Mr. Speaker, what makes the land of the mighty Peace such a glorious place to grow up in and such a beautiful place to grow old in. However, I am afraid I do not feel it appropriate that I go into that now. I feel it is more important to tell this House through you, Mr. Speaker, of the deeply felt concern and anxiety the people of the Peace River constituency are conveying to me at the present time. The people of Peace River, of Grande Prairie, of Valleyview, the people of all the towns, villages and hamlets, the native peoples, the people who work the land in order that the rest of the nation may put bread on its tables, the people who work 12 and 16-hour shifts seven days a week on the drilling rigs in order that the rest of the nation may be able to keep its houses warm in the winter, its food hot and its cars running; all the people of Peace River from all walks of life are worried. Their worries are increasing daily.

Does the Prime Minister know why they are worried? Does the Minister of Justice and Minister of State for Social Development (Mr. Chrétien) know why they are worried? Does the Minister of Energy, Mines and Resources (Mr. Lalonde) know why they are worried? I do not think they know; it is their job to know but they do not, and I suggest they do not because they do not want to know.

The people of Peace River are not frightened about the economy of the entire world sliding down hill, for they are strong and they know that with good government the country will continue to grow and develop. The people of Peace River are not afraid of global war because they know that is in the hands of God and not something they should worry about. They shall always voice their dismay at any war and they will always be ready to stand and defend their country, their Canada, from enemies which may threaten our borders.

What the people of Peace River fear is none of these things. They fear more than anything Canada's present federal government. This is a well-informed electorate and the people realize all too well the inherent dangers the entire nation faces today, particularly now when they hear members of the Trudeau administration talking about federal unilateral action on the constitution with referenda rigged in order that the federal government may bypass the people's chosen representatives in provincial legislatures.

The people of Peace River listen with astonishment as the Minister of Energy, Mines and Resources tells people across the country that Albertans are villains, greedy culprits wanting to ruin the nation. They listen closely when the Prime Minister talks of how much he wishes to uphold the rights of Canadians and of how he wants to enshrine a bill of rights in the constitution, yet they are astounded when they hear this same Prime Minister saying it will be possible for these enshrined rights to be taken away through the federally-initiated mechanism of a referendum.

Members of the government say they will not take away the rights they will so graciously grant us. They tell us it is the people alone who will be able to take our rights away through this referendum mechanism. Looking back to 1970 it is possible to see what a fallacy this is. If the country had been put to a referendum at that time on whether the War Measures Act should be invoked I think the government would have found the support it needed. I will return to this subject in a moment.

First I should like to examine the real reason the federal government so badly wants the referenda clause inserted in the constitution. I suggest to you, Mr. Speaker, that this is nothing but a means for this government to turn this country into a wholly unitary state. The people of my constituency are alarmed at this prospect for they know this country cannot function as a unitary state. They are not the only ones who realize this fact. If I may, I should like to refer the House to a quotation from a statement by one of the elder statesmen of this place. He said:

> —a unitary state simply will not work in Canada. Theoretically . . . a unitary state enables a country to deal with problems more quickly, more simply as they arise. But if it means breaking up the country, what kind of efficiency is that?

● (1610)

I wonder if the Right Hon. Prime Minister remembers saying those words. If not, *Hansard* of April 25, 1969, will serve to refresh his memory. Now the Prime Minister proposes to patriate the constitution unilaterally and he proposes to insert a clause enabling him to bypass the provincial governments. By doing so, he sets a very dangerous precedent; we all know that once power is taken, it is seldom if ever given back.

I wonder whether the Prime Minister has changed his mind since he pointed out the dangers of a unitary state over ten years ago. Does he now believe that a unitary state is not as dangerous as it was a decade ago? If he does believe this, then I and the people of Peace River must protest. By adopting this "deadlock-breaking mechanism", as the Prime Minister likes to refer to his section 42 of the Pierre Elliott Trudeau act, he is in fact bypassing the people's chosen regional representatives, and therefore he is setting up the initial step towards turning this country into a truly unitary state.

Once again I would refer the House to a statement the Prime Minister made about four years ago. On April 9, 1976, he told the nation, and again I quote:

> I have raised the possibility that Parliament might seek to have patriation accomplished without provincial consent if that consent seems impossible to achieve. Clearly it would be a last resort and clearly it should not be on the basis that could affect the distribution of powers or the position of the provinces. I must not provide any means by which Parliament could act unilaterally in future in any area where it cannot do so today since that would erode the essence of our federal system.

Yet is that not what he is doing right now? Is not section 42 of the constitutional resolution a means by which Parliament could act unilaterally in an area where it cannot do so today? And therefore would that not erode, as the Prime Minister himself indicated, the essence of our federal system? And, again according to the Prime Minister, would that not break up the country?

In looking to the future I can envisage a situation that would be considered a crisis, just as the events of October, 1970, were considered a crisis. I can envisage the federal government wanting to take advantage of the situation for political purposes, as it did in 1970.

The government would make a mountain out of a molehill, even though it would be a rather large molehill, just as it did in 1970 when the Hon. Jean Marchand stood up in the House and told the entire nation that there were over 3,000 terrorists in and around Montreal about to blow up the city and planning the overthrow of the national government. The truth of the matter, as has been shown in the recently-leaked Quebec government study, is that Marchand's statements were nothing more than a fabrication. I can see the government attempting some time in the future to whip the country into a frenzied panic in order that it may do what it wants, and in the way that it wants. The country will be goaded into believing that only the government can save it, just as happened in 1970. And the Official Secrets Act will be used to prevent any honest bureaucrat from coming forward with the truth for fear of being prosecuted.

Yes, Mr. Speaker, the people of the Peace country are worried. They do not wish to see the country destroyed. They do not wish to see the Government of Canada, in the name of a crisis, move unilaterally into areas which are not its to move in.

They do not wish the government to have police state powers as listed in the War Measures Act or in the Official Secrets

Act. They do not wish any of these things that could be brought about through a referendum.

But it seems the federal government will not listen. Its members are content with their formula. They care not that it will bring about a tyranny of the majority, because they know that it will open the door for them to turn Canada into a unitary state. But they are naive in thinking that they will be successful. The government will destroy the nation if it persists in its attempts, and this is what the people of my constituency fear more than anything.

The Prime Minister had the country sucked in in 1970, and he thinks he can suck the country in again in 1980. Well, he does not have me fooled, he does not have the people of the Peace River riding fooled and I am confident he does not have the people of Canada fooled.

The people of Canada want honest government. They do not want the Official Secrets Act as it now stands. They do not want one man or one party acting alone to change the constitution. They do not want any more propaganda on their television screens.

I think the time has come for this government to own up to the people. It is still not too late. It can still change its course; it can start right now by giving immediate approval to this motion. Let hon. members opposite reach into their consciences so that perhaps they may see the light, although it appears that too many years in power have forever dimmed the light of truth for the governing party of this country.

I would like to close by once again paying tribute to one of the greatest parliamentarians who has ever stood in this chamber. I think that Jed Baldwin is very happy that he is not here any more, that he does not have to put up with this government and its evil ways. But if he were here today, I know what it is he would tell this government. He would look hon. members opposite straight in the eye, and deliver his favourite quote from Scripture: "The truth shall set you free". In honour of this great man, I shall humbly repeat him: "The truth shall set you free".

Mr. Neil Young (Beaches): Mr. Speaker, the need to review the Official Secrets Act must be obvious to everyone. It is certainly obvious to the members of the New Democratic Party, and we urge the government to give its full support to the motion as do we in the New Democratic Party.

Mr. Ron Irwin (Parliamentary Secretary to Minister of Justice and Minister of State for Social Development): Mr. Speaker, I would like to commend the hon. member for Peace River (Mr. Cooper) for his remarks in his maiden speech. It is my privilege today to address a few remarks to his motion, and I would like to repeat the motion because it is important.

That the Standing Committee on Justice and Legal Affairs be empowered to study the contents of the Official Secrets Act and to recommend any changes that the committee deems necessary, in order that the act would be limited in its application to enemy espionage and offences to national security.

A great deal of discussion has evolved around the Official Secrets Act, and just about everyone agrees there should be major amendments and a major redefinition. As most hon. members are aware, there is a great similarity between our act and the English act, as they were both fostered in the same country. In 1972 the Franks report, which is an English report dealing with the English act, said the following in the opening statement:

The Official Secrets Acts have been in existence in this country for only eighty years.

The Franks report sets out a fundamental evolution that we tend to forget. It states that, and I quote:

—economic manoeuvres (of a country) have come to be considered no less vital to the basis of the life of the community than the movement of its troops.

We are talking economic war nowadays as well as atomic war and war by machines.

The Franks report also points out a second very important evolution with regard to the massive information we have now accumulated. There is a feeling that the government should safeguard the confidences of its citizens almost as strictly as it guards information of use to an enemy. It is staggering to the bureaucracies just how much information we do have about individuals, and there is an onus on us to use that information tactfully and for the purposes intended and not to make headlines for *The Toronto Sun*.

● (1620)

The Franks report sets out one of the more definitive sections which I have read on general issues. It states:

We have so far indicated these wider issues in the most general terms. But they can be more simply expressed. Even a democratic government requires a measure of secrecy for some of its functions, as a means whereby it can better carry out its duties on behalf of the people. Among the primary tasks of government are the defence of the nation from external threats, the maintenance of relations with the rest of the world and the preservation of law and order. Defence against external attack would be severely prejudiced if potential enemies had access, directly or indirectly, to the details of our plans and weapons. It would be impossible to negotiate with other countries if all discussion, however delicate, was conducted completely in the open. Some measures for the prevention or detection of crime would be ineffective if they were known to criminals. Some of the internal processes of government should be conducted in confidence if they are to result in effective policies.

Against this need for security, the report then goes on, at page 12, to give the other side of the coin, the need of citizens for openness by governments, when it states:

A government which pursues secret aims, or which operates in greater secrecy than the effective conduct of its proper functions requires, or which turns information services into propaganda agencies, will lose the trust of the people.

That is so true.

It will be countered by ill-formed and destructive criticism.

That is also true.

Its critics will try to break down all barriers erected to preserve secrecy, and they will disclose all that they can—

We have seen that happen.

—by whatever means, discover.

We have seen that happen.

As a result, matters will be revealed when they ought to remain secret in the interests of the nation.

These two statements, so simply put in the classical English method, reek with the sound of truth and common sense. A balance must be struck by the government and guidelines must be drafted that are utilitarian and understandable.

There is a need for security in certain matters, but there is a greater need for our civil servants to deal effectively with the public, knowing the limits of their authority and without fear of repercussion, such as losing their jobs. We do not need civil servants who say nothing because they have been burnt too many times, nor civil servants who say too much because they do not know any better or out of a sense of pure vindictiveness.

The Prime Minister (Mr. Trudeau) has set certain guidelines. Quite frankly, I understand four of them and I have difficulty with the fifth. In the first four he wants public servants to communicate with the public, members of Parliament and the news media. The guidelines encourage frankness. There is an admonition not to discuss advice or recommendations tendered to ministers or to speculate about policy deliberations or future policy decisions. These are contained in the first four sections. It is the fifth section which ties in with what the hon. member was saying, because the guideline states:

These guidelines cannot and do not authorize the disclosure of information which is specifically prohibited by law.

The problem is that we do not know what is specifically prohibited by law.

As Sir Lionel Heald, former attorney general of England said, in the extreme case, the official act would:

—make it a crime, without any possibility of defence, to report the number of cups of tea consumed per week in a government department.

Sir Lionel was probably overstating the case, but he was not overstating the problem. Most of the disclosures are handled either as disciplinary matters or merely as a learning experience where a subordinate is talked to by his superior. This is a normal administrative procedure designed to deal with unintentional disclosure, or disclosure resulting from lack of experience. This policy will continue.

The problem with which we are dealing today is not the same. The problem today is: when does disclosure become a criminal offence.

The Official Secrets Act can be divided into two sections, the espionage section and the unintentional leakage section. The recent Peter Treu and *Toronto Sun* cases are examples of leakage. The espionage cases are self-evident and I will return to them in a minute.

There is a great deal of thought being given to dividing these two types of offences and putting them in different statutes; to put the espionage section in the Criminal Code and the leakage section in what could be termed a legal statute, and then repealing the act. This is probably what we should do, although I cannot speak for the government.

There is a line of thought—and if you have done Crown attorney work or been a Crown attorney, it is quite cogent—which says keep them together. We should consider this, because in many cases when there is a moral certainty that a person is guilty of espionage, he cannot be convicted, for one reason or another. In many cases, the witnesses refuse to testify and then, even though the process may start at that level, it winds up as a conviction for leakage. Notwithstanding this, I think that on the whole the weight of opinion leans toward dividing up the offences, which is what I think is the intention of the hon. member in his motion.

I think the problem is much broader than this, and that is why I would not recommend endorsing the motion. The Official Secrets Act was passed in 1939, and prior to that time we were governed by the 1911 English legislation applying to our country. Several minor changes were made in 1950, 1967, 1970 and 1973. Half of the Canadian prosecutions under the Official Secrets Act arose as a result of the defection of Igor Gouzenko in 1946 when he was trying to set up a spy network in Canada. Since that time there have been only four prosecutions: Against Biernacki in 1961, Featherston in 1967, Treu in 1978, and recently *The Toronto Sun*, its publisher and editor. Biernacki was a landed immigrant from Poland who was doing some advance work in preparation for setting up a spy ring in Canada. He was discharged at the preliminary hearing because, in the words of the then Judge Shorteno, the information was "insignificant, worthless public information".

To some, this decision might indicate that our civil liberties are well protected. To others, it might leave the impression that we need more internal security, more manpower or more teeth in our legislation.

The Featherston case was clearcut. Featherston was convicted for attempting to pass secret marine charts to the Soviets showing positions of shipwrecks off the east coast. I gather—I am no expert on submarines and my lack of knowledge of maritime law is so significant that it is worthy of respect—that submarines can use these shipwrecks to remain undetected by radar. Featherston was convicted and he received a sentence of two and a half years.

Treu, as you know, Mr. Speaker, was ultimately acquitted and *The Toronto Sun*, which published a "top secret" document outlining suspected Russian activity in Canada, was also acquitted when Judge Carl Waisberg said that "the document was no longer, if ever, secret".

Let me say as an aside that the Treu case was conducted in camera. In that case the lawyer made no objection so I do not know whether he preferred it or whether he just felt he could do nothing about it. But that should be something we should consider: should there be the absolute right, except in certain specific circumstances where the onus lies on the Crown, for the accused to have an open trial?

Under a section of the act—I do not know the exact number of the section but I think it is section 50—the Crown may proceed either by indictment or summarily. The option is the Crown's, the penalties are so diverse and the act gives such great powers to the Crown that we should look seriously at those two sections and, as has been recommended by several leading authorities, we should get rid of one, perhaps the summary section, to go with the indictment and to grade our penalties. The Dollard commission, I think, suggested life in one circumstance and six years in another.

There is no right to a jury, and this is probably the only really serious offence where there is no right to a jury. I certainly feel this right should be given. This is something that should be considered. It could be solved easily by following the McDonald commission and making the jury subject to a quasi-official secrets act, and if they speak of the evidence at any time thereafter, they could be convicted of a crime. In that way, the accused would have the right to a jury and the secrets could be protected.

A very good book has been written by M. L. Friedland of the faculty of law of the university of Toronto and was commissioned for the McDonald commission. It is called "National Security: The Legal Dimensions." In that book, Mr. Friedland dealt with many presumptions. Naturally I have not read every statute, but I have never seen so many presumptions against an accused in such a short document as the Official Secrets Act. I have always disliked evidentiary presumptions. I say that because of my experience as a former police commissioner, a one-time prosecutor and a bureaucrat who had to regulate for a short period of time. Presumptions are short cuts that lead to laziness and a mistrust of the judicial system, but I have never seen them make the system better. As a matter of fact, the more the presumptions the better chance the accused, even if acquitted, will walk away from the courtroom with the sense that justice was not done. Mr. Friedland dealt fairly with the presumptions. He showed how presumptions are used to foster further presumptions. If "A" occurs there is a presumption that "B" occurs; because "B" is presumed then "C" is presumed. It goes beyond what one would normally expect to find in presumption sections. This should be looked at by the committee. I doubt some of these sections would even stand up if the constitutional act passed.

● (1630)

Page 54 of Mr. Friedland's book deals with the penalties for the offence of leakage, a maximum of 14 years being much too high. Even though the courts would never impose it, they assume when Parliament assigns so many years to an offence that it is an indication of our disposition toward the crime. I do not think anyone here intends that 14 years should be the maximum penalty for leakage. I found page 57 of this book interesting. I was a regulator for the CRTC for three years, and I was a part-time commissioner. I have a fair knowledge of the way the media works. There is no such thing as a free media because many things govern what it does, such as the publishers, the size of the media or the advertisers. But there is a growing concern in the country that the media feels it has the right to publish anything it gets its hands on by whatever means. This is not the attitude of Mr. Friedland, nor is it the attitude of the McDonald commission. Recommendation 14 reads as follows:

The communication of government information relating to security and intelligence or the administration of criminal justice by a person who receives such information, even though such information is unsolicited, be an offence.

I think that view should be supported and it is something at which the committee should be looking. Also Mr. Friedland dealt with designation by the minister: should the minister have the right to designate something top secret or should the court decide? It is important that the courts decide because almost everything accessible to bureaucrats is marked "confidential" or words to that effect. It is a system that is too loose to be incorporated in what we traditionally regard as the criminal law.

The final report of the McDonald commission dated October 9, 1979, was very refreshing. It pulled no punches, it was clear and concise, readable and understandable. One does not have to be a lawyer to understand it perfectly, whether one agrees with all of it, some of it or none of it. I agree with the intent of the motion of the hon. member, but there is a weakness in it. It is the strict limitation of the motion which is evident even upon a cursory review of the first report of the McDonald commission. I will run through a few of the sections. Recommendation 1 suggests a single enactment of offences relating to espionage. Recommendation 2 suggests that espionage offences apply only to communications directed to a foreign power. Recommendation 5 sets out the definition of espionage. It is a good definition, but in itself it should be the subject of great debate because the report of the McDonald commission recommends that an offence occurs:

—if such persons know that the foreign power will or might use some information for a purpose prejudicial to the security of Canada or acts with reckless disregard of the consequences of their actions to the security of Canada.

Is that standard too narrow? Should it be broader than that or should we just say, "If it is a reckless disregard you will be convicted; if it is not, even though it might be negligence, you will not be convicted."? Recommendation 6 would repeal the provisions of the act relating to a prohibited place, which has not been an issue here but has been an issue on nuclear rearmament in England. Recommendation 7 deals with harbouring and suggests that a person accused of harbouring should only be convicted if he or she has knowledge of the commission or the anticipated commission of an espionage offence. It is a narrower definition than the old one and fairer to the person who might be caught in the situation of meeting up with someone who has been involved in espionage. Recommendation 8 is a suggestion for a new offence, the possession of espionage instruments. It is similar to the possession of burglar tools.

There are several recommendations dealing with leakage which merit careful scrutiny by the standing committee. Recommendation 19 suggests the removal of the summary conviction provisions. Recommendations 20 and 21 deal with juries. Recommendation 22 suggests that the espionage section be increased to life imprisonment in one case and to six years in the other, whereas in recommendation 23, the McDonald commission recommended that the penalty be reduced from 14 years to six years.

Mr. Deputy Speaker: I regret to interrupt the hon. parliamentary secretary but his allotted time has expired.

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, I wish to speak for a few moments on this motion. I congratulate the hon. member for Peace River (Mr. Cooper) for continuing the excellent work of his predecessor, the Hon. Jed Baldwin, who started the fight many years ago for the freedom of information. Mr. Baldwin is a very honourable gentleman who is well respected by members on all sides of the House.

I should like to deal further with the position of the Conservative party in supporting this motion and our position regarding freedom of information. We have a policy paper respecting freedom of information. We made it perfectly clear that the Conservative party approved the freedom of information principle in the 1972, 1974 and 1979 elections. Mr. Baldwin conducted a cross-Canada newspaper campaign to elicit public support for freedom of information legislation and received about 4,000 letters of support from individual Canadians; this support is probably much larger today. A couple of years ago an all-party committee on freedom of information in its report urged:

—all members of Parliament, on a non-partisan basis, to join the committee and press for strong freedom of information legislation in the present session of Parliament.

Also the committee made the following recommendations:

That freedom of information legislation be enacted in the present session of Parliament.

That the act provide for judicial review by a panel of federal court judges.

That the exemptions for releasing documents be specifically and narrowly drafted.

That the freedom of information bills presented by the government be subject to a free vote.

Our policy paper under the section entitled: "Official Secrets Act" reads as follows:

A Progressive Conservative government will review the procedures used in the classification of government documents to ensure that non-sensitive material is not classified and its release and discussion thereby prevented.

In the last Conservative government the Conservative House leader, the hon. member for Nepean-Carleton (Mr. Baker), released a statement on freedom of information legislation. He stated:

Instead of everything in the government's possession being secret unless decided otherwise, everything will now be public unless declared secret under precise terms defined by Parliament.

It is unfortunate that we cannot get the present government to take that position. One wonders what it is trying to hide all the time. I think this comes from having been in office too long. The hon. member for Grenville-Carleton (Mr. Baker) also stated that it was the intention to enable taxpayers to find out just what their government is up to and just how their money is being spent. I think Canadian taxpayers certainly have a right to know this. In a statement made on October 24, 1979, he said legal opinions generated within the government should be released. We had an example today, when we were discussing the constitution, of the government refusing to give us any information they have on legal opinions whether it is legal or not to bring the constitution back in the way they are proposing. We thought we were making some headway when the present Secretary of State (Mr. Fox), in July of this year, introduced a bill to lift the curtain of secrecy. That hope was short-lived, because a secret document leaked in August—it seems the majority of our documents are leaked to us, which is a ridiculous way for the official opposition and the other opposition parties to be able to ask proper questions—stated the information bill had a very low priority with the present government. The parliamentary secretary tells us how they support a bill and what a wonderful bill it is, congratulating the hon. member on his fine efforts. Then they talk it out right until five o'clock. I think that is ridiculous. This would be an excellent bill to refer to a committee for discussion; the committee could carry on with its work while the House carries on here with its work. Maybe we will find a parliamentary secretary today on the Liberal side with some intestinal fortitude who will refuse to read out the civil-servant-prepared document he was given to enable him to talk this out until five o'clock. Let us have a little surprise from the other side of the House on this Friday afternoon.

● (1640)

Mr. Louis R. Desmarais (Parliamentary Secretary to Minister of Labour): Mr. Speaker, I welcome the opportunity to speak on the motion by the hon. member for Peace River (Mr. Cooper) this afternoon. I followed his remarks on his motion very closely. The motion reads as follows:

That the Standing Committee on Justice and Legal Affairs be empowered to study the contents of the Official Secrets Acts and to recommend any changes that the committee deems necessary, in order that the Act would be limited in its application to enemy espionage and offences to national security.

I was about to tell the hon. member he was continuing the tradition espoused by his predecessor from Peace River and would be a vigorous spokesman for open government. However, he did not say very much about his motion. He used most of his time to enter the constitutional debate. I might say to the hon. member that his predecessor would not have done that.

There are two broad themes I wish to develop in my remarks. I think the last speaker will be pleased to hear that like the hon. member on his motion I believe there is good reason to reform the Official Secrets Act. However, I cannot accept his motion at this time. The wording of the motion is quite wrong. It prejudges the work of the standing committee. I also believe this is not a suitable time to refer the Official Secrets Act to a standing committee of the House.

Before elaborating on my areas of agreement and disagreement with the hon. member I will refer briefly to some of the background to the current situation. Canada's Official Secrets Act is the outgrowth of a United Kingdom statute and in many important respects it continues to parallel the legislation on the statute books at Westminster. The first U.K. law was passed in 1889 due to continuing leaks of government information. It was aimed at preventing unauthorized disclosure of government information, whether for espionage or for other reasons. The first Canadian Official Secrets Act was passed in 1890 and its provisions were transferred to the Criminal Code

when it was enacted in 1892. The official secrets provisions in the Criminal Code were amended in 1911 in conjunction with U.K. amendments introduced the same year. The official secrets provisions remained in the Code until 1939, when Parliament passed a separate statute, which was largely carry-forward of the Criminal Code provisions.

The Official Secrets Act deals with two broad areas of concern. The first is a series of offences related to espionage. These offences are found in section three of the act, with a few exceptions. The second area is authorized disclosure, loosely described as leakage, and a number of related offences which are found in section four. Since 1939 there have been 21 prosecutions for breaches of our Official Secrets Act, or conspiracy to breach the act. Nine of them resulted in convictions. Three prosecutions were based on section four—leakage—alone, and section four was used as an additional count in another. All the other prosecutions were based on section three—espionage. The great majority of prosecutions arose as a result of the 1946 defection of Igor Gouzenko, a Soviet embassy employee in Ottawa. Gouzenko told a tale of intrigue about Soviet spy operations in Canada. Since the Gouzenko incident there have been only four prosecutions, two for espionage and two for leakage. Only one of these prosecutions, for espionage, resulted in a conviction.

I do not intend to discuss in detail today the espionage provisions of the Official Secrets Act. My reasons for not doing so are related to my reasons for opposing this motion. For over three years a commission of inquiry—the McDonald commission—has been examining the policies and practices which now apply to the protection of the security of Canada. Matters of security, of course, involve dangers from abroad, including espionage, as well as internal threats to our democratic institutions. But we have yet to receive a comprehensive report from the commission of inquiry on matters of security policy. Until we have that report it would be unwise for Parliament to prejudge the most appropriate way for us to deal with official secrets legislation. Therefore I suggest we wait until we have the main report in our hands. Then we can decide how best to tackle the crucial issues it will raise.

Before discussing the leakage issue, however, let me touch briefly on one particular aspect of the espionage provisions—their ambiguity. This aspect can be discussed without having the full McDonald commission report on security matters. The troubling issue here is that it is not clear whether the type of information which is covered by espionage provisions must be "secret official" information or whether it need not be "secret" and "official". On this point, Canadian jurisprudence favours a restrictive approach, that is, secret official information must be communicated for there to be an offence.

● (1650)

The jurisprudence can be traced to a decision in 1949 in a case before the Quebec Court of Appeal. All decisions since then have reflected the restrictive approach. The U.K. jurisprudence supports the unrestrictive approach; that is, all information is covered by the espionage offence and not just secret official information. While research conducted for the McDonald commission tends to support the U.K. jurisprudence, the main point that emerges is that there is confusion relating to the scope of our current espionage law. Whatever else we do, therefore, we shall have to clarify the scope of the legislation that deals with espionage.

Leakage is the second matter dealt with in the Official Secrets Act. In my view, there is little doubt that there are shortcomings in the current statutory provisions. This has been shown quite conclusively in the report of the McKenzie Royal Commission on Security, the report of the 1972 Franks committee in the U.K., and the first report of the McDonald Commission, made available late last year.

Let me state some of the main concerns regarding the leakage provisions. First, it is probably not appropriate that the offence of unauthorized disclosure should be dealt with in the same statute as the far more serious offence of espionage. People tend to think of the Official Secrets Act as the statute under which spies are prosecuted. Therefore, any person charged under the Official Secrets Act may, to some extent, be tainted by the perception that he has, however indirectly, been associated with activities that involve disloyalty to Canada.

Second, the leakage provisions are ambiguous in a variety of respects. There is controversy about whether they cover all government information or only secret official information; that is, the same uncertainty that exists in relation to the scope of the espionage provisions applies also in respect of leakage.

There is also ambiguity concerning the procedures for authorizing disclosure. It is apparent that much government information is disclosed without the express approval of cabinet, and that these disclosures are not viewed as offences. The reason they are not considered offences can be traced to the doctrine of "implied authorization"—a doctrine which rests heavily on the view that public servants are free, indeed required, to communicate information where such communication can be reasonably seen as part of their responsibilities. While there is much common sense in this view, the doctrine is not expressly acknowledged in the current statute. Consequently, we cannot be certain that the Canadian courts would accept it as an unwritten part of the law.

A further area of ambiguity in the current leakage provisions relates to uncertainty about whether *mens rea*—that is, knowledge of guilt—must be present for there to be an offence. This too helps to create doubts regarding the scope of offences found in section 4.

Third, there are grounds to believe that the act may be too far-reaching. Under its provisions, a person can be convicted for unauthorized disclosure, and thus imprisoned, without any requirement that the Crown prove damage to important Canadian interests. I hope that the offence can be redefined and made to focus on acts that involve real injury.

There is one further serious shortcoming in the current provisions of the Official Secrets Act. For reasons that are partly related to the current ambiguities in the act, it is

difficult for the government to prosecute those who are thought to be guilty of an offence under its provisions, and it is even more difficult to secure a conviction. Thus, there is the paradox of a statute which appears to some to be too far-reaching in its scope, but which is nonetheless of limited value in protecting the security of Canada.

Accordingly, at the appropriate time, it will be important for Parliament to consider measures to reform the Official Secrets Act. At that time, it will be important to find the right balance between the need to promote open government, and related values like effective Parliamentary opposition and freedom of speech and of the press, on the one hand, and the obvious necessity of protecting specific categories of government information against unauthorized disclosure, on the other.

The necessity to protect certain categories of information brings me to my second objection to the motion before us today. That motion prejudges the conclusions and recommendations of the studies that the standing committee is asked to undertake. The motion presumes that reform of the Official Secrets Act would afford no protection to government information except in the context of espionage and security. However, there are other cogent reasons to safeguard information; and while it may be that some of that protection need not be afforded through the Official Secrets Act, I would be very surprised if the only categories of information that require protection were those set out in the motion. In this respect, I would draw attention to the fact that governments the world over, including those of other western democracies, recognize the necessity of affording such protection.

What categories of information do governments have to protect against disclosure? Government information is generally protected where: first, the disclosure may be expected to injure the national interest; second, the information relates to the private affairs of individuals or businesses, and third, the disclosure would contribute to a weakening in the effective operation of government. These reasons, of course, lie behind the exemption provisions in the Access to Information portion of Bill C-43, and similar exemptions in the freedom of information legislation in other jurisdictions.

The first two reasons are straightforward. For example, it is generally accepted that governments should not be required to disclose information that would be injurious to the defence of Canada or that would jeopardize the investigation or prevention of subversive activities. It is similarly agreed that information received in confidence from an individual or business should generally be protected. Although the practical application of these reasons can raise difficulties in particular cases, there is likely a consensus that the reasons themselves provide a legitimate basis for refusing to disclose information.

The third reason—the effective operation of government—is sometimes ignored. Let me say a few words about this. At the centre of our decision-making processes is, of course, the cabinet. Under the Canadian constitutional system, the cabinet is collectively responsible to Parliament for government policy. While individual ministers may argue against particular cabinet decisions, and indeed accept them with misgivings, those ministers are nonetheless a part of the team that is responsible for what has been decided; they must acquiesce in the decisions or, if they cannot do so, they must resign.

If the deliberations of cabinet were public, this would derogate from the doctrine of cabinet responsibility. It would then be unclear if the cabinet as a whole, or just the ministers who concurred in a decision, were responsible for it. Indeed, I would go so far as to suggest that if the deliberations of cabinet were made public, including recommendations and advice that are a part of those deliberations, this would alter constitutional relationships between the principal institutions of our political system in an absolutely fundamental way.

Of course, it may be that certain categories of information can be protected without resort to the Official Secrets Act—that we should reserve the criminal sanction for only the most serious breaches. This will require careful consideration. But where a leak of information can cause injury to the defence or security of Canada, or jeopardize lives, or impede criminal investigations, or otherwise cause damage on a large scale, the government surely has an obligation to its citizens to protect such information by all reasonable means. It would be remiss if it failed to safeguard such information.

[*Translation*]

Mr. Deputy Speaker: The hour provided for the consideration of private members' business has now expired. It being five o'clock, the House stands adjourned until next Monday at 2 p.m. pursuant to Standing Order 2(1).

At 5 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, October 20, 1980

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

CANADA GRAIN ACT

REQUEST FOR AMENDMENT RESPECTING DEFINITION OF "PRODUCER"—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Madam Speaker, I rise on a matter of pressing and urgent necessity under Standing Order 43. Whereas the use of producer cars is the only alternative available to farmers from being locked into the commercial elevator system; whereas a recent interpretation of "producer", as it appears in the act, prohibits two or more producers from combining their grain or rape to fill a producer car, which takes away the right from smaller producers; and whereas the Canada Grain Act has recognized this right of producers for many years, therefore I move, seconded by the hon. member for Peace River (Mr. Cooper):

That this House request the Minister of Agriculture to bring in forthwith an amendment to the said section of the Canada Grain Act or pass a regulation stipulating that "producer" means more than one farmer, which has been the interpretation throughout the years until recently.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

EMPLOYMENT

CALL FOR INCLUSION IN BUDGET OF EMPLOYMENT STRATEGY—MOTION UNDER S.O. 43

Mr. Bill Domm (Peterborough): Madam Speaker, the callous answer of the Minister of Employment and Immigration (Mr. Axworthy) to 12,000 unemployed workers demonstrating at Queen's Park last Saturday was that his ministry would introduce a new national manpower strategy to take full effect in 1990. As this is an urgent and pressing matter, I move, seconded by the hon. member for Calgary Centre (Mr. Andre):

That the Minister of Employment and Immigration start burning the midnight oil, if he can negotiate for its supply, in order that his secret employment strategy might be included in the government's forthcoming budget on October 28. Perhaps this would demonstrate that the minister appreciates the need for job creation now in 1980, not ten years hence in 1990.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

NUCLEAR TESTING

CALL FOR PROTEST OF TEST CONDUCTED BY CHINA—MOTION UNDER S.O. 43

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, I rise pursuant to Standing Order 43. In view of the fact that the cloud of radioactive fall-out from Chinese nuclear testing is now reaching Ontario and is, therefore, threatening to become a matter of national concern, and whereas no matter where it is, such fall-out is to be deplored as a further hazard to the human and non-human environment and as another sign of the world's self-destructive commitment to the nuclear arms race, I move, seconded by the hon. member for Selkirk-Interlake (Mr. Sargeant):

That the Canadian government be instructed by this House to protest the Chinese actions and to call on the Chinese government to stop all nuclear testing.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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THE CONSTITUTION

PATRIATION—REPORTED REMARKS OF BRITISH MP—MOTION UNDER S.O. 43

Hon. Bud Cullen (Sarnia): Madam Speaker, I would like to move a motion under Standing Order 43. Given the fact that parliamentarians of any country and of whatever political stripe are welcome as guests in Canada, given the fact that Canada's hospitality in this regard is seldom abused, given the fact that British labour MP, Bruce George, is now telling us that unless certain action is taken by the Canadian Parliament, he and some of his colleagues in England will treat patriation as a sticky wicket, and given the fact that Canadian par-

liamentarians are quite capable of managing Canadian affairs—

Some hon. Members: Hear, hear!

Mr. Cullen: —and, unlike Mr. George, we have abandoned the colonial mentality, I move, seconded by the hon. member for Lambton-Middlesex (Mr. Ferguson):

That a message be sent to this British MP telling him that we do not wish to "let George do it" and that if he continues in his present vein he be asked to repatriate himself.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Hear, hear!

Some hon. Members: No.

* * *

● (1410)

PENSIONS

INDEXING PROVISIONS FOR SENIOR CITIZENS—MOTION UNDER S.O. 43

Mr. Geoff Scott (Hamilton-Wentworth): In view of the fact that the Minister of National Health and Welfare (Miss Bégin) told this House last Friday that nobody on the government side could possibly have said no to my motion, thereby indicating that she supported it and gave me every reason to expect unanimous consent for my motion, therefore, Madam Speaker, under the provisions of Standing Order 43 I again move, seconded by the hon. member for Yukon (Mr. Nielsen):

That the government give consideration to eliminating the eat-out portion of the cost of food for indexing purposes for old age pensioners, or, secondly, tying pensions to the poverty level.

Madam Speaker: Order, please. I am not in a position to say whether this is exactly the same motion but I will put it again to the House. The motion, for presentation, requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Baker (Nepean-Carleton): Collenette said no.

* * *

THE STEEL COMPANY OF CANADA

TRADING OF SHARES—CALL FOR INQUIRY—MOTION UNDER S.O. 43

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, in view of the fact that since June of this year approximately one-third of the common shares of The Steel Company of Canada have been traded and in the last week more than 250,000 shares have been traded in one day, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the government instruct that an inquiry be conducted to determine the reasons for the most recent, significant and unusual trading of The Steel Company of Canada shares and that particular attention be paid to the question whether or not this action in the marketplace reflects a possible takeover of The Steel Company of Canada by non-Canadians.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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LABOUR DISPUTES

GIANT YELLOWKNIFE MINES LTD.—CALL FOR ACTION TO RESOLVE DISPUTE WITH UNION—MOTION UNDER S.O. 43

Mr. Dave Nickerson (Western Arctic): Madam Speaker, in view of the fact that the strike between the Canadian Aluminum Smelter and Allied Workers Union and Giant Yellowknife Mines Ltd. is now in its fourth month, thereby causing considerable hardships to both sides of the dispute as well as adversely affecting the economy of the Northwest Territories, I move, seconded by the hon. member for Moose Jaw (Mr. Neil):

That the Minister of Labour make real efforts to resolve this unfortunate industrial dispute and, more important, introduce amendments to the Canada Labour Code to enable the territorial legislature to enact its own labour legislation so that disputes not of national scope can be handled at the territorial level rather than being under the jurisdiction of the federal government, which has neither the time nor the inclination to deal with these important yet local issues.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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CANADA PENSION PLAN

CALL FOR SPECIAL COMMITTEE TO REVIEW PENSION POLICY—MOTION UNDER S.O. 43

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. In view of recent and continuing reports from recognized pension experts that the Canada Pension Plan will be bankrupt in less than 20 years unless steps are now taken to increase contributions and revise the plan, I move, seconded by the hon. member for Winnipeg-Assiniboine (Mr. McKenzie):

That the House direct the government to create a special committee to review pension policy in general and the Canada Pension Plan in particular, to ensure that today's contributors will not be tomorrow's short-changed pensioners.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HIGHWAYS

MEMORIAL UNIVERSITY, NEWFOUNDLAND—DANGEROUS CROSSING—MOTION UNDER S.O. 43

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the fact that the operation of Memorial University of Newfoundland in St. John's has been effectively closed down as of Friday last, after thousands of university students gathered to protest unsafe pedestrian conditions on the university campus; in view of the fact that some nine students have been hit by vehicles since September, several of whom have been seriously injured and one of whom has been killed, and in view of the fact that Memorial University's student union has exhausted every other reasonable measure to have this hazardous condition corrected, I move, seconded by the hon. member for Gander-Twillingate (Mr. Baker):

That this House support the 8,000 students at Memorial University of Newfoundland who have gathered in peaceful and responsible protest and are requesting that the university, the city and the provincial government act now to build an overpass or underpass across the four-lane highway which students are presently forced to cross at great risk to their personal health and lives.

Madam Speaker: I have some doubt as to the acceptability of this motion. It seems to be a matter of provincial jurisdiction and therefore I would ask the hon. member to send his motion to the Chair so that we can see whether it is acceptable and put it on another day if we find that it is.

* * *

● (1415)

CHARGES OF VIOLATIONS MADE BY NATIVE COUNCIL OF CANADA—MOTION UNDER S.O. 43

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, the Native Council of Canada has started action before an international tribunal in Amsterdam charging the Canadian government with gross violations of international human and civil rights conventions. I move, seconded by the hon. member for Kingston and the Islands (Miss MacDonald):

That this House requests the government to respond to the very serious charges of human rights violations filed with the Russell Tribunal in Amsterdam by the Native Council of Canada and that we object strenuously to the methods of constitutional change now before Parliament, particularly those which deal with the entrenchment of a charter of rights, until such time as the three recognized native organizations, including the Native Council of Canada, have been fully consulted with regard to such changes which may directly affect Indian and other native rights.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

GOVERNMENT PROMISE TO REDUCE EXPENDITURE

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question is for the Prime Minister. On October 10 the Minister of Finance said in this House that the Liberal platform promises on the economy "will be implemented in the budget".

On January 12 of last year the Prime Minister made a speech to the Liberal Campaign College at Toronto. There were five themes to the economic program. The Prime Minister said, and I quote him exactly, "We will hold the line on government expenditure growth to under the rate of GNP".

The Minister of Finance has admitted that spending is up this year 13.7 per cent. We know that for the first six months of this year the GNP is down, and it will be negative this year, so that if the Prime Minister is to carry out his promise, government spending should be less than last year. We know that for the first five months of the year government spending is up 17 per cent.

Would the Prime Minister tell the House how he is going to carry out this already broken promise or whether he is going to direct the Minister of Finance to see that this solemn promise he made in Toronto on January 12 is met this year?

[*Translation*]

Hon. Pierre Bussières (Minister of State (Finance)): Madam Speaker, the Minister of Finance did indicate that he would explain in his budget how he intends to carry on his economic management. The hon. member should know that this is a year of adjustment, having had to reconsider the estimates voted down by Parliament and which the hon. member himself had drawn up. If he can be patient for a few days he will learn how the Minister of Finance will manage our economy in the next years.

[*English*]

Mr. Crosbie: Madam Speaker, my supplementary question is for the Prime Minister. I know he is aging; he is now 61, but perhaps he will answer.

I remind the Prime Minister that in his speech in Toronto he said this: "Liberals will do what we say we will do". The Prime Minister said in that same speech—and this is one of his

themes—and I quote: "This party will not simply stand by and let the recession come. We will fight it and overcome it".

We have had six months of recession. Real growth was down 2.5 per cent in the first quarter and 4.3 per cent in the second quarter. The Prime Minister has stood by for eight months and let the recession go forward. When is he going to start the fight? His Minister of Finance says he cannot stimulate the economy in his coming budget. Will the Prime Minister instruct the Minister of Finance, if he is to stimulate the economy and carry out the Prime Minister's pledge, the good old fight, not to let any recession start in this country?

[*Translation*]

Mr. Bussières: Madam Speaker, as I indicated a moment ago, if the hon. member is patient, he will learn the detailed strategy of the government in the budget to be tabled in a few days.

[*English*]

Mr. Crosbie: Madam Speaker, we have been patient for eight months. My final supplementary is addressed to the Prime Minister. Perhaps the Prime Minister will amend the constitution and fight the recession that way. Perhaps he will make a constitutional amendment to outlaw or stop recessions in their tracks.

In his same speech the Prime Minister said, and I quote: "We must endorse the right of every Canadian to have a job". On September 20, 757,000 Candians were unemployed, 38,000 more than at the same time last year. The Prime Minister said, "We must guarantee the income security of our older citizens." Now the cost of living is is up 10.7 per cent, up 0.9 per cent in September due to food costs.

Is the Prime Minister going to have our senior citizens stop eating, or is he going to take some action? What action is the Prime Minister going to take with respect to more employment and guaranteeing income security for elderly citizens by battling inflation? Is he going to direct the Minister of Finance that he is not to de-index the income tax, which would harm senior citizens? Will he at least follow up—

● (1420)

Some hon. Members: Oh, oh!

Mr. Crosbie: Never mind putting the question on to the Minister of State (Finance)—

Madam Speaker: Order, please.

[*Translation*]

Mr. Bussières: Madam Speaker, I think the hon. member is unaware of the activities of the House, because one of the first bills which the House had to approve was indeed aimed at helping senior citizens meet our economic difficulties. I would like also to remind him that the Minister of Employment and Immigration has announced plans to help those who experience more difficulties to find employment in our society. I have also been told that recently falling employment rates are encouraging indications of possible development in the employment sector.

* * *

[*English*]

CANADA PENSION PLAN

REQUEST FOR ASSURANCE RESPECTING ACTUARIAL SOUNDNESS

Hon. James A. McGrath (St. John's East): Madam Speaker, my question, in the absence of the Minister of National Health and Welfare, is for the Minister of State for Social Development, the minister who is a custodian of social development. Given the fact that over the weekend an internationally recognized actuary said, to a group in Vancouver, that by the year 2000, unless the government takes steps now, the Canada Pension Plan will be bankrupt, and given the fact that hundreds of thousands of Canadians look to this plan as their only means of income security in their old age, what assurances is the minister able to give the House, and through the House to the country, and what steps has the government taken, to ensure that the Canada Pension Plan is in fact actuarially sound and can deliver?

Mr. Doug Frith (Parliamentary Secretary to Minister of National Health and Welfare): Madam Speaker, we are not playing musical chairs this afternoon. Let me say in response to the hon. member for St. John's East that when the Canada Pension Plan was set up, it was recognized that unless changes were made in contribution rates, by 1985 they would have to be renegotiated; otherwise we would have the scenario which has been developed over the weekend by the expert that was mentioned.

It is safe to say that the Department of National Health and Welfare and this government are committed to pension reform and it is one of the top priorities of the minister and her department. Since February of 1977 a special subcommittee has been reporting to the Minister of Finance which involves his deputy ministers and his finance counterparts in the provinces. The subcommittee has been meeting and discussing what kind of changes will take place over the next five years in the pension plan so that we can ensure for the people of this country a fiscally sound pension plan, particularly for our elderly.

In addition, we are convinced that some changes have to take place over the next five years, and we are well on top of this. We will begin with a conference in the spring of 1981 which will be held here in Ottawa to start the necessary reforms to our pension act.

Some hon. Members: Hear, hear!

Mr. McGrath: Madam Speaker, unfortunately I cannot raise a point of order during the question period but I should like to have guidance from Your Honour. It seems to me that recently we passed legislation in the House setting up a Ministry of State for Social Development. Surely my question

should have been answered by the minister who has that statutory responsibility.

Madam Speaker: Order, please. A question has been asked. A minister may or may not answer a question. A parliamentary secretary may answer in his place. I fail to see a point of order. But if the hon. member has a supplementary question, I will give him the floor.

Mr. McGrath: Madam Speaker, I stand by your admonition.

Mr. Chrétien: Madam Speaker—

Mr. McGrath: Go ahead, please.

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, we are like the Phillies; we have a very good designated hitter.

Some hon. Members: Hear, hear!

Mr. McGrath: They need all the designated hitters they can get. I should like to ask the minister responsible for social policy the following question. The report of the task force on retirement income systems in Canada was tabled in the House on April 21 of this year. The government has taken no action on the report. It identifies, for example, the plight of retired homemaking women in this country who represent a disproportionately high number of the poor of this nation, which I think is a disgrace. One of the recommendations of that report is that the homemaking spouse, who is generally a woman, should be included under the benefits of the Canada Pension Plan. Is it the intention of this government to honour that election commitment which it made and include women in the Canada Pension Plan?

Mr. Frith: Madam Speaker, it is the intention of this government to implement all of the policy directives which were announced, I believe, in April of 1979 by the Prime Minister with respect to the reforms that are required in this country to give adequate protection to our elderly. I know that to a large extent my minister and her department are totally committed to a reform of the pension system which will address the inequalities which exist now for women in Canada.

* * *

INDUSTRY

EFFECT OF UNITED STATES LAW ON CANADIAN FIRMS

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I have a question which I would like to direct to the Prime Minister. I will keep my eyes open to see who stands up.

Some hon. Members: Oh, oh!

• (1425)

Mr. Deans: Now we have that out of the way, I wonder if the Prime Minister shares the concerns expressed over the weekend by the Secretary of State for External Affairs regarding the application extraterritorially of American law in Canada as it has affected Canadian industry. Recognizing that, does he realize its detrimental effect on Canada's fishing industry, auto industry, steel industry and in particular recently on the Bombardier company that was required to set up a company in the United States in order to do business there? What does the Prime Minister propose to do in Canada, using the available resources and manpower, in order to build the Canadian economy on behalf of Canadians?

An hon. Member: Put it in the constitution.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I have not seen the speech made by the Secretary of State for External Affairs. According to the quotes of the hon. member, it seems to me he is stating government policy of wanting to be in control of our own domestic economic environment, and that is the government's line.

Some hon. Members: Hear, hear!

Mr. Deans: That is the government's line. I have a supplementary question, if I may. Is the Prime Minister aware that in the last year there were 65,000 jobs lost in the province of Ontario; that on every single working day over the course of the last 12 months almost 1,000 people were laid off? Can the Prime Minister indicate what kind of permanent job-creation programs, based on the human and natural resources of Canada, we can expect to see from the government over the course of the next two or three years which might stabilize our economy, free us from the unnecessary influence of the United States and allow us to be masters in our own home economically?

Mr. Trudeau: Madam Speaker, I am not sure if at this time the hon. member wants me to review all Canadian government policies regarding foreign investments.

Mr. Deans: Yes, please do.

Mr. Trudeau: If that is the case, I must submit to him that during question period is not the point at which it can be done. But I must remind him, as the member of the official opposition was reminded, that the budget will be brought down on October 30.

An hon. Member: October 28.

Mr. Trudeau: On October 28.

Mr. Crosbie: Your memory is going.

Mr. Trudeau: It would seem to me that this kind of preoccupation is not only one the hon. member would want to discuss in the budget debate, but likely is one the minister will be addressing himself since the problem of unemployment ranks very high in his preoccupations.

Mr. Deans: Madam Speaker, I understand from what the Minister of Finance said that unemployment does not rank very highly in his preoccupations.

An hon. Member: That is not true.

Mr. Deans: Recognizing that there are so many unemployed in Canada and that there are few new jobs being created, either by the government or by anyone else at this point in time, can the Prime Minister provide for the House information on a program to guarantee that people who in fact will be unemployed are given adequate notice, that plants planning to close down permanently or temporarily must justify those decisions before the public, and that there maybe some economic assistance for the people who are being laid off and abused by many in the private sector—

Some hon. Members: Order.

Mr. Deans: They are being laid off one day, recalled the next day and laid off another day. Their futures are being played with and tampered with. What will we hear from the government?

Mr. Trudeau: Madam Speaker, the hon. member is seemingly in ignorance of many of the laws and policies applied by the Minister of Manpower and Immigration in matters such as these, notices of lay-offs and so on. He is unaware of the actions the government has taken in many, many instances; the one in Sudbury a couple of years ago comes to mind. But if the hon. member is talking about the government's macro-economic policies, it seems to me he cannot possibly understand macro-economics if he says that we are not concerned with unemployment. This sounds like the hon. member for St. John's West, who said earlier—

Mr. Deans: You are not concerned.

Mr. Crosbie: They are not. Read your platform.

Mr. Trudeau: They are both saying the same thing, distasteful as that is to both of them. They should know that presently the economy is being stimulated to the tune of a $14 billion deficit. If this is not showing a concern for creating jobs and encouraging growth, then I submit we should begin again the whole theory of macro-economics.

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● (1430)

NUCLEAR TESTING

RADIOACTIVE FALL-OUT FROM CHINESE TEST OVER WESTERN CANADA

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, my question is to the Secretary of State for External Affairs. I am sure he knows a great many Canadians have been gravely disturbed to learn that a mass of radioactive debris emanating from a Chinese atmospheric nuclear test is now falling out over western Canada. I would like to ask the minister what assurance he can give that this debris poses no threat or danger to Canadians; and, further, I ask what steps he has taken to communicate Canadian concerns to Chinese officials, knowing, of course, that China is not a party to the nuclear test ban treaty?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, I am not yet able to give the House any assurance with respect to the possible effects of this cloud of radiation. We have not been able to assess what the result will be, and because it occurred after my most recent meeting with the Chinese ambassador I have not yet had an opportunity to discuss it with him. After we get some assessment of the consequences I shall certainly do so.

Miss MacDonald: I trust the minister will understand the seriousness of this situation and not delay in making the proper moves, both to find out the gravity of the situation in western Canada and also to communicate our concerns directly and quickly to Chinese officials. I would like to ask him, so that we do not have a repetition of an event such as this, whether he would consider using the good offices of Arthur Menzies, until recently Canada's ambassador to China and now our ambassador on disarmament, so he can follow up with Chinese officials over this event?

Mr. MacGuigan: Madam Speaker, I would certainly be prepared to consider that representation.

INQUIRY WHETHER PUBLIC ALERTED TO DANGERS ARISING FROM FALL-OUT

Mr. Bob Wenman (Fraser Valley West): My related question is to the President of the Privy Council. In view of the world's inability to stop nuclear proliferation, thereby increasing the further probability of large scale atmospheric tests such as Pakistan and India have conducted, can the President of the Privy Council inform the House what provisions Emergency Planning Canada has or is contemplating to inform or protect the Canadian public with regard to the dangers which might arise from nuclear fall-out?

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, my colleague is aware that we have recently adopted a policy concerning emergency planning measures. In the implementation of this new policy I must naturally ensure a degree of co-ordination between the provinces and the federal government regarding the actions to be taken in cases of emergency in order to help those who would need it. The case mentioned by the hon. member deserves serious consideration. I will enquire to find out the exact situation and try to report to him as soon as possible.

[*English*]

Mr. Wenman: With reference to the new Emergency Planning Canada program recently announced by the minister,

would he be willing to table the report leading up to that decision?

[*Translation*]

Mr. Pinard: Madam Speaker, if the member wishes to obtain a copy of the newly adopted policy, it will be a pleasure for me to provide him with one as it has already been made public.

* * *

[*English*]

CANADIAN NATIONAL RAILWAYS

SUGGESTED PRIVATIZATION—GOVERNMENT POSITION

Mr. Les Benjamin (Regina West): Madam Speaker, my question is directed to the Minister of Transport and arises out of responses he made to the hon. member for Vegreville last week. I could hardly believe my ears; it seems the Liberals have not learned anything from the lesson the Tories received about the wholesale opposition to the privatization of Petro-Canada.

In view of the fact taxpayers have invested billions of dollars in Canadian National over the years, footed the bill year after year for their losses, and since the CNR finally paid a $41 million dividend to the taxpayers of Canada last year, is the minister telling us, in his response to the hon. member for Vegreville, that the government is seriously considering allowing the privatizing of the CNR?

I would also like to ask the minister why the taxpayers should not continue to receive dividends from the profits which are finally being made by Canadian National, instead of going to private investors? Will he categorically reject this nonsense of privatizing Canadian National?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I also read the press clipping on that subject and am still wondering how the author came to that conclusion. The other day I emphasized the fact that CN would be in need of substantial investments in the coming years for all kinds of worth-while purposes and that money will have to be found. I indicated one of the ways in which it could be done was by way of proper compensation for the transportation of grain in western Canada. Obviously there are other methods, such as loans and investments. But these are government decisions and there is no intention on our part to privatize CN.

Mr. Benjamin: If the minister would implement Mr. Justice Hall's recommendations regarding the Crow rate, the CNR would have nothing to complain about.

Mr. Lalonde: And all the others, too.

Mr. Benjamin: Most of the others have been implemented. The minister should read it.

I would like to ask the minister if instead of considering this nonsense of privatization of a corporation which the taxpayers have paid for over and over again, would he suggest to his colleagues, to this House and to the country, adopting policies, similar attitudes and actions of industrialized nations all over the world and do exactly the opposite? Will the government move into the twentieth century by integrating Canadian National with Canadian Pacific to form a unified, publicly-owned utility, instead of taking it back to the nineteenth century of the railroad barons?

Mr. Pepin: Madam Speaker, this idea is not a new one, it has been suggested a number of times. It is not government policy at this time.

* * *

THE CONSTITUTION

PROTECTION FOR DISABLED IN PROPOSED LEGISLATION

Mr. Peter Lang (Kitchener): Madam Speaker, my question is for the Prime Minister. In view of the fact that many persons with disabilities are presently suffering from discrimination and have voiced their desire to be protected in any new constitution, I would like to ask the Prime Minister if non-discrimination rights for persons with disabilities could be incorporated by amendment into the proposed constitution act of 1980?

An hon. Member: And women?

An hon. Member: And natives?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I hear, along with this constructive suggestion from the member for Kitchener, members of the official opposition saying we should also include other factors in this bill of rights, and they have suggested women and natives. I am very happy that at last we have the support of the Tory party for our action.

Some hon. Members: Hear, hear!

Mr. Trudeau: I am grateful to the member from Kitchener for having at last brought forth this honest support of our action in protecting the basic rights of Canadians. I am prepared to examine any amendments which can improve the status of the resolution before the House. In some cases I have indicated it would be useful to carry on the discussion so that in the second phase of negotiations, once we have a constitution in Canada, amendable in Canada, we could indeed improve in many ways the bill of rights, including the way suggested by the hon. member from Kitchener.

* * *

NORTHERN PIPELINES

Q AND M—INQUIRY RESPECTING EXTENSION TO MARITIME PROVINCES

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, my question is for the Minister of Energy, Mines and

Resources I regret the Minister of Finance is not here because my question is based on an undertaking given by that minister at a port of Halifax dinner earlier in September that he would personally intervene, either by way of the budget or through other procedures, to ensure that the maritime provinces enjoyed the benefits of an extended natural gas pipeline. My question arises out of the reapplication by the Arctic pilot project for their program in the north to bring gas down to the south. In that application they suggested that only Gros Cacouna could be considered if the pipeline was not extended. Would the minister tell the House whether or not he is aware of any particular action taken by the Minister of Finance to ensure that Q and M is in fact extended to the maritime provinces?

● (1440)

[*Translation*]

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, not only does the government intend to present its budget next Tuesday but also its energy policy program. I would therefore say to my hon. colleague that if he can show some patience for seven more days he will get an answer to this question on Tuesday night of next week.

[*English*]

Mr. Forrestall: Madam Speaker, I address my supplementary question to the same minister. Of course we are all patient and we want the line extended. What I would like from the minister is an assurance that the maritime provinces will not be done out of their potential to develop in this country a third petro-chemical industry based on the export market. Surely this matter is not part of the energy policy; it has more to do with trade policy and the treatment which this government will accord to the Atlantic provinces.

Will the maritime provinces and Newfoundland have an opportunity to develop that third petro-chemical industry in that part of Canada? And can the minister give the assurance that no action which the government is taking will deliberately deflect into Gros Cacouna the development of that very vital industry to the Atlantic region?

[*Translation*]

Mr. Lalonde: Madam Speaker, I should like to remind the hon. member that, throughout history, successive Liberal governments have always been in the forefront with regard to the economic development of the maritimes. As for the specific question of the hon. member, once again I must give him the same reply as to the preceding question.

[*English*]

HOUSING

INQUIRY RESPECTING EXTENSION OF HOME INSULATION PROGRAM

Mr. Don Blenkarn (Mississauga South): Madam Speaker, my question is addressed either to the Minister of Energy, Mines and Resources or the minister in charge of Canada Mortgage and Housing Corporation and it involves the CHIP program. The minister will know that this program provides bonuses to people who have houses built prior to 1961 up to the amount of $500 for insulating their homes. In view of the fact that houses built up to 1973, when the problems of OPEC developed, have almost the same insulation as houses built prior to 1961, will the minister extend the program to cover all homes built up to 1973?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I will certainly look into the representation made by the hon. member. Again, he will have to wait for the budget and the announcement of our policy next week for an answer.

Mr. Blenkarn: Madam Speaker, while the minister is looking into that matter, I notice that the advertising of the minister's department in connection with energy is to the effect that we have lots of energy with surpluses in gas, coal and electricity, but that there are shortages of oil. If the minister has a shortage of funds, would he consider an insulation program directed to people who must heat their homes with oil so that they will be given an opportunity and financial assistance to reduce the cost of oil for heating?

Mr. Lalonde: Madam Speaker, again I will consider this question as a representation, and the hon. member will have an answer to his question in the announcement of government policy next week.

* * *

STATUTE LAW (MILITARY AND CIVILIAN WAR PENSIONS, COMPENSATION AND ALLOWANCES) AMENDMENT ACT, 1980

INQUIRY RESPECTING REDUCTION OF PHASING-IN PERIOD FOR VETERANS' WIDOWS

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, my question is for the Minister of National Defence, in his very important capacity as Acting Minister of Veterans Affairs. It relates to the landmark piece of legislation which was passed in this House of Commons on July 9 having to do with the pensions of veterans' widows and with other pieces of veterans' legislation. It was a good bill, but in view of the fact that as the bill stands, now as Chapter 19 of the Statutes of 1980, many thousands of veterans' widows are having to wait from one up to six and a half years before they will get the pensions to which they are now entitled, will the minister give

serious consideration to finding a way either of shortening that phasing-in period or doing away with it altogether?

[*Translation*]

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I am very happy to see that, like my predecessor the Hon. Daniel MacDonald, the hon. member for Winnipeg North Centre is deeply concerned about the veterans welfare especially with regard to veterans' widows who, in fact, may have to wait a while before getting full pension. I should like to say to the hon. member that it is true that Bill C-40 which we passed was a very important bill for the veterans and I am happy to recognize that the party of the hon. member for Winnipeg North Centre supported us. However, our financial resources were limited at that time and we were unable to give maximum benefits as we would have liked. I should like to mention to the hon. member that the Department of Veterans Affairs can have a closer look to see if perchance there are critical situations, and look at the cases of those who are in greatest need. At the present time, there is no backlog and we would be willing, if there are urgent cases, to examine them immediately. But I understand full well the intervention of the hon. member, Madam Speaker, and I am convinced that we shall endeavour, come the next budgetary revisions, to correct the type of weaknesses that still exist in Bill C-40.

[*English*]

Mr. Knowles: Madam Speaker, may I put a supplementary question to the minister. In view of the fact that three weeks from tomorrow the nation will be honouring our veterans and, in particular, we will be honouring a widowed mother over at the Cenotaph, will the minister do his best to make some statement on this matter in the House before November 11?

[*Translation*]

Mr. Lamontagne: Madam Speaker, in this regard I can state that within our budgetary and financial requirements, we can be assured, based on my own personal experience and that of several other members, that the required statements have been made in order to encourage the widows of veterans to be patient so that we can satisfy their needs as quickly as possible.

* * *

[*English*]

UNITED NATIONS

MacBRIDE COMMISSION REPORT—GOVERNMENT POSITION AT BELGRADE CONFERENCE

Mr. Maurice Foster (Algoma): Madam Speaker, my question is for the Secretary of State for External Affairs. In view of the MacBride commission report on information and the media which is to be considered at the UNESCO conference this month in Belgrade and the limitations which this report, if adopted and implemented, could have on the freedom of the press and the free flow of information in the world, can the minister say what position Canada will take at this United Nations conference concerning this report on the media and the free flow of information?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, there are many aspects of the MacBride report which appeal to the Canadian government, but there are also other respects in which it goes beyond what we would wish to see become international policy. Our delegation to the UNESCO conference which is currently taking place in Belgrade has been instructed to resist any move to convert the proposed steering roles of government into downright interference with the rights of the press.

* * *

METRIC CONVERSION

RECOMMENDATION RESPECTING RETAIL FOOD SECTOR

Mr. Bill Domm (Peterborough): Madam Speaker, in view of the absence of the Minister of State for Small Businesses, I will put my question to his parliamentary secretary, and if he wishes to pass it to the Prime Minister that would be fine. It deals with a newspaper release in the late summer by the Minister of State for Small Businesses to the effect that he was recommending to cabinet that metric not proceed in the 21 or so test cities in Canada on January 1. I would like to know whether or not this recommendation was made to cabinet as was announced and, if it was, did cabinet concur that metric not proceed in the retail food sector on January 1?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, I am happy to report that we must, of course, give the industry the time to implement the program. Therefore we will not be able to proceed for January 1, 1981, but we foresee the possibility of doing so for January 1982.

[*English*]

Mr. Domm: Madam Speaker, my supplementary question deals with the answer to a question on the order paper. In view of the fact that this government has spent through the Metric Commission over $25 million, as is reported at page 1305 of *Hansard* on May 22, to implement the metric system, that two successive years, both by the former government and now this present government have been spent on the implementation of metric in the retail food sector and that the budget for next year alone is in excess of $8 million, will the minister assure this House that he will give serious consideration to the temporary suspension of the Metric Commission, which has a budget of $17,444,000 over the next three years?

[*Translation*]

Mr. Ouellet: Madam Speaker, I will gladly submit these representations to the minister responsible, but I must say that I personally do not share the member's view.

● (1450)

[*English*]

PENITENTIARIES

MISSION, B.C.—STABBING BY ESCAPEE

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, my question is for the Solicitor General. At the beginning of this past weekend I understand that two residents of Mission, B.C., Flora Smith and Mary Fredeen, were nearly stabbed to death. The stab wounds were inflicted by a convicted murderer, an escapee from the nearby federal institution. It is alleged that this person "walked away" from the institution. Would the minister tell us how the accused managed to escape from the institution, and how does the Solicitor General intend to prevent escapes in the future from other federal institutions across Canada?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, the details of that incident are being looked into. I will be in a position to answer that question when I have a report.

Mr. Kilgour: Madam Speaker, it is the policy now of the Solicitor General's parole boards not to revoke parole on the basis of police information only. Can the Solicitor General tell the House whether that policy is still in force or whether the minister intends to change it? Because as I understand it, if the person who allegedly committed this crime was out on parole, his parole would not have been revoked on the basis of the two stabbings.

Mr. Kaplan: Madam Speaker, as hon. members in this chamber are aware, that is a discretion which the parole board is meant to exercise and does exercise without political interference. I will convey the hon. member's concern about that particular policy to the parole board.

* * *

RAILWAYS

GRAIN TRANSPORTATION—SLOWDOWN IN REVELSTOKE, B.C.

Mr. Arnold Malone (Crowfoot): Madam Speaker, my question is directed to the Minister of Transport. In view of the labour slowdown in the Revelstoke CP section which is affecting CP Rail, I ask the minister whether he has a handle on that problem? If so, what initiatives and what actions is the minister taking to speed up the movement of grain during the harvest season on the prairies?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, as I have reported previously, a great number of people have tried to help. Some problems were raised the other day by an hon. member concerning meal times; others have mentioned that it was a case of too few crewmen on trains, and that sort of thing.

I have inquired of the Department of Labour and I have been assured that these problems have been solved. However, on the union side there is still an unwillingness to go ahead with the agreement which was apparently reached. I am informed it is a problem for the union. Efforts are being made to try to come to a conclusion, hopefully a positive one, on the union side.

In the meantime a number of steps have been taken. The A-type delivery quotas have been extended by the Canadian Wheat Board and 300 to 500 cars will leave southern Alberta in the coming weeks to carry grains to Thunder Bay in order to relieve the congestion at Vancouver. So the problem is being attended to as well as possible at the present time.

Mr. Malone: Madam Speaker, I ask the Minister of Transport why, if in his view the problem has been solved, there are predictions now that only ten cars per day will be unloaded from CP lines at the port of Vancouver? Does the minister consider that a shifting from Vancouver to Thunder Bay will alleviate the grain shipping problems when there are designated trains going to Vancouver? Does he agree that the shipment to Thunder Bay will not resolve the problem in Vancouver?

Mr. Pepin: Madam Speaker, I think when one reads the answer that I gave, one will see I did not say the problem was solved; I said efforts were being made. There is a nuance there.

As for the west coast delivery question, it was indicated in the press that 3,000 cars per week were available. I understand the figure is 1,500. At the moment, 800 to 900 cars a week are going to Vancouver. There is a slowdown. Consequently there has been a reduction at the level of 3.3 per cent in unloading at Vancouver, if my memory serves me correctly. Over all, meaning the four ports of Thunder Bay, Churchill, Vancouver and Prince Rupert, unloading is up by 8 per cent to 9 per cent at this time.

* * *

EXTERNAL AFFAIRS

SPEECH OF MINISTER CONCERNING GRIEVANCES WITH UNITED STATES

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, my question is for the Secretary of State for External Affairs. It arises from a speech the minister made this weekend in which he addressed himself to a list of serious Canadian grievances. If the Secretary of State for External Affairs does not get the kind of U.S. responses he is looking for, what is his next move?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, I believe that by addressing ourselves to the sense of fair play on the part of the United States, we have a very good chance of success.

INQUIRY OF THE MINISTRY

REVOCATION OF APPOINTMENT OF SPECIAL ASSISTANT

Hon. Allan B. McKinnon (Victoria): Madam Speaker, my question is for the Minister of National Defence. Could the minister tell the House whether the Privy Council has passed an order revoking the appointment of a special assistant to the Prime Minister for defence matters in Canada, and if so, why?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, as a former minister of national defence should know, an order in council to this effect was passed previously as a matter of administration. When it was revoked, it was simply revoked because the regulations were changed and that is now not necessary. As a former minister of national defence, the hon. member should know that. Similar cases to this one occurred when the hon. member was in the cabinet and there is nothing unusual about it. It is just an administrative consequence.

Mr. McKinnon: Madam Speaker, I think there is considerable worry in the country about what the present Minister of National Defence knows about this.

Some hon. Members: Oh, oh!

An hon. Member: Real concern.

Mr. McKinnon: If his appointment was necessary on June 12, as indicated in the Privy Council order of that date, why is it no longer necessary? If the individual is no longer being paid by the general fund, what fund is his salary coming from? Specifically, is the pay and emolument of this appointee being found from the budget of the Department of National Defence?

Mr. Lamontagne: Madam Speaker, as I just said, it was changed because the regulation has been changed and we can do it otherwise now. That is the simple answer to that question.

As for knowing everything about national defence, I would just like to say to the former minister of national defence I do not think that he had much time to learn everything about national defence. Therefore I do not know why in the same time I should know everything about national defence.

* * *

[*Translation*]

PUBLIC SERVICE

TRANSLATORS' DISPUTE—GOVERNMENT POSITION

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, I have a question for the President of the Treasury Board since it deals with the translators' strike, as opposed to interpreters. Could the minister now supply us with a progress report on that strike?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I indicated on Friday last, during question period, that the mediation process failed, unfortunately, and Friday we made another offer that was rather generous in my view. We are now waiting to see what will happen, and I hope we will go back to the table for further negotiations.

Mr. Munro (Esquimalt-Saanich): I wonder if the President of the Treasury Board could indicate, in the case where that strike is not resolved today, for instance, whether *Hansard* will be published tomorrow, because this would be detrimental to our privileges here.

Mr. Johnston: Madam Speaker, I hope we have a sufficient number of non-striking translators, those who are excluded from the right to strike, to supply the services needed.

* * *

[*English*]

UNITED NATIONS

INTERNATIONAL COVENANT ON CIVIL AND POLITICAL RIGHTS—ACTION TO AVOID POSSIBLE VIOLATION

Mr. Svend J. Robinson (Burnaby): Madam Speaker, I have a question for the Solicitor General. The Minister is aware that in 1979 a complaint was filed by a number of Canadians with the United Nations human rights committee concerning a violation by Canada of the international covenant on civil and political rights. The government has until now strenuously resisted this complaint, arguing that it was not admissible.

● (1500)

However, in August of this year the minister knows that the United Nations human rights committee found that in fact this complaint was admissible. The complaint alleged that the 1977 Parole Act amendments should have been made retroactive, affecting some 800 prisoners.

My question to the Solicitor General is this. What action does the government, allegedly committed to a charter of rights in our international obligations, intend to take to ensure that Canada is not in fact found guilty of a violation of the international covenant on civil and political rights in this respect.

Hon. Bob Kaplan (Solicitor General): Madam Speaker, the matter is now before the United Nations and they will make their determination about it. As far as the administration is concerned, we were simply following a very clear position taken on a vote by this Parliament that the rights to which the hon. member referred should not be made retroactive. The matter was voted on in this House. A majority decided not to make that legislation retroactive. My own consideration was that it would be an abuse of executive authority to use the various authorities which the government has to do something that goes expressly against a decision made by this chamber.

Mr. Robinson (Burnaby): Madam Speaker, my supplementary is to the same minister. I point out to the minister that at the time an amendment to make the amendments retroactive was moved by this side of the House, supported by both parties on this side, but it was his party which rejected it. In light of this, is the minister prepared to pass the necessary orders in council affecting the sentences of some 800 prisoners; or, at the very least, in view of the fact that we are talking about the liberty of hundreds of Canadians, is the minister prepared to give a reference to the justice committee, as was supported by my colleagues on this side of the House, so that we might study this question in light of the new evidence and make a recommendation to the minister for possible action?

Mr. Kaplan: Madam Speaker, the government will give very serious consideration to the determination of this matter by the United Nations. Nevertheless, this Parliament is sovereign and a determination made by the United Nations on that subject would not be binding on this Parliament. As I indicated, I would certainly be prepared to consider, and the government would consider, a resolution passed by this House dealing with those inmates, all of whom are parole violators who have been returned to prison and are not, because of the decision of Parliament, being given account of their street time. It is a complicated matter. It has been raised in the form of a reference by the hon. member, but he failed to get unanimous consent for it.

* * *

[*Translation*]

PRIVILEGE

MR. FLEMING—STATEMENT MADE BY MR. PAPROSKI

Madam Speaker: I have received notice of a question of privilege in the name of the hon. Minister of State (Multiculturalism) (Mr. Fleming). I would simply point out to him that his question of privilege deals with two members. One is in this House today, namely the hon. member for Edmonton North (Mr. Paproski). The second part of that question of privilege concerns the Right Hon. Leader of the Opposition (Mr. Clark), who informed me he could not be here today. The minister may raise that part of his question of privilege dealing with the hon. member for Edmonton North, or he may wait for some other time when these two members are present in the House, especially if this concerns two contributions that followed each other. However, I will let the minister decide on the moment to raise his question of privilege.

[*English*]

Hon. Jim Fleming (Minister of State, Multiculturalism): I think that while I have the hon. member for Edmonton North (Mr. Paproski) trapped here in the House, if he does not mind and if it is agreeable to you, Madam Speaker, I will proceed with this particular issue. Both are common in my view, in the sense that this deals with what I believe is unparliamentary language. Other than that, I think they can be separated. I will be very brief. At page 3787 of *Hansard* for October 17, last Friday, a few minutes after the conclusion of question period, the hon. member for Edmonton North caught your eye and rose to say:

> Madam Speaker, I should like to reserve my right to raise a point of privilege. When the minister stated, in answer to my question this afternoon, that I froze the multicultural budget, I think he was deliberately misleading the House. I would like to look at the blues and to reserve my right to bring forward a point of privilege.

I in turn checked the blues. As *Hansard* shows, I said in response to the hon. member during question period, and I quote:

> —I would be pleased to look again at the situation the hon. member and former minister brings to my attention. I would remind him that the budget in multiculturalism, which he froze during his tenure, has recommenced and thus a number of important newspapers communicating with various—

I thought I had made it clear by saying with regard to the over-all spending of multiculturalism, that budget which he froze, which is the only portion of his over-all spending which I know that he froze, the one to deal with ethnic press, had been unfrozen. I am certainly willing, in a sense of co-operation in this House, to make it clear that I meant the advertising budget and not the total multiculturalism budget. I thought my wording had made that clear.

In any case, Madam Speaker, I believe that whatever happened in my wording, it is unparliamentary, and I cite Beauchesne's fifth edition, pages 108 and 109, which list many, many cases where to say another member has deliberately misled the House is inappropriate. On those grounds I submit that, as a representative of a group of Canadians who elected me, it is my right to ask the hon. member to withdraw that unparliamentary language.

Hon. Steven E. Paproski (Edmonton North): Madam Speaker, it was my understanding, when the minister rose to answer my question, he did say that I froze the whole multicultural budget during my tenure in office. That was my understanding. If in any way in the heat of argument I did say that the hon. member deliberately misled the House, after his explanation here this afternoon I withdraw that statement.

Some hon. Members: Hear, hear!

Madam Speaker: That disposes of this point of order. I thank the two hon. members for the spirit in which they have helped the House to resolve this problem.

* * *

POINT OF ORDER

MR. TOBIN—MOTION UNDER S.O. 43

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Madam Speaker, I rise on a point of order. With the greatest respect for your authority in the chair, Madam Speaker, referring to my motion under Standing Order 43, I was wondering whether you have had time to consider the appropriateness of my motion under Standing Order 43 today.

Perhaps I can be informed, but I was not aware there was any matter, whether it be provincial, municipal or federal—

Some hon. Members: Order.

Madam Speaker: Order, please. The hon. member could send me his motion under Standing Order 43. The Chair is quite willing to give that service to any member. If members wish to be assisted with regard to the manner in which a motion can be worded, or if they want to check as to whether it is acceptable, the Chair is quite willing to give that type of service. This is what I invited the hon. member for Humber-Port au Port-St. Barbe (Mr. Tobin) to do, because I had serious doubts about the acceptability of his motion. If he will do that, possibly we can deal with his motion tomorrow, if we all agree that it is in order.

● (1510)

ROUTINE PROCEEDINGS

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 749 and 1,442.

[*Text*]

POST OFFICE CONSULTANTS

Question No. 749—**Mr. Shields:**

Since August 1, 1978, how many (a) administrative (b) policy consultants were under contract to the Post Office Department and/or any boards, commissions or corporations reporting to the minister and, in each case, what amount was paid to them?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Canada Post does not have administrative consultants as such, but instead has management consultants.

(a) Thirty one management (consultants) contracts
—Total cost $507,475.17

(b) Three policy (consultants) contracts
—Total cost $ 32,995.00

See lists below.

Management Contracts

Name	Number of Contracts	August 1, 1978 to June 3, 1980 Cost
Mr. Thomas Hustad	1	$ 200.00
Kenneth Taddeo	3	8,720.17
Stevenson & Kellogg	2	77,402.00
Jackson, Smith & Assoc. Ltd.	1	10,000.00
Dr. S.B. Park	1	1,500.00
Industrial Health Ass. Ltd.	2	44,915.00
Mr. C. Mitchell	1	1,000.00
Paul R. Crocker & Ass. Ltd.	2	32,600.00
Hovey & Associates	1	150,860.00
Leaside Medical Assoc.	1	18,300.00
Dr. G.W. Nicholls	1	18,000.00
Mr. R. Willing	1	950.00
Hickling & Johnston	3	37,213.00
Victor G. Baker	1	500.00
Wm. V. Baker	1	2,500.00
Tower, Perrin & Forster & Crosby	1	10,000.00
Frank Flatters	1	1,925.00
Maurice Richardson	1	1,890.00
L.H. Patterson	1	2,000.00
ARA Consultants	1	8,500.00
LISAB Enterprises	1	54,400.00
J.G. Fultz	1	13,050.00
Gordon F. Harrison	1	10,000.00
Réseau de dévelop. d'org. Inc.	1	1,050.00
Total:		$507,475.17

Policy Contracts

Name	Number of Contracts	August 1, 1978 to June 3, 1980 Cost
Jackson, Smith Assoc. Ltd.	1	$12,695.00
Mr. John McLaughlin	1	1,400.00
Mr. Norm Lafrance	1	18,900.00
Total:		$32,995.00

F-18A FIGHTER CONTRACTS

Question No. 1,442—**Mr. Rose:**

As of July 10, 1980, do the figures of industrial benefits flowing from the F-18A fighter contract of 47 per cent for Quebec, 41 per cent for Ontario and 12 per cent for the rest of Canada still apply and (a) if not, what are the revised figures of benefit sharing as they relate to the provinces (b) if so, what is British Columbia's share of the package?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): In so far as the Department of Industry, Trade and Commerce is concerned: the percentage distribution of industrial benefits expected to be enjoyed by each province is only an estimate. Such benefits are to be realized over a period of more than 15 years. The exact measure of such benefits will also include the value to be ascribed to technology transfer, export market development and tourism promoted by the arrangements. We will need to be much further into the new fighter program before a more complete estimate of provincial distribution can be determined.

* * *

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, if question No. 210 could be made an order for return, the return would be tabled immediately.

[*Text*]

CLIENT SATISFACTION SURVEYS

Question No. 210—**Mr. Herbert:**

How many departments have conducted within the last year, are presently conducting or are contemplating doing so during 1980, a survey of client satisfaction?

Return tabled.

[*English*]

Mr. Collenette: Perhaps the other questions could be allowed to stand, Madam Speaker.

Madam Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF HON. LINCOLN ALEXANDER

Hon. Steven E. Paproski (Edmonton North): Madam Speaker, I have the honour and opportunity today to say to you that we have a distinguished guest in the gallery, the former hon. member for Hamilton West who is now the Chairman of the Workmen's Compensation Board of Ontario. I think it is only fair that we should recognize him.

Some hon. Members: Hear, hear!

GOVERNMENT ORDERS

[*Translation*]

THE CONSTITUTION

ESTABLISHMENT OF A SPECIAL JOINT COMMITTEE OF THE SENATE AND THE HOUSE OF COMMONS

The House resumed from Friday, October 17, consideration of the motion of the Minister of Justice and Minister of State for Social Development (Mr. Chrétien):

That a Special Joint Committee of the Senate and of the House of Commons be appointed to consider and report upon the document entitled "Proposed Resolution for a Joint Address to Her Majesty the Queen respecting the Constitution of Canada" published by the government on October 2, 1980, and to recommend in their report whether or not such an address, with such amendments as the committee considers necessary, should be presented by both Houses of Parliament to Her Majesty the Queen;

That 15 members of the House of Commons to be designated no later than three sitting days after the adoption of this motion be members on the part of this House of the Special Joint Committee;

That the committee have power to appoint from among its members such subcommittees as may be deemed advisable and necessary and to delegate to such subcommittees all or any of their powers except the power to report directly to the House;

That the committee have power to sit during sittings and adjournments of the House of Commons;

That the committee have power to send for persons, papers and records, and to examine witnesses and to print such papers and evidence from day to day as may be ordered by the committee.

That the committee submit their report not later than December 9, 1980;

That the quorum of the committee be 12 members, whenever a vote, resolution or other decision is taken, so long as both Houses are represented and and that the joint chairmen be authorized to hold meetings, to receive evidence and authorize the printing thereof, when six members are present so long as both Houses are represented; and

That a message be sent to the Senate requesting that House to unite with this House for the above purpose, and to select, if the Senate deems it to be advisable, members to act on the proposed Special Joint Committee.

Madam Speaker: Last Friday, I was prepared to rule on the admissibility of the amendment proposed by the hon. member for Nepean-Carleton (Mr. Baker). Out of courtesy for hon. members and the House I had offered to entertain some arguments on both sides concerning the admissibility of that amendment. I am still prepared to rule today but as hon. members had preferred Friday to voice some arguments I am going to hear them now. In a spirit of co-operation I shall ask them to be as brief as possible and to discuss only the reason why they consider that amendment to be admissible or not.

[*English*]

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I am just looking at the words of the parliamentary secretary last Friday as reported at page 3805 of *Hansard*, and I quote as follows:

I am sorry, Madam Speaker, I misunderstood. I thought you were going to render a decision on the admissibility of the amendment proposed last evening. If you are saying you want to entertain argument, before you make your definitive decision, I suggest that we hold this over until Monday.

I gathered that my friend had some objection that he wanted to raise with respect to the amendment. I think it might be appropriate if the House heard what those objections were, and then perhaps there might be some response.

I have not had any guidance from the Chair on what the Chair's objections are so that I could answer them. But he obviously did. I wonder if he might give his argument in opposition and then I might deal with that. I suppose the assumption is always in favour of admitting admendments if at all possible.

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, since you were in the chair on Friday at ten minutes to four o'clock, you will remember that there was a little misunderstanding. Perhaps I could explain it once again to the hon. member for Nepean-Carleton (Mr. Baker).

You entered the chamber and I thought you were going to give your decision on the admissibility of the amendment proposed by the hon. member for Nepean-Carleton. We on this side were quite prepared to waive the time of the Parliamentary Secretary to Minister of Justice and Minister of State for Social Development (Mr. Irwin) for his speech so that we could hear your decision and, perhaps, even waive private

members' hour. The comments made by the hon. member for Nepean-Carleton were based on something you said which I did not catch, to the effect that, notwithstanding the fact that you were prepared to rule, you would also be prepared to entertain further argument.

I thought in my wisdom, since the President of the Privy Council (Mr. Pinard) was not here—and he is intimately concerned with this amendment—that perhaps we could hold it until Monday. That is the reason we are bringing it up again today, but if it is the decision of the Chair to rule right away, we have no objection.

Madam Speaker: It is not the decision of the Chair to rule right now but I am prepared to rule this afternoon. I extended the courtesy to the House to allow any hon. member wanting to give further argument on the acceptability of this amendment and I am prepared to hear that; if not, I am prepared to rule. After hearing arguments, I will see whether they substantially modify what I intend to rule this afternoon. I thought that some hon. members might have argument. I understand this is a normal courtesy that is usually extended to the House, and it is for this purpose that I am doing it.

Mr. Baker (Nepean-Carleton): I appreciate your thoughtfulness, Madam Speaker. The reason I rose just a few moments ago is that we are now faced with a judgment that has not been argued and we are facing an argument not knowing, in the general area, what the objections of the Chair might be. I assume it is the duty of the government House leader and, or, his colleague, to indicate if the government has some objections and if they can help the Chair, then they should deal with those objections. Surely the onus does not lie with the proponent, in the absence of any indication of what the illegality might be, to advance argument to sustain it.

I thought that the interpretation of the rules should be that these motions ought to be sustainable, and ought to be sustained unless there is a reason that they should not be. That is the reason I look to my friends to advance some arguments as to why they ought not to be.

Madam Speaker: May I explain what is going on in my mind. I hope we both understand the same thing.

It seems to me that it often happens when an amendment is proposed that members make points of order on the amendment. When the amendment was proposed, one of my deputies was in the chair and he took it immediately under advisement. I understand no points of order were raised as to the acceptability of the amendment. This sometimes occurs and, of course, sometimes it does not.

If there are no members who want to rise for this particular reason, that is fine, and I shall proceed. I shall give a chance to hon. members if they want to rise, however.

Mr. Baker (Nepean-Carleton): Madam Speaker, it is interesting that the government now decides it is going to sit silent. If I may say so, I think that is a lack of courtesy, as the President of the Privy Council (Mr. Pinard) has just indicated, for what ought to be the appropriate procedure.

If I am put in the position that I must offend in the face of a possibility of a ruling by Your Honour without Your Honour indicating, in a general way, what the objections are, or being prepared to rule in the event that no one speaks up, then I think the process is an unusual one, if I may say so. It is the reverse of what I think ought to be the appropriate procedure, that the House hear objections from the other side, if there are any. Otherwise, I think it would not be abnormal for me to ask the Chair what the objections are in a general way—not a judgment, but if there are some objections to it, tell me the area in which I have to argue. That is all I am asking, Madam Speaker. Normally that is the responsibility of the government House leader or his assistant, if he does not feel capable of arguing the question himself. It would normally be his job, I think, to help the Chair. However, it would be helpful if I had some general idea of the area in which I should argue.

● (1520)

Mr. Collenette: Madam Speaker, on Friday I was trying to be helpful to the Chair and all hon. members of the House because I said that we on this side would stand down and allow you to present your decision, but it was the hon. member for Nepean-Carleton (Mr. Baker) who said he was not going to hold up the debate. He said, and I quote:

It appears there is some doubt on the part of the Chair. I would like to be able to consider an argument with respect to it because I put the motion forward quite seriously.

It was to accommodate the hon. member that I then suggested we wait until today so that he could formulate arguments in favour of his own motion, since that seemed to be what he was proposing on Friday. That is at page 3805 of *Hansard*.

Mr. Baker (Nepean-Carleton): Madam Speaker, I do not want to prolong this, but what I think we have is a grinning Parliamentary Secretary to the President of the Privy Council (Mr. Collenette) who is suggesting that I have not propounded reasons for my motion, and if he will re-read the speech which preceded the granting of the motion, he will see exactly the reasons that the motion is there. If that motion is invalid, and the parliamentary secretary thinks so, then I believe it is a duty of the parliamentary secretary, or the President of the Privy Council or of someone to stand up and state the reasons generally so that I can meet those objections, if that is possible.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, last Friday, around four o'clock, you very simply stated that you were ready to give a ruling on the amendment put by the hon. member for Nepean-Carleton (Mr. Baker). In your preamble, you suggested that you had some reservations about the amendment and we on this side were quite prepared to hear your decision. The hon. member for Nepean-Carleton, seeing the weakness of his case and

seeing his chances of success progressively diminishing, sought leave to delay the debate in order to put forth more arguments.

Madam Speaker: Order, please. Those explanations have already been given, I think. That is quite clear. We have *Hansard* here. I think we are all quite aware of what went on last Friday. As I said, I did that out of courtesy for the House. I think that is quite natural, normal and customary. If nobody wants the floor, it is then clearly my duty to hand down a decision, and for the benefit of the hon. member for Nepean-Carleton (Mr. Baker)—

[*English*]

Of course I cannot review the general areas in which I intend to rule in favour or against this amendment. I was just extending a normal courtesy, but if there are no speakers, of course I shall be able to rule.

[*Translation*]

Mr. Pinard: Madam Speaker, it is quite obvious to us that the argument is unfounded and we would not want to be considered as accomplices of those who are trying to delay the constitutional debate.

[*English*]

Mr. Baker (Nepean-Carleton): Madam Speaker, now we understand the erudite and learned argument of the government House leader against the motion that is put. I know he worked all weekend preparing such a learned argument, and he is to be congratulated because he has advanced the cause of the House of Commons to a great degree.

An hon. Member: Oh, oh!

Mr. Baker (Nepean-Carleton): I hope the hon. member for Lincoln (Mr. Mackasey) will join in it, but I just want the Chair to know—and I say this with respect—that it is very helpful to members who advance motions in good faith to find out from the Chair, but also perhaps from the other side, why there might be some objection. It is very helpful in understanding.

However, if Your Honour wants a citation with respect to why I believe there is room within the rules for this kind of amendment, let me start off by telling Your Honour what this amendment says, and what the amendment that was advanced said. What the amendment was for was to provide an opportunity to the House of Commons to deal, appropriately and in accordance with established principles, with an address to Her Majesty the Queen, if that is to be the end of the debate.

If Your Honour reads carefully what the government has proposed in the literature which is now in general circulation in Canada, you will see what the government's proposal is going to be. If the committee recommends adoption of resolutions in the form of the proposed resolution, with or without changes, and both the House of Commons and the Senate concur in that recommendation, those concurrences will constitute a request or a joint address.

The point of the argument I made in my speech is that by no stretch of the imagination, even the imagination of the Prime Minister (Mr. Trudeau), can what is not a joint address constitute a joint address. As I also made clear in my speech at that time, that affects you in your responsibilities in terms of the Chair. It may very well affect His Excellency the Governor General in terms of his responsibility.

It is an important point, and what that amendment is trying to do is to give the House of Commons, not extended powers, because I am sure that would be the argument against it, and at committee not to give the committee extended powers, but to complete the powers that are necessary for the committee legally and lawfully to carry out what the government eventually wants done, i.e., an amendment and an address to Her Majesty the Queen. At this point in time that is impossible.

Why is it in order? I will quote from the chapter in Beauchesne on privileges of the House, citation 21 at page 13, as follows:

It follows, therefore,—

I will read the whole section.

> The most fundamental privilege of the House as a whole is to establish rules of procedure for itself and to enforce them. A few rules are laid down in the British North America Act, but the vast majority are resolutions of the House which may be added to, amended, or repealed at the discretion of the House. It follows, therefore, that the House may dispense with the application of any of these rules by unanimous consent on any occasion, or, by motion may suspend their operation for a specified length of time.

It is within the ambit of that citation that this amendment is brought. My respectful submission is that it not only is important, in carrying out what is the responsibility of the House, Madam Speaker, to complete what is a joint address which is what the government wants; it is within the realm of citation 21, and certainly if the argument against it is that we are seeking greater powers than are contained in the motion standing in the name of the Minister of Justice (Mr. Chrétien), I ask you, Madam Speaker, to take a look at the proposals laid out by the government in its publication.

The government is seeking greater powers and the consent of this House to have greater powers than those to which it is entitled by law, and I think it falls within the ambit of this House, in the words of that citation, "by motion may suspend their operation," to suspend the operations of its own rules for a specified period of time, and that is precisely the purpose of this matter, to carry out the intent and purpose of citation 21.

Aside from the practical side of it, it is a very important matter for this House of Commons to consider. I laid out, I thought, for the assistance not only of the members of the House but of a particular member of the House, namely you, Madam Speaker, the pitfalls in the practice that is being adopted by the government in this matter. That is something we are going to have to consider, and it is for that reason that I think the House owes a duty to itself to agree to this amendment. If it does not, that is fine; the House then has neglected its duty to itself. Regardless of that, the question is as to its propriety and, in my judgment and in my respectful submission, it falls within the ambit of our rules of practice.

● (1530)

[*Translation*]

Mr. Pinard: Madam Speaker, I listened very carefully to the remarks of my hon. colleague. He referred directly to the text of the motion under consideration and I submit that the amendment he proposed is inadmissible for several reasons. The most obvious is that if one reads carefully the amendment of the hon. member for Nepean-Carleton (Mr. Baker), one realizes that it is an absolute negation of the main motion. The main motion proposes that a special joint committee of the House and the Senate consider the proposed resolution. The hon. member, in his amendment, proposes the opposite, that is that the committee not consider the proposed resolution but rather that it be directed to study a resolution, something which has nothing to do with reality. Moreover, he wants the committee to report that the House would not be able to consider the report but would have to consider the resolution itself. Therefore, I think that right from the start, the amendment is contrary to all parliamentary practices and that it is an absolute negation of the main motion. He is asking a committee to do something it is not empowered to do. All a committee of the House can do, whether it be permanent or special, is to bring in a report.

In our motion, we ask the committee to report on whether or not the text of the resolution should be accepted. The request of the hon. member for Nepean-Carelton is a denial of that. In addition, he presupposes the decision of the committee because, theoretically, in principle, in its report the committee could very well recommend to the House that it reject the text of the proposed resolution submitted to it.

If that were the case then, theoretically, the amendment he proposes would prevent the committee from reaching that conclusion because we are duty-bound to study the resolution itself. If the committee comes to the conclusion that it does not want us to accept its report recommending that the proposed resolution be accepted, if we want the committee to be free to reach that conclusion, then we cannot endorse the amendment of the hon. member for Nepean-Carleton which, in advance, even now, before the committee looks into the matter, before it brings in its report, requires of it that it advise us that the House of Commons is not studying its report but a resolution. Again, that is another argument against the amendment proposed by the hon. member for Nepean-Carleton. It is out of order, contrary to parliamentary practice and common sense.

Madam Speaker, since the hon. member for Nepean-Carleton has finally, and with great difficulty, attempted to justify his amendment, it becomes obvious that on the other hand we, members of the government party, cannot, under our standing orders, find his amendment in order. However may I point out to you what, in reality, the motion as it now reads will lead to—and here I am not speaking of the amendment but of the main motion. It will achieve the same result as that sought by an amendment that is illegal, contrary to our rules and therefore out of order? Because the committee will be able to study, clause by clause, the proposed resolution referred to it. If we look closely at the amendment of the hon. Progressive Conservative member, it says, and I quote:

[*English*]

That the committee shall be deemed to have the resolution directly before it for the purpose of discussion and amendment,—

[*Translation*]

Madam Speaker, there is absolutely nothing in our motion which prevents the committee from considering the joint resolution "for the purpose of discussion and amendment". On the contrary, it is the mandate of the committee to discuss the project and amend it if necessary by December 9. Therefore, the first part of the amendment of the hon. member from the Progressive Conservative Party is already covered by the main motion. His proposal is useless because it is already written.

As to the second part he mentions:

[*English*]

—and that the committee shall report the resolution as amended in a form which will permit both Houses to directly consider and amend the said resolution.

[*Translation*]

But as far as the form is concerned, I shall not repeat what I said; it is unacceptable for the reasons I mentioned. But in the facts, Madam Speaker, the hon. member for Nepean-Carleton who is so knowledgeable about the Standing Orders of the House—

[*English*]

Mr. Andre: That is trickery—there is no agreement on the second part.

[*Translation*]

Mr. Pinard: —in spite of his cries, the hon. member for Calgary Centre (Mr. Andre) knows very well that once the report of the committee is completed, what the House will be studying is the committee report as to whether the proposed resolution should be adopted or rejected. If one is to assume that the committee report will recommend the adoption of the proposed resolution for a joint address, what the House can do then is to ask, and there are no restrictions to that, as long as it wishes, that the report be referred to the committee for amendment in such and such a way. So in a quite indirect manner, the House will be able to debate amendments to the resolution even if it is a committee report that is being considered. I would therefore like it to be quite clear and I challenge my learned colleague to prove me wrong with valid references in support of his opinion. Once a motion for passing it is before the House a committee report can be returned to a

committee so that it can amend it in a given manner. I therefore think that I am not just demonstrating tricks of parliamentary procedure. It is rather obvious and I am quite sure the hon. member was aware of that.

So what he is looking for in the second part of his amendment which in itself is out of order, is still something he can obtain by the means he was aware of and that I have just brought to his attention. In this approach, therefore, there is absolutely no trickery, Madam Speaker. In fact the House is dealing with a motion calling for a resolution to be referred to a committee. Then the committee would be entitled to discuss and amend it. Finally the House would hold a debate after December 9 to look into the committee report. It is too early at this stage to anticipate what the committee's findings will be, but if they were to the effect that the text of the proposed resolution should be accepted, then the opposition could ask as often as it pleased for the report to be sent back to the committee to be amended in such and such a way, and we would end up with exactly the same result as the one sought through the proposed amendment.

For the reasons I have just indicated, Madam Speaker, I finally suggest that the amendment is out of order as to its form. Substantially, it brings nothing new and provides hon. members of the opposition with no entitlement other than those which already exist under the main motion.

● (1540)

Madam Speaker: The hon. member for Nepean-Carleton (Mr. Baker) proposed an amendment to the motion on Thursday evening which the Chair took under advisement. For the benefit of hon. members I shall read the amendment to the House.

"That the motion be amended by adding thereto after the fifth paragraph the following:

"That the committee shall be deemed to have the resolution directly before it for the purpose of discussion and amendment, and that the committee shall report the resolution as amended in a form which will permit both Houses to directly consider and amend the said resolution." "

The motion of the Minister of Justice and Minister of State for Social Development stated *inter alia* that a committee be appointed to consider and report upon a certain document and "to recommend in their report whether or not such an address with such amendments as the committee considers necessary" should be presented to Her Majesty.

Those powers are in no way different from the powers sought in the amendment by the words "that the committee should be deemed to have the resolution directly before it for the purpose of discussion and amendment" and if that assumption is correct then the Chair's view would be that that part of the proposed amendment was redundant and not needed. The proposed amendment then goes on to say "that the committee shall report the resolution as amended in a form which will permit both Houses to directly consider and amend the said resolution."

The Chair has some misgiving about this part of the amendment. First, it appears to be a general instruction to the committee to amend the proposed resolution contained in the document to be referred to it, and second, and most important, it appears to be a substantive proposal to change in this instance our normal rules and practices relating to the procedures of referral of matters to committee and consideration of reports therefrom. As such, it is a substantive proposal beyond the scope of the motion and cannot be received by the Chair.

[*English*]

Mr. Baker (Nepean-Carleton): Madam Speaker, naturally I accept the ruling, but it may be appropriate to ask a question now or at some other point in time by way of a point of order or perhaps even on House business, if I can ask a question on Monday with respect to House business. The ruling was clearly that this is a substantive proposal beyond the scope of the motion which is precisely the point I made. It offers the final stage of what is the normal practice respecting joint addresses to Her Majesty the Queen, with the right of members of Parliament to move amendments and debate the resolution itself in full Parliament.

In view of the statement of the government House leader that we would arrive at the same result, as if the amendment in fact was adopted, I wonder if the government would be prepared to put a motion, hopefully to be accepted on unanimous consent, that the substance of the motion become part of the order of procedure of this House with respect to the committee and the work of the House after the committee has reported. If they would do that, I would so move it when it is appropriate, in the hope that we could settle this very important question as to how we are to address Her Majesty the Queen, because we must do so with respect to the amendments the government seeks to the Constitution of Canada.

[*Translation*]

Mr. Pinard: Madam Speaker, I want it to be very clear that a committee report recommending the adoption of the resolution submitted to it and having the effect of endorsing such report has exactly the same effect as a direct resolution which would be debated on the floor of the House. This being said, I suggest it is premature, before the committee report is known, to negotiate on the shape the debate could take at the third stage, that is once the stage of the study in committee will be over.

So as regards the substance of the hon. member's question, even though I do not agree with him as to the preamble, once again, I want this to be very clear. I want to say that we consider the debate on the committee report to be essentially the same thing as the debate on the resolution itself, and that, likewise, it is the substance that should be debated. Having said this, and I reckon we differ in opinion on this point, if my colleague would prefer the debate to be on a resolution rather than on a committee report, we have to wait to know the substance of the committee report before we are able to negotiate in an intelligent way.

I would therefore suggest to him that he wait for the committee's report. Once the report is drawn up and available, we will be open to discussion to determine both the form—and I emphasize this—and the duration of the debate at the third stage.

In the meantime his request is premature, but I do not close the door entirely. I appreciate his intelligent discussion of the matter. I was expecting his question and I believe he also expected my answer. Right now we are at a very preliminary stage; this is merely a motion of procedure to refer this to a committee. There is no reason why this should be delayed any longer.

Once the committee has amended, if it so decides, or discussed in depth the proposal, until December 9, and depending upon the nature of its report, I will be pleased to discuss with my hon. colleague both the form of what we will be called upon to discuss at the third stage and the duration of that debate. At that time we may come to agreement. For the time being this is premature.

May I take this opportunity, since my colleague raises a point of order on the business of the House, to offer right now and ask for unanimous consent to recover the time lost on countless occasions since the beginning of this debate for reasons of form, by sitting this evening from six to eight without interruption, and from ten to twelve this evening, in order not to conclude the debate this evening but to hear a greater number of members if such is the wish of Conservative members.

We would give consent to the House sitting without interruption on the motion from now until twelve.

[*English*]

Mr. Baker (Nepean-Carleton): Madam Speaker, I appreciate the offer. To date I have found the debate to be a most interesting one. If one checks the record, as I am sure Madam Speaker has, one will find the Liberal party has found it much more interesting than we have, in that it has put up more speakers during the course of this debate than we have, by actual count. I appreciate their interventions in the debate because indeed it is a fundamental one. It is such a fundamental one that, in my judgment, there is no need to change the rules of the House of Commons. But if at some point a motion is brought—and the hon. member knows the sections of the rules about which I am talking—and that motion is carried, naturally the House would go ahead.

I appreciate the words of the hon. the member, that this matter is still open, because it is very important. But I say to him that what we are talking about is the terms of reference of the parliamentary committee which will be considering the proposals of the government. So, in that sense it is not premature at all. In fact I think it is necessary. I say with respect it is absolutely necessary the committee know the extent of its responsibilities and will not be involved in a process that can possibly deny to Parliament, at the whim of the government, the benefit and right to have before it an address to Her Majesty the Queen in the normal manner, with the power of any member on any side of the House of Commons, because it is everyone's country, to move appropriate amendments. That is the purpose of wanting to do it now. My friend has said the door is open. I think it is a very important door which he has left ajar, and I thank him.

Mr. Pinard: Madam Speaker, obviously the door will be open after the committee report. My hon. colleague seems to be asking that we open the door before it goes to committee. The motion is there, the ruling has been made; that is clear. Essentially I told him—and I will not repeat it because it is on the record—that the door was open for negotiations as to the form of the debate at third stage as well as to the length of the debate at third stage. I said that in French; perhaps he misunderstood me.

Mr. Baker (Nepean-Carleton): I heard it. My French is improving.

Mr. Pinard: Since I do not have the consent of the Tory party to debate from six to eight and from ten to twelve o'clock tonight, I will be more generous and promise not to put up any Liberal speakers between six and eight o'clock and between ten and twelve o'clock, so that more Tory speakers may use the time.

Some hon. Members: Hear, hear!

● (1550)

Mr. Ron Irwin (Parliamentary Secretary to Minister of Justice and Minister of State for Social Development): Mr. Speaker, I am pleased we are finally getting back to what I think is very important—the constitution—not points of privilege, points of debate, but points of substance.

When I finished speaking on Friday I think I had fairly shown that although Sir John A. Macdonald had wanted a strong federal government and had framed the British North America Act in such terms, over the years, through legislation and federal-provincial negotiations, we had weakened that concept. I think I had shown fairly, with the use of figures, that today the federal government spends approximately 24 per cent of the revenue collected in this country while the combined spending of the provinces and the municipalities is now 76 per cent. I was in the process of explaining—and I thought we agreed on more things than we disagreed—everyone says they want patriation.

We all stand for some form of entrenchment of certain fundamental rights. We all want democratic rights, with few exceptions, specifically in Newfoundland. We think that mobility is good for this country, that a person should be able to move from one province to another, find a job and take up employment as a Canadian, not just because he happened to be born in that particular province or lived there for a certain number of months.

We all agree on the life, liberty, and security of persons section, and on the unlawful search, detention and imprisonment, arrest, charge and trial procedures. Indeed, there have been suggestions we don't go far enough. Now there have been some suggestions about tuning up the non-discrimination sections in the proposed constitution. But, generally, everyone in this House supports the entrenchment of a clause defending non-discrimination by reason of race, national or ethnic origin, religion, age or sex.

Not only in this debate but during the referendum, and I sat here and listened to it, most speakers in this House supported the entrenchment of minority language rights throughout Canada. Now there has been some suggestion that perhaps the will is no longer here. I hope not, and I think not.

I am asked by the curious, back in my riding—as I explained on Friday we don't stand around Sault Ste. Marie in the cold fall and discuss the constitution for 40 minutes—what is the problem? I try to state it as fairly as possible. I say we agree on most things, that if there is disagreement with the New Democratic Party it is because they want the power over natural resources to be given to the provinces. I say the official opposition does not like the idea of a national referendum if the provinces and federal government cannot agree on constitutional amendment in future, especially the right of the federal government to call a referendum of its own volition.

I have come to know and respect many of the members opposite since this Parliament has been in session. I say with sincerity I hope history does not ultimately label your parties as obstructionists. But I think that will be the verdict. John Diefenbaker came so close, and failed. He said:

> If only we had pressed on instead of delaying to permit the further consideration of one or two minor matters.

That will not happen again. I saw it happen here today, Friday, and Thursday, because of the opposition, who prefer to debate points of privilege and points of order when we are here debating the constitution of this country, which will be in effect for the next hundred years.

Some hon. Members: Hear, hear!

Mr. Irwin: We have failed too many times in the past. On balance, between unanimity and the good of the country, there is really no choice as far as we are concerned. Every member of this party, from the Ottawa Valley to the Manitoba border, which happens to be all Liberal, will be supporting this constitution when it comes back, not apologetically but with pride, because we know it is necessary. In the north we are not saying "Now is the time", but we are saying "It is about time".

Let us look at the times we came very close, and let us start with John Diefenbaker. I have a great deal of respect for John Diefenbaker. As a matter of fact when I cast my first vote it was for John Diefenbaker, when I was living in Toronto.

For two things he was never criticized, his courage and his passion for this country. He wore that passion on his sleeve. John Diefenbaker fought for a Bill of Rights and, when it passed, how many Canadians thought at that time that that beautiful piece of legislation would be interpreted by the courts into insignificance? That is exactly what happened.

How did he feel about entrenchment? This is what he said:

> A bill of rights for Canada is the only way in which to stop the march on the part of the government toward arbitrary power, and to curb the arrogance of men "clad in a little brief authority".

He went on to say:

> —some say that it is unnecessary and our unwritten constitutional rights protect us (a familiar refrain).
>
> They have not in the past.
>
> They cannot unless you and I have a right to the protection of law in the courts of the land.

How wise he was. We often forget that as well as being a legislator he was noted as a civil liberties lawyer. His years before the bar and his years as a legislator brought him to the conclusion that we needed a binding bill of rights.

Mr. Blenkarn: Why don't we have John Diefenbaker?

Mr. Irwin: It was more refreshing when we did have John Diefenbaker.

What about the provinces and the provincial governments? He said with regard to the provincial governments:

> My experience with the provincial governments indicated that they were too jealous of their jurisdiction over property and civil rights to support any amendment applicable to themselves. I have little hope that their attitude will be altered in the years ahead.

He was right, their attitude has not changed.

What did he say about the different types of citizenship, which they are basically espousing in the provinces? He knew there could only be one type of citizenship. He knew that without that basic tenet there could be no Canada. He said:

There are others who claim that the Parliament of Canada cannot pass laws to preserve the constitutional freedom of Canadians.

If that be true, then Canadian citizenship is a provincial variable.

There will be nine kinds of Canadians in Canada whose freedoms will be based on the home address of each of us.

If that contention be true, Canadian unity is a meaningless term—

John Diefenbaker came so close. Do you remember in 1961 when he and the Hon. E. D. Fulton had reached a consensus with the provincial attorneys general, after about 15 months of work? It was at that time that we almost had what we are trying to get today. But the government tarried, they waited and did not act—the chance was gone. He failed. Let us learn from that experience. Let us stop nitpicking and get on with the job, unless you really do not want it to happen, unless you want the failure of 20 years ago. Diefenbaker's experience was invaluable and we should learn from it.

Let us look at our side. The Right Hon. Louis St. Laurent tried, and he failed. How did he feel about our responsibilities? He said:

National unity demands that all those who form part of the Canadian Parliament feel that their responsibility is to the Canadian people as a whole, and that they are not the representatives of any provincial government or any municipality or other local authority.

Over the last few days I have heard many charges hurled at the opposition. It is alleged that they are front men of the provinces, that they are spokesmen for the provinces, and conduits for the provinces. My instinct tells me this is not true. But I will be quite frank with you—you are more preoccupied with provincial rights than you are with the country as a whole. Perhaps it may be because of the uneven balance which occurred in the last election and the way we have broken up the country politically. I don't know the reason, but quite frankly, what my ears tell me in this debate is that the oppositions are sounding very parochial and very provincial. I do not think this is healthy for the country.

St. Laurent had problems with the provinces when he abolished appeals to the Privy Council, which was done without provincial consent for the simple reason he could not get it from Duplessis. If Mr. St. Laurent had waited for provincial consent, our government of last resort would still be in London. It would be something, for the premiers of the provinces could say in that case, "I am not going to the Supreme Court of Canada, I am going to the Privy Council or I am going to London to have the case adjudicated". This is exactly what would have happened if the government had waited for unanimity.

● (1600)

Thirty-one years ago, in 1949, Mr. St. Laurent told an audience of young people:

We will be in full possession both theoretically and in practice of our autonomy. We will be masters in our own home—

He was referring to the time when we would abolish appeals to the Privy Council and gain the right to amend the Canadian constitution at home. Those young people in that audience are now in their late forties and early fifties, and they are sick of waiting. How many more decades must they wait? The time is now. I do not know about the opposition, but the government of this country and the people of Canada want and deserve to be masters of their own home.

I would like to deal now specifically with the speech made by the Leader of the Opposition (Mr. Clark) to the House on October 6. I listened to that speech, because it was an important speech. The Leader of the Opposition represents a great segment of Canada. In certain ways, he made an amazing speech. There seemed to be an obsession with section 42 which deals with the referendum. The Leader of the Opposition seemed to have little or no faith in the ability of the people of this country to make an intelligent decision in a referendum. He would prefer to leave these basic rights and their amendments to the politicians.

I would remind the Leader of the Opposition, and it is unfortunate that he is not here, that if it had not been for the people's referendum in Quebec, if we had left the matter to the great legislator Lévesque, we would not even be debating this constitution today; we would be discussing sovereignty association. It was not the politicians of Quebec who were in power who saved us from separation, it was the people of Quebec. I believe that the Opposition Leader underestimates the intelligence of the ever average Canadian and overestimates the intelligence of the average politician.

Politicians get stampeded as easily as the public, probably more so. For instance, in Australia where there is a referendum process, over the last 64 years out of 24 amendments proposed, only four passed. Presumably they were proposed by the political institutions and rejected by the people. Yet, the Leader of the Opposition feels that section 42 is "the greatest menace to rights". It is odd that he should feel that the public is the greatest menace to rights.

The Leader of the Opposition touches or, rather, meanders through section 44; and also section 51, which deals with colonial status, without saying too much of substance and at page 3295 of *Hansard* he is reported as saying:

This is our position: To bring back the constitution with an agreed formula and nothing else.

What the Leader of the Opposition is really proposing is really nothing more than an empty gesture. As a basis for meaningful discussion, I find this quite discouraging. This nation needs better direction than that.

I use the word "direction" because this constitution is more a direction than it is a destination. For the Acadians, that direction is a better way of preserving their culture and way of life through minority education rights. For the people of Saskatchewan, it is a direction that was started decades ago when they were the first province to bring in a bill of rights and to propound a series of schemes with one basic foundation which was, essentially, common sharing for the common good.

For the Quebecker, the direction is a Canada in which he will strive to protect English minorities inside Quebec, and the rest of the country will strive to protect French-speaking minorities outside Quebec, and that is the way it should be. For Alberta, the direction will serve as a reminder that we in Ontario have paid out millions in equalization grants to other provinces and have not once, even though it is owing to us under the formula, asked for such a grant ourselves. It is also a reminder to Alberta from the people of northern Ontario that for years we paid 25 per cent over the world price for petroleum because it was a good idea to develop the petroleum industry in Alberta. We did not begrudge paying this price because we thought that it was a good idea and for the common good of all Canadians. When someone drew an imaginary line at Ottawa and said, "Everything west of that line belongs to Alberta", we said, "Fine, that's the way it should be".

For the Franco-Ontarians, that direction is away from the divisive debate which we recently saw in Penetanguishene, and in the future, when numbers warrant, there will be the right to minority language education. It will not be left to the whim of the local board of education. I am sure that the direction is right and the correct one to take. It is a direction toward the people. There should always be a direction toward the people.

Too often we feel that the power is here, and we forget that we are just the holders of power for the time being. This is something which Premier Peckford should remember. He feels that the provinces created the federal government and the federal system. I suggest to him that it is more accurate to say that the people created the federal system and these same people should be asked to amend the constitution in a referendum from time to time when it becomes necessary.

I sat in the House through most of the debate. I came to this sitting full of enthusiasm and hope. At the beginning I really thought that all of us together would create a historical moment, that we as one would mould a constitution and set aside political differences to give to the people not only something that they vitally need but something that they vitally deserve. I felt that there would be some differences and some suggestions, but in the end that we would come together as one, as ten fingers come together to strengthen two hands, as one voice speaking to England.

I felt that we had learned through the mistakes of the past. I was wrong; we have learned nothing. But this time there will be the political will to go the distance. This time there will be no retreat, and Canada will get a constitution. Henry David Thoreau once said:

> If a man does not keep pace with his companions, perhaps it is because he hears a different drummer.

It would appear that the sound which we are hearing is not the same sound which members opposite are hearing.

Mr. Dinsdale: That's right.

Mr. Irwin: That is certainly right. It appears that that sound periodically says that there are certain rights which should be enshrined in the constitution and members opposite are not hearing it. It is the sound which says, "If we are a country, then we must protect minority rights". It is a sound that says, "How long must we suffer the indignation of going, cap in hand, to England to do something which we should be doing in our own country?". It is a sound which says—

An hon. Member: Oh, oh!

Mr. Irwin: I listened to you, and now you are going to listen to me.

It is a sound which says, "Any Canadian, no matter where he is born, has the right to work anywhere in Canada." It is a sound that says, "This country should no longer tolerate padlock laws, like in Quebec, and laws which discriminate against regions." It is a sound which says, and this point was raised earlier, "This country does not tolerate union busting under the name of security." It is a sound which says that this time there will be a codified law against discrimination because of race, national or ethnic origin, colour, region, age or sex.

This time the aspirations of a nation will not be thwarted by those who use fear as a means of confusion, or those who use points of privilege as points of debate instead of points of substance. If members opposite cannot hear that drummer's beat, then they ought to move aside because this time this legislation will not end up in a bucket of dust, and this time, when the numbers are counted, we will be there.

Some hon. Members: Hear, hear!

Mr. Tom McMillan (Hillsborough): Mr. Speaker, many members have referred to this debate as historic. For my province, Prince Edward Island, the debate is indeed historic, because we are considering a proposal that would end P.E.I.'s provincial status as far as having any future say in constitutional matters is concerned. Isn't it ironic, Mr. Speaker, that the very province which served as the birthplace of confederation, in September, 1864, will, 116 years later, receive the hardest blow from the most far-reaching changes in Canada's constitution since confederation?

● (1610)

In my own remarks, I intend to focus, almost exclusively, on the injustices which the government's constitutional package would inflict on my province. I do so unashamedly because, if members in this House do not stand up for the smaller provinces, no one will; certainly the government will not. At the same time, by focusing on injustices inflicted by the resolution on my province and region, I hope to draw attention to the violation which is being done to confederation itself. Just as the civility of any society can be judged by how it treats its minorities, the vitality of our federal system can be measured by how it responds to the concerns of its smallest partners. By that standard, the government's package of constitutional change fails miserably.

Let us look at the proposed resolution for a joint address to Her Majesty the Queen respecting the Constitution of Canada, in particular, the amending provisions. The Parliament of

Canada will be asked to approve a proposal to ask the British parliament to terminate its authority in all matters relating to the amendment of the Canadian Constitution. I have no quarrel with that. My party has long favoured the patriation of the British North America Act. Why should we Canadians have to go cap in hand to another country, even our mother country, for changes in our constitution? We should not.

But, following patriation, the amending formula that would likely apply under the government's resolution would be that outlined in sections 41 and 42. In reality, there are two amending formulae. The first would require the approval of Parliament and some of the provincial legislatures. The second would require the approval of Parliament and of the people of some of the provinces through a Canada-wide referendum. In either case the same approach is taken in the calculation of provincial consent, whether expressed indirectly through the provincial legislatures or directly through a plebiscite. It is at this point where, in effect, three classes of provinces in Canada would be established.

In the first class of provinces would be Ontario and Quebec, for each is treated as a region unto itself and given an absolute veto over any future constitutional change. All other provinces would be reduced to the status of second class, except for Prince Edward Island, which would have the dubious distinction of being in a class by itself, that of third class.

In the west, for example, the approval of any two provinces comprising 50 per cent of the population of that regon is required. Although not enjoying a veto, as Quebec and Ontario would, any province in the west would have at least a chance to join with another province in that region to make up the required 50 per cent. In effect, given the current populations of the western provinces, British Columbia would have a near veto because no other two provinces together now make up 50 per cent of the total population of the west. British Columbia, then, would have to be one of the two. In future, however, if population shifts occur, such may not always be the case, and all western provinces might be on an equal footing as far as sections 41 and 42 are concerned.

By contrast, in the Atlantic region, Prince Edward Island would not now, and will likely never be able to join with any other single province in the region to meet the 50 per cent regional population requirement for constitutional change under sections 41 or 42. Thus, Prince Edward Island's approval or disapproval of a proposed constitutional change would be rendered irrelevant. The island would be denied any role whatever in constitutional decision-making. I am not arguing for Prince Edward Island to have a veto over constitutional change. Nor am I arguing that the rule of federal-provincial unanimity should apply before constitutional change can occur. Clearly, that would place Canadians in a constitutional strait-jacket.

But, just as the approval of all provinces should not be required for constitutional change, so also no province should be cut out of constitutional decision-making altogether. Yet the resolution proposes to do exactly that to Prince Edward Island.

On Wednesday, October 15, the Prime Minister (Mr. Trudeau) described the amending formula in the resolution as the Victoria charter. Mr. Speaker, it is not. At best, it is a substantially modified Victoria charter. Under the Victoria charter, 50 per cent of the provinces in the Atlantic region, any two provinces, would have had to agree to a change in the constitution. Although the Victoria charter required the approval of at least two provinces in the west comprising 50 per cent of the population of that region, the same charter only required the approval of two of the provinces in Atlantic Canada, regardless of population. Accordingly, under the Victoria charter, Prince Edward Island could join with any province in the region to approve or oppose constitutional change. Under the modified Victoria charter, no such possibility exists.

Mr. Speaker, my party strongly opposes section 41 and section 42 because, among other reasons, these sections create three classes of provinces in a country where such a political caste system should be anathema. To my mind, section 42 is particularly repugnant. By providing for the imposition of constitutional change through referenda, section 42 undermines the elected representatives of the people at the provincial level. In doing so, the section debases the provinces as vital partners in our federal system.

The affront to federalism posed by section 42 is compounded by the fact that the federal government—not the federal government in concert with the provinces but, rather, the federal government acting alone—would control the rules of the referendum, its timing, and even the wording of it. Worse still is the danger that the federal government might also use huge amounts of advertising and public opinion polling dollars to manipulate the results. Indeed, the record of the present government demonstrates the likelihood of that happening. Under such circumstances, the referendum votes of the people of Prince Edward Island would be buried under an avalanche of votes from the huge metropolitan areas of the country. In Ontario alone there are at least eight cities which have populations greater than Prince Edward Island's. Surely democracy is more than just a matter of numbers. I ask hon. members, should Prince Edward Island's long history as a separate province not count for something?

A much fairer formula for Prince Edward Island, for the other provinces and for all of Canada is, I think, the so-called Vancouver formula—a formula agreed to by all the provinces and the federal government this past summer, but one on which the Prime Minister has refused to act. Under that formula, constitutional change would require the approval of Parliament and seven provinces making up 50 per cent of the population of Canada, with an opting-out provision on certain selected exclusive provincial rights. Any proposed changes to the constitution would then proceed according to the formula. Such a formula would give my small province some role in constitutional matters though, of course, not a veto.

For example, suppose six provinces comprising 50 per cent of the population of Canada agree to a constitutional change but they require the approval of a seventh province, irrespective of its population. Prince Edward Island could be that

seventh province. Similarly, although less likely, suppose seven provinces agree to a constitutional change but they do not quite make up 50 per cent of the population. They might require the approval of Prince Edward Island's tiny population to put them over the top.

I am not arguing that Canada should tailor-make its constitution to meet the particular circumstances of Prince Edward Island, or of any other single province for that matter. I am saying, though, that whatever formula is adopted, it should not be unfair to any province. By that test, the Vancouver formula is infinitely better than the so-called modified Victoria charter.

• (1620)

Sections 41 and 42 constitute a direct assault on P.E.I.'s interests as a separate province of Canada. The resolution is an affront to our province—and, indeed, to all provinces—in a number of ways.

May I draw your attention, in particular, to section 44. That section effectively emasculates the Senate of Canada in constitutional decision-making. It says that an amendment to the constitution can be made without the approval of the Senate under specified circumstances. The government is proposing to change unilaterally, in a fundamental way, a central institution of Parliament; an instrument established at confederation specifically to safeguard the rights of small provinces like Prince Edward Island. And it is doing so in a fashion that the Supreme Court of Canada declared ultra vires when the government tested the legality of a similar measure, Bill C-60, before the court just ten months ago.

To my mind, Canadians all too often and too lightly dismiss the Senate as an anachronism. Now is not the time, nor is here the place, to point out the usefulness, both real and potential, of the red chamber. But it is well worth stressing the importance placed upon the Senate by the provinces, especially the maritime provinces, at the time of confederation.

In a federal assembly based on representation by population, the maritime members knew they were destined to be heavily outnumbered. Their one hope of redressing the political imbalance lay in the Senate, or the "Legislative Council" as it was then called. The upper house was clearly seen, and specifically constituted, as a defender of regional and provincial interests. The question of representation in the Senate was, in fact, the most hotly debated issue of the proposed federal scheme at the Quebec conference in October, 1864.

The leader of what was later to be called the Liberal party, George Brown, called the equality of representation for the regions in the Senate "the very essence of the compact" that was confederation. "On no other condition", he said, "could we have advanced a step". Professor Robert MacKay, an acknowledged expert on the Senate, has described it as "the last means of defence for the protection of provincial or sectional rights". Yet the present federal government is proposing to reduce dramatically the power of the Senate in constitutional matters. Not only will small provinces like Prince Edward Island be left to fend for themselves in the face of national referenda dominated by the large populous provinces and cities of Canada, those small provinces will also lose the protection afforded them through the Senate by the terms of confederation itself.

What the present federal government is trying to do is nothing less than change the rules of confederation to the point where we will no longer have a federal system in any true sense of the term. My leader has said that the Prime Minister's concept of federalism is much closer to a unitary state than a federal state. I believe he is right. If we are to have a form of unitary system in Canada, then the maritime provinces may as well close shop today. Certainly, they will cease to have any real say in constitutional questions.

And where will it all end? In future it will be easy for the federal government to obtain the constitutional changes it wants. Not even the Senate will be there to stop a majority prime minister hell-bent on getting his own way. For example, the British North America Act guarantees the right of a province to a number of members in the House of Commons not less than the number of Senators representing the province. That guarantee is a most important one for P.E.I. Few other provinces, perhaps none of them, need the same protection because their respective populations are large enough to assure them an adequate number of seats in the House.

Yet section 50(f) of the government's resolution proposes that the relevant section in the Canadian constitution may be changed in accordance with the amending procedure prescribed by section 41 or 42 of the resolution. Given the adverse implications of section 42 for P.E.I., one wonders how long the island will be guaranteed a minimum of four seats in the House of Commons. My province will not be able to count on the Senate to safeguard its historic constitutional right in that connection, since the role of the upper house in constitutional matters will have been severely curtailed if the resolution is not substantially changed.

A moment ago, Mr. Speaker, I referred to George Brown's 1864 description of confederation as a "compact". I believe that, in a special sense, confederation was a compact and that great violence will be done to it by the federal government's resolution.

I would be the first to agree with my lawyer friends in the House that the confederation settlement was not a contract in the technical or legal sense. The BNA Act was, after all, a British statute, not a Canadian one. None of the colonies was sovereign at the time of confederation, so no government among them was legally competent to enter into any binding agreement with the others. Furthermore, Ontario and Quebec were brought into existence by the BNA Act. Thus they could not have been parties to a legal compact that established them.

Confederation was, nevertheless, a distinctly Canadian response to a Canadian problem. If confederation was not a

compact in the strict contractual sense, the parties to it did make mutual commitments. The terms of the union written into the BNA Act, though finally settled by the British government, followed very closely the Quebec resolutions agreed to by the political leaders of the British North American colonies.

Some of the colonies represented at the Charlottetown and Quebec conferences—my own province, for example—chose not to enter confederation until after 1867, despite pressure from the imperial government. That fact demonstrates that the colonies did have, and did exercise, a fair measure of self-determination.

In a moral sense, then, if not in a legal sense, confederation was a compact. The various communities shared widespread assumptions about the nature of the confederation agreement and those same assumptions made it possible for the communities to accept the agreement.

There was, in other words, a spirit of confederation. That spirit dictated, among other things, that the federal Parliament may not unilaterally cause the Canadian constitution to be amended in any way it chooses. Unilateral action by the federal government on fundamental constitutional amendments, especially those affecting the provinces, would be incompatible with federalism. Worse still, such action would be a serious breach of the mutual commitments made when the Dominion of Canada was established and when new provinces were subsequently added. Yet that is what the present government proposes to do with its resolution.

The spirit of confederation is not only linked to the fact that distinct social and political communities came together to build a new country. The spirit of confederation is also linked to the fact that those communities, in one form or another, continue to exist to this very day. The spirit of confederation in 1867 consisted of a due regard for the nature and interests of the communities that formed Canada. And the spirit of confederation is the same now. The country could not have existed in 1867, and it cannot exist now, without a reasonable respect for the communities which comprise it and for the institutions through which those communities express themselves.

● (1630)

By riding roughshod over the provinces in such a basic area as the constitution, the present federal government is extinguishing the spirit that gave birth to our country and that has helped keep it united for over a century.

The current federal government is trying to act alone to change permanently the nature of Canada, overriding the wishes of Parliament and the provinces. It is proposing a charter of rights that, however commendable in some ways, imposes enormous obligations on the provinces in what are their exclusive fields—education, property, and civil rights. And, in all of these changes, the government is applying a double standard. The Prime Minister is asking the British parliament to make all the changes he wants. But changes sought by others, in future, will require a new amending formula that is heavily loaded in favour of the federal government at the expense of the provinces, especially Prince Edward Island, which would be excluded from the process altogether. The government's resolution betrays the spirit of confederation and, in doing so, betrays Canada itself.

Your Honour, I do not want to leave the impression that I am personally opposed to everything in the resolution. The entrenchment of the principle of equalization, in section 31, is especially welcome. Still, let us not be seduced into believing there is more in section 31 than meets the eye. Although there is an expressed commitment to provide "essential public services of reasonable quality to all Canadians", how such a goal is to be achieved is not mentioned. Certainly any reference to equalization payments is conspicuously absent.

In any event, equalization payments, though laudable, are not a panacea for the economic ills that affect many parts of our country, including my own region. The fact is, the per capita income in the Atlantic provinces still lags well behind the Canadian average despite equalization payments and other efforts by both levels of government to reduce regional economic inequalities.

Indeed, an over-reliance on the transfer payment approach to regional disparities is part of the problem. Instead of helping the so-called have-not provinces to become self-sufficient, transfer payments—whether to individuals or to provincial treasuries—have tended to make those provinces even more dependent on the rest of Canada. Since transfer payments are rarely an investment in the economy of the recipient, the money commonly gets recycled back to Quebec and Ontario through expenditures on goods and services produced in the industrial heartland of the country.

In P.E.I., for example, government transfers to persons contributed 23 per cent of the total personal income of the province, compared to only 13 per cent for Canada as a whole. Of the $505 million expenditures by the federal government, the provincial government, local government, and hospitals on the island in 1978, the last year for which figures are available, $426 million was provided by the federal government alone. Prince Edward Island, like the other Atlantic provinces, has become, in a special sense, a ward of the federal government.

Frankly, Mr. Speaker, I am not convinced that such regional economic servitude is exclusively the result of either neglect or accident. One cannot overlook the fact that it has served the interests of central Canada to have the Atlantic provinces as a ready market for their manufactured goods, rather than engaged in manufacturing themselves. National policies, from protective tariffs to freight rates, have consistently favoured Ontario and Quebec—the very provinces whose votes have enabled the Liberal Party of Canada to govern the country for most of this century.

As the Premier of Prince Edward Island put it at the first ministers' conference in Ottawa last month:

> Could it be that the central government only responds 'in the national interest' when those who are asked to make concessions are minorities in the House of Commons, but never when those expected to make concessions are the numerical majorities? Could it be that, if we had a truly federal state, in which all partners

had a more significant voice, national policies might more truly reflect the interests of all provinces and, hence, the entire country?

I wish to close my remarks today on the constitution, Mr. Speaker, by expressing profound regret that the government has seen fit to proceed with its constitutional package in a highly partisan fashion. Not only has it alienated most of the provinces through its high-handedness, it has also refused to involve, in any real way, members of the opposition parties in the House. To the extent that the people of Canada have been invited to participate, it has been through government manipulation at the hands of professional pollsters and propagandizers.

The Prime Minister has made constitutional reform his exclusive preserve. I want to stress at this point that, in my view, no member of the House should doubt the Prime Minister's genuine dedication to Canada nor the breadth of his knowledge of constitutional matters. But a constitution must reflect the preoccupations of more than just one man. A constitution must reflect the aspirations of the society for which it provides the rules of government. What is more, a society's constitution must have a degree of acceptance in the population at large, even if the legal complexities may not be understood by every citizen.

I believe this government can learn a lesson from history, from the Fathers of Confederation, in particular. Over a century ago they set aside their often bitter partisanship for a greater cause, the union of the British North American colonies. Sir John A. Macdonald, no shrinking violet himself when it came to partisan politics, invited his arch-enemy George Brown, and two other reformers, to join him in a coalition to bring about constitutional change as a means of breaking the political deadlock then faced by the Canada, a deadlock that was greater than any between the federal government and the provinces today. To his lasting credit, though he hated the government leader, Brown accepted Macdonald's invitation.

The coalition of 1864 lasted right up to confederation because the politicians of the day were prepared to place the public interest ahead of their narrow partisan or personal interests.

By the same token, most of the delegations from the various colonies at the constitutional conferences preceding confederation were composed of representatives of more than one party. At the Charlottetown conference, for example, the P.E.I. delegation was comprised of three government members and two opposition members. At the Quebec conference, the ratio was four to three, with the delegations of other colonies similarly formed.

I am not now calling for a coalition government to deal with Canada's current constitutional problems. By my fear is this: if the Prime Minister and his government are able to use their parliamentary majority to impose their will—against strong opposition in Parliament, against the opposition of almost all the provinces, and against significant opposition in the country at large—the victory will be seen as a Liberal party victory. For constitutional change to have lasting success, it must be seen as the country's victory.

Some hon. Members: Hear, hear!

Mr. McMillan: The Fathers of Confederation, despite vigorous debate, soon recognized their meetings in Charlottetown and Quebec as a divinely granted opportunity. They rose to the occasion and built better than they knew.

I must confess, Mr. Speaker, that I was taken aback by the force of media opposition to my party's call this past summer for a broadly-based special convention to deal with proposals for constitutional change. Such a convention would involve representatives from all parties, at both the federal and provincial levels, government and opposition members alike, as well as a number of distinguished Canadians outside the political realm. To my mind that proposal was a worthy one, though it may be too late to act on it now. It is, however, not too late to follow the spirit that motivated the proposal for a constitutional convention, the same spirit that gave birth to confederation more than a century ago.

● (1640)

The distinguished political scientist, Donald Smiley, has written, and I quote:

A politically organized society cannot in the long run survive without the capacity to appeal effectively to the will and imagination of its citizens, particularly one so little formed as that of Canada and so vulnerable to disintegrative forces from within and assimilative pressures from without.

However successful the present government might be in parliamentary one-upmanship, a constitution cannot be forced on a people if it is to serve them long and well. I urge the government to reassess its tactics in the crucial days and weeks ahead. The confederation spirit has served the country well for over a century. If given another chance it will not let us down now.

Hon. Bryce Mackasey (Lincoln): Mr. Speaker, I have listened to most of the contributions and speeches which have been made on this very important subject matter, the proposed resolution which will, I think, affect the future of this country very dramatically in time. I do not for a moment attempt to minimize the impact of this proposed resolution, if adopted. I think the real question is not whether it will have an impact on Canada and on its citizens but whether that impact will be beneficial or detrimental to the future of Canada and to its citizens.

I have listened through a great many debates in this House. I have participated in a few. I have always felt somehow that the House of Commons, with all its faults, had always met the challenge of the day, and I have a feeling that it will once again.

I must commend the hon. member who just sat down for his very reasoned, passionate and logical contribution. There have been many in this particular debate because the whole nature of the House of Commons is such that members from all parties on issues, particularly as important as this, should reflect the concern and the misgivings of their particular regions. That really is the main function of a federal system,

and I must say that I was particularly impressed the other day by the contributions, for instance, of two members from Newfoundland, diametrically opposed as they are, in good Newfoundland tradition, on certain issues. They reflected the tremendous appreciation they have for this great country. They reflected, in impassioned speeches, the concern the regions have that somehow we may be stumbling into a formula which somehow would create the type of imbalance that the Fathers of Confederation were concerned about.

I am not a historian. I am not an expert on the constitution. I reflect, as did the hon. member for St. John's East (Mr. McGrath), those very forces which molded my thinking. The hon. member's views are conditioned by the privilege of having lived in Newfoundland prior to 1949, although at times he does not look that old, and he is now a member of the federal Parliament. My views are conditioned by my background, that of an English-speaking Quebecker in my infancy. I am one who has had the privilege of sitting in this House elected from a Quebec riding for I do not know how many years, perhaps 15. Now I have an equally glorious opportunity to represent a riding in Ontario.

Fortune was such that I spent 18 months in the Quebec Assembly where not only Bill 101 was adopted but also Bill 1, which we hear little about these days. It was struck down by the Human Rights Commission of that province. I sat in that assembly in the months preceding the legislation which set up a referendum, and so I know to a great degree how emotional this debate can be and how thin the line is between reasoned participation and impassioned rhetoric which will not stand the test of time.

I participated in this House in the official languages debate. I can remember the resistance to change in those days. That was understandable. Members came from parts of the country where bilingualism was not an issue. To the everlasting credit of the House of Commons that important piece of legislation was adopted, after reasoned debate and concern for what were legitimate points of view expressed in that debate. I think in retrospect there is nobody in this House who would want to touch that piece of legislation, even though time has proved that at times it was implemented with too much zeal, or not enough.

I was here and participated in the flag debate. I remember that debate very well. What I remember are the good contributions which were made from all parts of the House. Again I understood the concern of hon. members who felt that somehow we were severing for all time our ties with the Commonwealth of Great Britain. I remember the impassioned and moving speeches on the Red Ensign and on the contribution that flag had made to this country in two wars. There were legitimate concerns, but again in retrospect I think we feared for nothing. The Canadian flag has been a unifying flag, perhaps because it was acceptable to all Canadians regardless of whether they traced their heritage to Great Britain or France. It was a flag which was devoid of symbols. It was uniquely ours, and again I must say that that was a traumatic debate which lasted the better part of a year, or a summer at least.

I will not refresh the memories of hon. members with other milestones in the slow but sure evolution from colonialism to full nationhood. Initiatives have been taken not only by this side of the House but also by Conservative prime ministers. I might say on behalf of the hon. gentleman who has led the Conservatives and who was prime minister for a little while that, in his way, the Leader of the Opposition (Mr. Clark) has contributed to unity by his methods and by the efforts he made to learn the other official language of this country.

I often wonder if perhaps in French-speaking Quebec those efforts are appreciated to the degree they should be, because never again can we Liberals in that province subtley suggest that the Conservative party did not understand or did not want to reflect bilingualism. I think that myth should be dissipated once and for all, not only because of the efforts of the Leader of the Opposition to learn French but because of the stand of the opposition on the Official Languages Act.

● (1650)

Some hon. Members: Hear, hear!

Mr. Mackasey: I do not propose to speak in any great detail about this clause or that clause. After all, what we are asked to do in the House is to refer the resolution proposed by the government to a joint committee of the House and the other place. Once that proposed resolution reaches the committee, there, I am sure, many of the concerns, observations and fears of hon. members opposite can be resolved, discussed, debated, put at ease and, perhaps, result in amendments—I do not pretend to know. But I do know that hundreds of thousands of people who are watching this debate on television, Canadians from all walks of life, are beginning to ask—at least that is what I found over the weekend—"when will you complete the preliminary step toward the adoption of the resolution, and when will this resolution be turned over to the committee?" I do not pretend to know the answer, but I leave with the House leaders the observation that if this debate is to have the desired effect on a matter as fundamental as changing the constitution, if it is to be done in the proper atmosphere, then I think we would want to come to some conclusion as to when this resolution should be referred to the committee, and I do not think the opposition would want to be charged with obstruction through a series of questions of privileges or points of order.

As so many hon. members have pointed out, we are affecting the constitution of this country to a tremendous degree, at least the written portion of the constitution, the British North America Act. I have thought very deeply about it because, by reason of the fact that I am English-speaking and did have the privilege of living for so many years in Quebec and representing ridings in Quebec, I was preoccupied, more than most, I suppose, with constitutional minority rights. The minorities about whom I was most concerned, of course, were the French-speaking Quebeckers. I used to get up in the House in the 1960s and speak with great pride about how well I was treated in that province as an English-speaking Quebecker. I am sure I spoke in every province in the 1960s at the request of the late

Mr. Pearson on the type of Canada we could fashion with a high degree of tolerance and understanding of both official languages, cultures and religions, which was a way of life in Quebec, if only the same tolerance and understanding could spread right across this great country of ours.

I must say that I have seen tremendous progress. I can remember when, in 1962, I felt a moment of embarrassment when a group of my constituents came to visit Parliament and I could not find a bilingual guide to explain the beauty of this building. That is no longer the case. I can remember also when documents were never tabled in the House in both official languages simultaneously. It was understood. You babbled something about translation when you tabled the documents, and it was done six weeks or two months later, if at all. That is no longer the case.

I have seen much progress in Ontario. Since I have represented Lincoln, I have been impressed at the progress that the Conservative government of Ontario has made in the area of language and culture.

I was also there in Quebec, Mr. Speaker, when the provincial government took away some of the privileges that I had as an English-speaking Quebecker, which to me had become rights; for example, the right to put a sign over my store in any language if I was in business, a right which Quebeckers no longer enjoy. I realized then how fragile the rights of individuals are if the force of those rights is found in provincial legislation and not in the federal constitution. I came to that conclusion a long time ago, Mr. Speaker.

Indeed, when I think back to the vision of Mr. Diefenbaker's Bill of Rights, Mr. Pearson with his flag, or the Prime Minister's (Mr. Trudeau) dedication to the Official Languages Act, I do not think it is an exaggeration to say that if these fundamental changes had not been made, if we had not moved to strengthen the symbols of federalism and strengthen federalism in the House itself, if we had not once again pleaded with French-speaking Quebeckers of the calibre of our Prime Minister, the Minister of Justice (Mr. Chrétien), the present Postmaster General (Mr. Ouellet) or, going back, the late Guy Favreau—I could name them all, some of them no longer here—if we had not prevailed on those people to come to the House of Commons to remind French-speaking Canadians that this was their country, all of it, not just Quebec, that indeed there was a role for them to play, that they could become prime ministers and that they could become cabinet ministers of great strength and influence who commanded respect despite the fact that they were French-speaking Quebeckers, that discrimination, at least here, was a thing of the past, I doubt very much that we could have won the referendum.

So I say to you, Mr. Speaker, and to all hon. members, that what we are doing right now will have the same impact in two, three, five or ten years from now if the force of separation in that province or in other provinces rears its ugly head. The Fathers of Confederation opted for a federal system. If you read their speeches carefully you will find that they also opted for a strong central government in our federal system, as strong as they could obtain and not lose the support of Quebec and the Atlantic provinces.

I have suggested that, throughout the years, through provincial legislation, through economic shifts, the central government has become relatively weak in comparison to some of the provincial governments, particularly in the field of the economy. You might say to me now that there are ways and means in which this imbalance can be redressed. That is true, it has happened. The federal government assumed tremendous powers through necessity during the war, powers which it has been reluctant at times to give up. Some powers, I think, it has given up too easily. But the present formula for federalism, what we are tinkering with—and that is the danger of tinkering with it—has been remarkably successful.

We are the finest country in the world because of our economic system. We have been able to combine free enterprise with social reform, and provide our system with the best educated work force in the world because of our dedication to equality of opportunity and free education wherever possible. We have the healthiest work force in the world, thanks to medicare and the determination of a series of governments to look after social reform. We have the very unique concept of equalization, sharing, which have spelled the difference between inequality and equality of opportunity in this country.

● (1700)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Ethier): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Surrey-White Rock-North Delta (Mr. Friesen)—Government advertising—Approval of unilingual advertisements; the hon. member for Mississauga South (Mr. Blenkarn)—Finance—Government policy on interest rates; the hon. member for Nunatsiaq (Mr. Ittinuar)—The Constitution—Participation of native people and northerners in constitutional discussions.

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

PRIVATE MEMBERS' MOTIONS

[*English*]

The Acting Speaker (Mr. Ethier): Notice of motion No. 8, the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty). Shall the item stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Ethier): Stand by unanimous consent. Item No. 11, the hon. member for Waterloo (Mr. McLean). Shall the item stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Ethier): Stand by unanimous consent. Item No. 12, the hon. member for Prince Albert (Mr. Hovdebo). Shall the item stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Ethier): Stand by unanimous consent. Item No. 14, the hon. member for Lévis (Mr. Guay). Shall the item stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Ethier): Stand by unanimous consent. Item No. 17, the hon. member for Burnaby (Mr. Robinson). Shall the item stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Ethier): Stand by unanimous consent. Item No. 18, the hon. member for Skeena (Mr. Fulton). Shall the item stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Ethier): Stand by unanimous consent.

* * *

RADIOACTIVE WASTE

SUGGESTED MORATORIUM ON CONSTRUCTION OF NUCLEAR POWER STATIONS

Mr. Bob Wenman (Fraser Valley West) moved:

That, in the opinion of this House, the government should consider declaring a moratorium on the further construction of nuclear power stations pending the report of a Special Joint Committee of the Senate and House of Commons to look into ways and means of improving techniques for radioactive waste disposal.

He said: Mr. Speaker, a number of years ago some other members of the House of Commons and I had an opportunity to examine closely Canada's nuclear industry through questioning in the Standing Committee on National Resources and Public Works. I remember at the time, in late 1977, the then minister of energy, mines and resources, Hon. Alastair Gillespie, stating with very strong confidence to myself and my colleagues that the answer to the problem of nuclear waste

disposal was at hand. Perhaps he could be forgiven for his remarks since he was using the report of Dr. Hare as his source, which indicated in 1977 that "there are good prospects for the safe, permanent disposal of reactor wastes and irradiated fuel." Unfortunately, three years have passed since those remarks were made and the Hare report was published, and we are no closer to a solution today than we were at that time.

The most recent study of the problem by an all-party committee of the Ontario legislature made some interesting conclusions, specifically that Canada's nuclear waste program is ineffective, run by the wrong organization and foundering on public mistrust. The committee found fault with both federal and provincial governments for a lack of adequate research into disposal sites and a failure to support stringent safety regulations when shipping radioactive materials. Moreover, the committee concluded that governments have tended to present biased accounts to the public in regard to nuclear fuel disposal. I believe the remarks of the minister to which I referred earlier are an example of such biased, overly optimistic accounts.

I almost wish the former member for Etobicoke were here with us today to give us further reassuring testimony. Instead, we must now face the reality of nuclear wastes without the comfort of even his verbal safeguards which have become unfounded over the past three years. What happened to the "good prospects" referred to in the Hare report? Nuclear wastes pose a threat to the environment, and subsequently are a threat to the health and safety of all of us and our constituents. The danger of these wastes is a function of the extreme radioactivity of spent fuel of any nuclear reactor. For several reasons the most significant of these waste products is plutonium-239, known in some circles as the "element of the lord of hell". Although primarily known and feared as the principal component of atomic weaponry, plutonium-239 also is the central threat to our environment. It is known that one milligram of this element can cause lung cancer if inhaled. In laboratory tests one eight-millionth of a pound of plutonium-239 caused lung cancer in animals. In fact it is one of the most lethal poisons known to mankind.

Compounding the lethality problem of plutonium is the incredible longevity of the element. Whereas other reactor waste products may have a half life in the order of 30 years, that of plutonium-239 in fact is 24,000 years, that is, fully one half of all the plutonium-239 we produce today will still be with us with its attendant radioactivity 24,000 years from now. Expressed in other terms, it will take 240,000 years before the plutonium-239 created today will reach a low enough level of radioactivity to present no real threat to the human race or our environment. Nor is plutonium-239 the only radioactive waste product of nuclear reactors.

Even the heavy water used as a moderator in the Candu emerges from the reactor radioactive, and all radioactivity affects human tissue in exactly the same way. By ionizing atoms it changes the configuration of cellular molecules. In so far as molecular function depends upon its configuration, that molecule, and hence the cell, becomes incapable of fulfilling its intended function. It has been found that radium which is

similar to plutonium-239 in its effects on the human body can cause necrosis and tumours of the bone and anaemia resulting in death. Also it can result in cancer of the skin, lungs and thyroid.

I have dwelt for some time on the unpleasant details of radioactivity because it is important for all members of the House to realize the consequences of plunging headlong into the development of nuclear power. I say "headlong" because the government has yet to provide any clear indication of progress in regard to the problem of waste management. I should have excited the minister, but I have been unable to. But, I have cited the example of a minister's responsibility for overseeing the development of a Canadian nuclear policy over the last few years. He said that solution was at hand, that in fact they had found the solution. They have not found the solution. I defy anyone in the nuclear industry to come forward now and state that we are closer to a solution than we were in 1977. I hope in response to this motion today that someone will stand and say if there is any such person. I hope that person will come forward and state that we are closer to a solution than we were in 1977. Any reading of science I have done indicates that in fact we are no closer.

I understand that AECL has now delayed for at least two years the selection of a disposal site for Canada's nuclear wastes, so three years is extended to five years. Let me give an example of the consequences of the failure to find such a disposal site. In my own riding I have been trying for the last four years to have some low-level radioactive material removed from a specific site in Surrey. Earlier AECB made a commitment to remove the material by December of this year. I am afraid that kind of commitment is like the one given by the former minister who said that a waste site would be found for high-level radioactive wastes. We cannot even solve the basic problem of low-level radioactive waste. Now they are saying that this December guarantee to remove this product from my riding to a more permanent waste disposal site may not be met. And it is now suddenly up to the provinces. Now that we cannot find a solution, throw it to the provinces, which seems to be the policy of the federal government.

• (1710)

I think in this particular case we have a clear example of the irresponsible behaviour of the present government and its agencies in regard to nuclear energy and radioactive waste disposal. The AECB in this case licensed the manufacturing process which created radioactive wastes, yet once the wastes were left behind the AECB refused to accept responsibility for them, sloughing them off instead onto the provincial government.

It is this kind of attitude which contributes to public contempt and suspicion of the nuclear industry in Canada. A Gallup poll taken January 11 of this year, commissioned by none other than the AECL themselves, found that 47 per cent of Ontario residents opposed a waste disposal site in their community, even if a safe disposal method were found, while 39 per cent did not know, and only 6 per cent supported the idea of a waste disposal site. There has to be a reason why these people are concerned. I have listened to some of these reasons for their concern and I cannot understand why the government opposite is not concerned in the same way.

There is good reason to oppose a nuclear waste disposal site in your community. In the first place a satisfactory storage system has yet to be worked out. Immobilizing the waste in glass has been suggested, but unless an adequate cooling system can be developed the glass itself will melt down and leak wastes into the soil. Furthermore, the reacting waste forms gases which could shatter the glass unit. Other problems relate to the site itself. Drilling holes into granite creates fractures, these fractures in turn might allow the entry of water. Earthquake activity can further extend a fracture. We must never forget that we are dealing not with decades, or more centuries, but with thousands upon thousands of years. These are some of the problems which have to be faced. We should not deceive ourselves into thinking the problem is an insignificant one.

Right now the only means we have for looking after radioactive wastes is to store them in temporary cooling ponds, which are a type of large swimming pool. Every day 1700 pounds of reactor wastes are placed in these pools from Ontario's reactors alone. By the year 2,000 we will have to find a way of disposing of 80,000 tons of highly radioactive waste. In this context I should point out that these statistics come from the commission's report itself entitled "The Management of Canada's Nuclear Wastes." The report recommended a step-by-step program calling for an operating repository capable of receiving Canada's nuclear wastes to be in operation by 1995 to 2,000. We have yet to reach the first step in that program, which was the declaration of a national plan to deal with nuclear wastes. Is that the kind of response we are going to get? The prospect of 80,000 tons of radioactive waste sitting around in storage pools becomes increasingly unpleasant.

At this point a most obvious question springs to mind. Canada's first nuclear reactor started up in 1945 when this country was, and is, foremost in nuclear energy research. We were leaders, and perhaps we still are, in nuclear technology, but we are not leaders in the disposal of the waste products from our technology. There is absolutely no excuse for a country as technologically developed as Canada to have made no provisions for the management of reactor wastes. Yet despite the fact Canada's commercial nuclear program has been in operation since 1962, the minister of the environment, when I questioned him in committee in 1976, referred to the disposal of nuclear wastes as a "new development". His deputy minister then elaborated by saying that the Department of the Environment and the Department of Energy had recently been contacted to pursue the matter and to come up with policy recommendations.

Sixteen years passed after the first commercial reactor started before the government realized it had a problem on its hands with the storage and disposal of nuclear wastes. Granted, a reactor usually takes ten years before it is producing significant amounts of waste. But we have not stopped at just

one reactor, we have continued to build more, with little or no regard for environmental consequences.

This leads me to another point. Not only have we continued to construct nuclear reactors without having any means of disposing of the wastes. Moreover, we have exported our nuclear technology and its incumbent problems to any country willing to pay the price. We have exported the technology, we have exported the basic raw materials, but we have not been able to provide the expertise to deal with the disposal of the wastes. Here we enter into the realm of safeguards and a whole host of other complications to this industry. India constructed her first nuclear explosive device with the aid of a Candu reactor. Pakistan is well on its way to producing an atomic bomb. But those very real problems tend to obscure another aspect of nuclear sales and one which becomes increasingly more significant for those countries with peaceful intentions. I am referring specifically to the problem of waste disposal for those countries which accept this bargain of unlimited energy in exchange for the hazards of nuclear wastes.

I refer again to my questioning of cabinet ministers in 1976. I asked if Canada has a moral obligation, a moral responsibility. If we are going to export this technology, these raw materials to less developed countries than ourselves when we cannot handle the wastes, how do we expect them to do so? The then minister of the environment replied that he could not do anything about that because he did not have the information to give them. Therefore, it stands that if we cannot provide the information to help nations protect themselves from our technology, are we not morally obligated not to export it?

Furthermore, the minister said the Canadian government had no means of implementing in other countries the environmental rules we may observe in our own country. That position was confirmed by the minister then responsible for external affairs. Given this attitude, which has not changed in the four years since those statements were made, it is clear the government is guilty of moral bankruptcy for continuing to export our nuclear capabilities to countries less equipped than ourselves to handle these potentially dangerous problems. It is equally clear the government should cease to export any nuclear materials until such time as adequate safety and environmental standards are in effect. If need be, this would include the return to Canada of all spent fuels from our nuclear reactors abroad. But of course we cannot do that because we have no means of dealing with the transportation or handling of these wastes once they have reached our shores.

The previous government was prepared to face the problems posed by nuclear energy. The Conservative party had indicated its intention and had begun to establish a joint House and Senate committee to examine the various aspects of nuclear power. My own motion, which I sponsor here today, is more modest in its scope in that it calls for an examination of the nuclear waste problem only. However, it is because of the long term and significant dangers associated with spent fuels that I ask the House today to consider placing a moratorium on the future construction of nuclear power plants until the problem of wastes can be adequately dealt with. I am not saying we have to stop our industry, I am saying we have to spend as much energy finding solutions to the problem of nuclear waste as we spend paying bribes to foreign governments to buy our technology. If we spent just that much effort perhaps we would get closer to that solution which is supposedly at hand.

This issue is still too important to be left to internal departmental study, which is a very convenient way of putting something on the shelf and forgetting about it. It demands attention from members of all parties of this House of Commons. Because of the threat posed by nuclear wastes to future generations, this House would be derelict in its responsibility to the Canadian people if it did not hold public hearings. Why should the public not have its say in this country as it does in almost every country in the world?

It is clear that attempts to advance waste disposal research further are hampered by a public distrust of AECL. It is equally clear that such distrust is, to a large extent, justified. AECL continues to see waste disposal as a public relations problem. Combined with the failure to do anything about nuclear waste until the problem is almost unmanageable, AECL's attitude has alienated those very people whom it can least afford to offend. Public hearings by a joint House-Senate committee would enable both sides to clear the air and would be considerably less partisan than an industry-sponsored hearing which must consider its own vested interest. This is a matter for government, not a matter for the industry.

● (1720)

I would like to sum up with a brief thought. In the case of plutonium-239, in the words of an author of a recent book on this subject, "We are asking all foreseeable generations of human beings to guard this element from accident, sabotage and acts of God". The very least we can do as responsible members of Parliament is to try to ensure that from the moment we knew about the problem, from that very moment, we began with all our efforts to seek solutions, knowledge and technology relative to waste disposal so that we can safeguard, not just ourselves, but future generations of not only Canadians, but mankind.

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I welcome the initiative taken by the hon. member opposite in raising the question of nuclear matters in Canada today, particularly the question of nuclear-spent fuel disposal and the related matter of public participation in that important subject.

The hon. member has drawn to the attention of the House the fact that the generation of electricity by nuclear reactors carries with it the problem of how we can best dispose safely of the spent fuel produced.

More than 99 per cent of the radioactive material produced in the typical Candu station remains in the used fuel which is now stored temporarily at the reactor sites. Hon. members will be aware that this fuel contains useful material which could be

recovered and used to produce yet more energy as technology to that end develops. If the useful material were to be recycled, most of the residual radioactive material would be left behind as separated waste. No matter whether the radioactive material is left in the fuel or separated as waste, clearly, as the hon. member opposite pointed out, it must be handled with care and isolated from man until the radioactivity decreases to an insignificant level.

The question then arises as to whether this can be done safely. We have heard today of the present practice which is to store the spent fuel at the reactor sites. It can indeed be stored there indefinitely with suitable maintenance, but that practice would place a burden on future generations, to maintain that high degree of surveillance over the spent fuel. Accordingly, researchers are working, under agreement reached between the Ontario government and the national government, to investigate various ways of permanent disposal. The choice to be made is to discard the entire used fuel bundles from the reactors after sealing them in corrosion-proof containers, in which case the used fuel would be considered a waste in the true sense of the word, or to recycle the useful materials in the used fuel and melt the pure wastes, that is the fission byproducts, together with glass-making chemicals to produce a highly insoluble solid for disposal. Scientists and engineers, including the geologists, involved in this research agree on the suitability of geological disposal. The used fuel or solid radioactive glass waste would be placed in a deep vault carved out of primeval rock.

In Canada we are fortunate in that we have, for example, in the Canadian Shield more than 1,000 locations which have the theoretical potential as sites for waste disposal. A nuclear waste vault in such circumstances would look like a large hard rock mine with the spent fuel isolated under 500 to 1,000 metres of rock. A single vault would be sufficient to hold all of the nuclear waste produced in Canada for the next 50 years.

That research which, as I say, has been conducted under the aegis of the Ontraio government and the federal government, has been subjected to a variety of reviews. In a few minutes I want to turn to the question raised by the hon. member on public participation in this aspect as well as other aspects of nuclear energy generation. Before doing so, however, I want to refer to the annual report of the technical advisory committee on nuclear fuel waste management program, a committee of independent experts, of which the hon. member opposite may know.

It might be useful if I were to point out to the House that in the committee's over-all view, the current research program is well conceived. There are many impressive accomplishments, as the report of the technical advisory committee notes, and the research objectives are becoming more clearly defined and the most critical areas in which more research is needed are being identified. The committee was reassured by the increasing participation in the program by university and industry scientists and engineers and the excellent understanding of relevant international research activities on the part of the principal investigators.

The committee in its report in May stressed that a proper scientific and technical evaluation of the program can only be made if the necessary research information is available. In particular it noted that extensive geoscientific work in the field is necessary and that it is essential that approvals for field research be obtained. I might add parenthetically that such activity is going forward at this very moment.

Further, the committee affirmed its general approval and support for major increases in funding for the expansion of the geoscientific and geotechnical programs, especially in regard to field research activities and the development of an underground research laboratory.

In discussing the work which has been done in the field of evaluation of the current program for the disposal of nuclear spent fuel, the hon. member opposite made reference to the final report of the select committee on Ontario hydro affairs of the Ontario legislature. I am pleased that he did so because that report contains much information of value to those who are actively concerned with the current research phase of the spent fuel program.

The hon. member opposite may be aware that the report of the Ontario select committee has characterized the current nuclear waste program as fundamentally sound. It has also put forward a number of proposals for futher evolution in the current practices in the program, practices mainly related to the participation of the public and to the over-all management of the program. I can assure the hon. member that those recommendations will be studied by the federal government as well as by the Ontario government. I am quite certain that many of them will be subjects of discussion between the two levels of government.

• (1730)

I see that the time is passing. The hon. member opposite, in bringing forward his motion, has raised a variety of subjects to which I would like to respond. However, given the limited time available, it might be better if I were to restrict myself to one or two of his observations.

He spoke of the problems associated with the export of nuclear technology from Canada. First he drew a picture of his concern about the safeguards which are in place to prevent any repetition of the experience with India and to prevent the abuse of Candu technology by countries importing that technology. I am sure the hon. member is aware that the Canadian safeguard provisions against non-proliferation are as stringent and as demanding as any in the world today. I am sure he is very conscious that Canada has foregone commercial opportunities for additional commercial sales as a result of our commitment to an unparalleled high level of safeguards against nuclear proliferation.

Mr. Wenman: Safeguards such as those with India?

Mr. MacLaren: Second, in terms of technology with regard to spent fuel disposal, the hon. member opposite will be aware that the Canadian research program is merely one of many such programs. Many research programs are conducted by

other governments which generate electricity through nuclear fission. Additionally there are, of course, international research programs under the aegis of the International Atomic Energy Authority in Vienna. Those programs of research are also directed toward some of the questions which the hon. member opposite raised earlier.

Mr. Speaker, the motion before us calls for a moratorium on the further construction of nuclear power stations. I do not know whether the hon. member had that moratorium in mind for Canada only or whether he also meant a prohibition on the export of nuclear technology. Be that as it may, he looks for a moratorium while improved techniques for radioactive waste disposal would be examined by a special joint committee of the Senate and the House of Commons.

In our view a moratorium might be appropriate in areas where the government cannot proceed because of confusion or indecision. I do not know whether it was that experience of the previous government in this area which led it to the proposal for a moratorium when it was in office. For our part, we have not felt the need for a moratorium because our policy is not marked by confusion or indecision. On the contrary, the government's views on nuclear energy, and particularly on the future of the nuclear industry in Canada, were set forth in a brief statement by the Prime Minister (Mr. Trudeau) as reported in *Hansard* for May 1, 1980. The Prime Minister said we were not undertaking a public inquiry, in the broad sense of the word, because we believed the time schedule for keeping our nuclear industry viable is short. The Prime Minister also noted that we were in some danger of seeing the Canadian nuclear industry become obsolete and losing its opportunities to sell Canadian high technology in other countries. He noted too that we wanted to take this opportunity to determine in what ways the promotion of the Canadian nuclear industry and, indeed, the sales abroad of Candu technology, might be encouraged. There is no intention, of course, in that connection to prevent the Canadian public, either concurrently with the review or subsequently, from expressing their views. The Prime Minister did stress that a long inquiry about whether, as he put it, we stay in the game or get out, would not be feasible since it might well be during the time taken up by such an inquiry that our industry lost its momentum in the face of both international competition and national considerations.

Mr. Speaker, as members of the House know, there have been a variety of inquiries here in Canada over recent years into the various aspects of the generation of nuclear energy. I would refer the hon. member opposite, when he raises the question how Canadians have had such opportunities, to a whole series of inquiries. I might mention the Cluff Lake board of inquiry in Saskatchewan, the Ontario Royal Commission on Electric Power Planning, the Ontario Royal Commission on the Health and Safety of Workers in the Mines, the Select Committee of the Ontario Legislature investigating Ontario Hydro affairs—to which the hon. member referred—the Ontario Environmental Assessment Board into the expansion of the uranium mines in the Elliot Lake area, the Federal Environmental Assessment Review Office panels on Eldorado's proposed uranium refineries, and meetings of the Standing Committee on National Resources and Public Works of the House which has addressed a variety of nuclear energy questions. I should add, of course, that members may have available the first report of the technical advisory committee on the nuclear fuel waste management program, to which I referred earlier. I am sure the hon. member opposite, coming from British Columbia, will be aware of the Bates inquiry which is finishing its work. There is also a provincial parliamentary committee which has been looking into various questions relating to nuclear generation in New Brunswick.

With such a variety of reports, commissions, inquiries and boards in place over recent years, there has not, in our view, been any lack of opportunity for public participation in the discussion of nuclear energy questions.

In addition, both the Minister of Energy, Mines and Resources (Mr. Lalonde) and I myself in recent months have had an opportunity to meet with representatives of a variety of organizations, some representing the nuclear industry and others representing such bodies as Energy Probe, Energy Pathways and the Canadian Coalition for Nuclear Responsibility, which represent a range of attitudes towards nuclear energy. We have had the benefit of their views and so have the public servants involved in the current review of the nuclear industry.

In raising questions about the nuclear energy industry in Canada I would have thought the hon. member for Fraser Valley West (Mr. Wenman) might have spent a moment or two more on the various benefits which have accrued to Canadians from that energy option of which he is so much aware. I am sure it was only through lack of time that he did not. There are, in my view, three principal ways and a number of subsidiary ways in which the nuclear energy industry in Canada is of benefit to Canadians.

It is important, first, as an essential part of our diversified energy strategy. Second, the Candu reactor is a leader in Canadian industrial development in the high technology area. The Candu industry is one of the few industries of wholly Canadian character with a high degree of technological content. As many international observers have pointed out, the Candu reactor is a remarkable achievement in an area of great technical challenge.

Third, the Candu industry, in its export potential, represents a vehicle to help carry Canadian industries into foreign markets and to bring the benefits of Canadian technology to countries which are desperately short of energy and which can find through nuclear generation the sources of energy for their industry and domestic use which they so much need.

I believe my time is about up, although I could add more about the nature of the nuclear industry in Canada.

The Acting Speaker (Mr. Ethier): Order, please.

Radioactive Waste Disposal

Mr. Jim Fulton (Skeena): Madam Speaker, I rise to support the motion put forward by the hon. member for Fraser Valley West (Mr. Wenman), although I must say I do not think it goes far enough either in dealing with a moratorium on the waste disposal problem or in dealing with the industry itself. Having listened to the hon. member for Fraser Valley West, one is left with the feeling that should the waste disposal problem be dealt with adequately he would certainly be supporting the nuclear industry. The previous speaker made some comments in relation to the value of the nuclear industry to the Canadian economy, but I did not hear him or any other member of his party propose their ridings as a national disposal site for waste in Canada.

Looking at the field as a whole, there are five main areas which need to be dealt with. The first is mining, the impact the actual removal of uranium from the ground and the primary milling processes will have on the workers in that area, along with the storage of first-level refined ore. This is an area where very little money has been spent by the federal government in assessing the health impact and the environmental impact, though both are very real and tragic.

The second relates to refining. Some money has been spent on this. The main expenditures have been on fuel fabrication and the fuel cycle itself, the actual phase whereby some cash flow is generated. The government has been spending money in this specific area.

The problem of waste disposal is one that disturbs not only myself but people everywhere because of the dramatic expansion in the volume of nuclear wastes sitting in various places around the world. It is interesting to look at a recent energy, mines and resources report which points out some of the factors they are considering. Most members of this House are aware that most of the fuel bundles and wastes from the nuclear cycle have been stored in cooled-water areas. This is called surface disposal. One of the less enlightened proposals which have been discussed involves sticking the nuclear waste into the Arctic or Antarctic ice sheets, which all of us know are likely to melt at some point, certainly with the "greenhouse effect" from CO_2 that is now affecting the world.

Disposal into outer space is another very unenlightened proposal. Disposal on ocean plains is another option the United States and a number of European countries are now considering, though with some distaste, because when this method was used in the past the containers burst open releasing nuclear waste. Frequently overlooked in connection with this type of disposal method, is the fact that once the nuclear waste gets into the environment, it is very quickly bio-accumulated, rising up the food chain and into the food web and eventually into man, who is at the top of the food chain.

Another prospect is geological containment on land, a method that seems to be preferred by members opposite. I will be raising some very serious questions this afternoon regarding that proposal, including the use of salt formations for disposal purposes.

Last year I had the opportunity to ask some questions of the vice-president of research for Atomic Energy of Canada, Mr. Hart. I would like to put a couple of his responses on the record. I asked him:

—first, where waste is at present being stored in Canada; how much, in gross tonnage; and exactly how it gets there from the site it is currently at.

Mr. Hart replied:

I do not have the exact tonnage, but you can think of it as about one Olympic-size swimming pool, perhaps half to two-thirds full.

In my view, that is a pretty frivolous attitude to take toward a very serious environmental problem, one that we all recognize as capable of causing serious cancers in man. The second question I put is very relevant to the proposals put forward from the government side regarding geological containment on land. I put the following question to Mr. Hart at that time:

If we look, for example, at the Atikokan and Sudbury areas, if the waste was to be moved from one site to another, could you give us some idea of how that waste would be moved there? Also, in what form is it going to be stored in the geological areas that it is proposed to place it in?

Mr. Hart replied:

If a site is selected away from the reactors, which is likely, the fuel will be transported in shielded flasks which have been tested for fire resistance, crash resistance; there are some other tests as well. It will be transported either by road or rail and taken to the site. When it is at the site, the concept we have now, which is still, as I say, under research, is that it will be buried deep in a stable geologic formation. The material will, in fact, be buried deep in these formations. It will be tested for some time in that formation and then the hole will be backfilled. It will be monitored for a while, but the idea is to prove that it can be left unattended for all time.

It is important to point out some of the problems of locking it into geological containment. For example, ground water could at some future point get in and move some of the radioactive materials into the ground water supply. Members opposite, and perhaps those to my right, should become better versed about such things as iodine 129. The half life of iodine 129 is 17 million years. When we are talking about that type of containment or some of these other government proposals, such as placing it in the ocean or in ice sheets, we are talking about geological time. We are simply not talking about the history of civilization, which extends for only 10,000 years. We are talking about the safe disposal of wastes that have many millions of years in just half lives. There could be further ice ages, enormous disruptions on the planet; the placement of materials of this type in the environment in any way at this point in time is inadvisable. At some future date another generation will have to pay for the risk we took in order to better our lives. We have not really reflected on the very serious health dangers our actions will impose on future generations.

Another example is technetium 99, again a substance with a multimillion-year half life, capable of moving very quickly in the groundwater system. This is something we should keep very much in mind. Very pertinent to our discussion today is another question I put to Mr. Hart last year. I quote:

Exactly how radioactive is the material that would be moved? For example, if the container were here in the room and there was a crash and some of it fell out on the floor, just how radioactive is it?

MR. HART: The flasks have been tested by a railway locomotive going 80 miles an hour crashing into a solid concrete abutment, and there was, in fact, no leakage at all.

I question the intelligence of our friendly scientists working for Atomic Energy who would think of such an experiment as tying a flask on the front of a locomotive and running the locomotive into a cement wall at 80 miles an hour. Some pretty serious questions concerning responsibilities to the Canadian public arise when a statement like that is put on the record. He went on to say:

You could sit on the flask itself. If there was some leakage, I guess it would depend on how much.

● (1750)

I think that is self-evident, Mr. Speaker. The exchange goes on as follows:

MR. FULTON: Let us say there was a pound of it here in the middle of the floor.

Hon. members should keep in mind that if there were a pound of this material from one of the nuclear plants in Canada sitting on the floor of this chamber, I would be equally anxious to ask the vice-president in charge of research whether I would be safe sitting here. He replied:

If there was a pound of it in the middle of the floor, no, you probably would not be safe sitting here. You would probably be safe sitting back at the door there.

I really question what is happening in the nuclear industry in Canada when we get such statements from people who are being paid by the taxpayers of this country and, who go to such lengths as tying a flask of radioactive material on the front of a locomotive and then running that locomotive into a wall at 80 miles an hour! If that is government policy, then I think we have a much more serious question on our hands than perhaps immediately meets the eye.

It is not only the waste from the nuclear industry itself which causes problems; there are radioactive wastes from industry as well. A lot of people do not recognize that smoke detectors, for instance, contain radioactive material. Hospitals and universities also house such material. Earlier in this session I raised a question in the House regarding the University of British Columbia. It is my understanding that over the last couple of decades the university has simply dumped its radioactive waste in Vancouver Harbour, off Point Atkinson. Apparently someone went out in a rowboat and simply threw it over the side. I have gone to a great deal of trouble to try to find out where the waste sites are but officials do not recall where the radioactive waste was dumped from the boats.

This is not an unfamiliar problem, Mr. Speaker. Quite recently questions were put to the Minister of Transport (Mr. Pepin) in this House regarding the transportation of radioactive material in Canada. It appears that when 58 containers of ore were being moved on a passenger flight in this country, not one of them had the lid properly secured.

We have to look not only at the health of workers in the mining industry but also at refining, fuel fabrication and the fuel cycle to see the dangers to the public and workers. The majority of funds in this country are going to those two areas, which are highly scientific and highly technical.

Radioactive Waste Disposal

A few days ago in Toronto I had the opportunity of listening to Dr. Noel Brown, Chairman of the United Nations Environment Planning Committee who gave a very interesting overview of the Three Mile Island incident. He pointed out that had that incident occurred anywhere else in the world—for example in places where our CANDU reactors have gone—it might not have been so easily dealt with. In the United States, and to a great extent in Canada, there are enough scientists in the nuclear field who could get together quickly in an emergency. But had such a thing happened in India, for example, there might have been a much more serious incident because of the lack of an adequate scientific response.

I must point out that the hesitant, piecemeal approach which has marked the entire history of the nuclear industry, going back to the 1930s was taken because of sheer economic expediency. In all our efforts to get a saleable commodity, be it electricity or the various readioactive substances used in medicine, sheer economic expediency has governed our dealings with health or environmental issues. Very little money has been spent on these very serious problems and we have yet to hear from the government of any major new expenditures in this regard.

I should like to return to the prospect of placing these containers, be they composed of cement or of various metals, whatever the scientific community decides, in the geological formations. How long will it be before the various radionuclides reach the surface? That is a serious question, since it is inevitable that they will. All the types of storage tried to date have been viable at the very best in terms of centuries. These materials will inevitably get back to the surface. They will work their way into streams and back to the food web and thus have a very serious impact on man.

A case in point is Eldorado Nuclear Ltd. which is still dumping waste at Port Granby. At this time, all levels of government are co-operating to try to get that company to expand—particularly its uranium hexafluoride operation, commonly known as UF6—from 5,000 metric tons per year to 9,000 by 1984. The nuclear garbage coming from that industry will be around, not for decades or centuries, but for ice ages to come, so we must be concerned about the impact of such debris on future generations.

As recently as 1976, $7 million was allocated to clean up Port Hope where 550 homes were found to have radiation levels above AECB health standards. I think most hon. members have a fairly good understanding of the Love Canal incident in the United Sates, of which there are now potentially hundreds. We have Canada's very own, home-grown Love Canal situations as a result of a government which did not care to allocate enough money to make sure things were done right from the very beginning and that conditions were made safe. So far, building materials including studs and parts of walls have been removed from 220 homes that contained the highest levels of radioactivity. A further 152 homes have had stacks installed in order to remove loose radon gas from them. I must point out that radon gas has had a very serious impact on the health of workers in the uranium industry and that very little

research is being done on the problem. Soil has been removed from beneath 280 homes sites because the ore left over from the refining process was highly radioactive. Rather than hauling it to a central site which one would expect of a government with some foresight, it was simply dumped into ravines and used as backfill for home sites. To date, 104,225 tons of low level debris have been moved to Chalk River but there is still 200,000 tons of contaminated earth in Port Hope. I am not aware that the government has any plans to deal with this serious situation.

I should like to quote a statement of George Wald, the 1967 Nobel Prize winner as follows:

—no one knows how to store the waste products, which will remain dangerous for half a million years. The whole of human civilization is perhaps 10,000 years old, and we are producing material that will represent a lethal liability for man and for life on earth for hundreds of thousands of years to come. At present this stuff is being stockpiled just about where it is produced, while we try to figure out what to do with it.

I certainly support the private member's bill introduced by the hon. member for Fraser Valley West. I wonder, if nuclear waste were being properly cared for, whether he would openly support the nuclear industry, which is posing the most serious issue facing mankind on this planet at the moment. A previous speaker on the government side of the House just softsoaped the issue, in my view, Mr. Speaker, hoping that the public will remain quiet on this crucial health and environmental issue in Canada.

Mr. Doug Frith (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I should like to point out to the three previous speakers that I come from a riding neighbour to the riding of Algoma, which, of course, is critically involved in the extraction of uranium, an ore used in the uranium hexafluoride operation in Port Hope. In May or June of this year it was announced that the uranium refinery for the production of uranium hexafluoride would be located in Blind River. My part of the country has, therefore, been involved in the nuclear issue.

It goes without saying that it would be irresponsible of any government not to take the question of nuclear waste disposal very seriously. Some members on the other side, however, have stated that the government is doing nothing about research into the question of safe and efficient disposal of nuclear waste at the present time. That is to stretch the truth, Mr. Speaker. Many Canadians call for a moratorium on nuclear waste disposal but in my opinion that is simply to run away from the problem. A significant percentage of the hydroelectricity demand in the province of Ontario is met by nuclear energy. This means, as the hon. member for Skeena (Mr. Fulton) mentioned, that these rods of fuel are at the present time stored in pools.

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

At six o'clock, the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*Translation*]

THE CONSTITUTION

ESTABLISHMENT OF SPECIAL JOINT COMMITTEE OF THE SENATE AND HOUSE OF COMMONS

The House resumed consideration of the motion of the Minister of Justice and Minister of State for Social Development (Mr. Chrétien):

That a Special Joint Committee of the Senate and of the House of Commons be appointed to consider and report upon the document entitled "Proposed Resolution for a Joint Address to Her Majesty the Queen respecting the Constitution of Canada" published by the government on October 2, 1980, and to recommend in their report whether or not such an address, with such amendments as the committee considers necessary, should be presented by both Houses of Parliament to Her Majesty the Queen;

That 15 members of the House of Commons to be designated no later than three sitting days after the adoption of this motion be members on the part of this House of the Special Joint Committee;

That the committee have power to appoint from among its members such subcommittees as may be deemed advisable and necessary and to delegate to such subcommittees all or any of their powers except the power to report directly to the House;

That the committee have power to sit during sittings and adjournments of the House of Commons;

That the committee have power to send for persons, papers and records, and to examine witnesses and to print such papers and evidence from day to day as may be ordered by the committee;

That the committee submit their report not later than December 9, 1980;

That the quorum of the committee be 12 members, whenever a vote, resolution or other decision is taken, so long as both Houses are represented and that the joint chairmen be authorized to hold meetings, to receive evidence and authorize the printing thereof, when six members are present so long as both Houses are represented; and

That a message be sent to the Senate requesting that House to unite with this House for the above purpose, and to select, if the Senate deems it to be advisable, members to act on the proposed Special Joint Committee.

The Acting Speaker (Mr. Ethier): Order. When the debate was interrupted at five o'clock this afternoon, the hon. member for Lincoln (Mr. Mackasey) had the floor. The Chair recognizes the hon. member for Lincoln.

[*English*]

Hon. Bryce Mackasey (Lincoln): Mr. Speaker, when I was speaking at five o'clock, I was expressing the opinion that confederation has been a remarkable success. I talked very briefly about our economic system which has evolved and which combines the best of the free enterprise system and social obligations to the less fortunate and our dedication to the quality of life, thus providing our system with the best educated work force in the world and the healthiest population because of medicare.

I spoke of our equalization principle. Without it there could be no equality of opportunity in this country. I spoke about the principle that those who can afford it should help those in need, not only on an individual basis through the transfer of unemployment insurance, for example, from the worker in Ontario to those less fortunate, but also with the transfer of funds through our equalization formula.

Canada has been a remarkable success story, and it is recognized around the world that we have the finest country in the world. When we combine our standard of living with our degree of freedoms, I doubt if any country can match ours.

However, if confederation has been such a great success, why am I an advocate of the proposed resolution before the House, which in a relatively short period of time I hope will be referred to the special joint committee of the House and the Senate? As learned members opposite have emphasized in the last week, the fundamental philosophy behind the BNA Act has been, of course, compromise. It reflects a combination of the civil code, for instance, and jurisprudence to look after the rights of individuals.

But the one defect and the main defect in the BNA Act, is that it does not contain an amending formula. It does not contain an amending formula because the Fathers of Confederation did not think one was necessary. Perhaps in the light of the times one was not necessary. Forceful advocates of the rights of English Catholics like Connolly and McGee made sure that our rights were protected in the BNA Act. Others made sure that the rights of English Protestants were protected under section 133. Concern for French-speaking Canadians in the west was minimal. Numerically it was not a problem. Even the rights of French-speaking Canadians in Ontario were not a pressing problem in the field of education, because where French-speaking Ontarians lived they lived together and could control their own system of education and their own schools that long ago.

There is a relationship between the concern of Canadians today for individual rights and the general acceptance across Canada at this very moment today that we should get on with the business at hand, that this proposed resolution should be debated a few more days and then sent on to committee. I think this is the first time since I came here in 1962 that Canadians have shown any concern at all about the issue of constitutional change. If anything, the tendency in the past has been to say, "Oh, not again; why are you debating proposed constitutional changes and amending formulae at a time when we have unemployment problems, inflation problems, tariff problems and energy policy problems?" I think the reason is that in recent years Canadians have become more conscious of individual rights and of how fragile individual rights really are.

Our history has been blemished like the history of any other country, and I will not repeat what has been said in this House about how we treated Canadians of Japanese origin during the war, about how we treated the Jehovah's Witnesses in Quebec in the 1950s and the infamous padlock law, about how some of the privileges of English-speaking Quebeckers have been eradicated, the result of provincial legislation, and about how in most provinces in this country individual rights of people, particularly in the field of education, are not as generous as they were at the time of confederation. This is unfortunate, but I think that perhaps for the first time the need to enshrine our rights in the constitution has become a real issue in many homes.

● (2010)

Take, for instance, the whole issue of mobility. I was minister of labour for a number of years, close to the labour movement as a result, and I can remember the anger, the agony of trade unions in this country, particularly in the construction industry, when construction workers in Cornwall found they could not work in the province of Quebec two years ago, and when painters from Hull could not work in the national capital, in Ottawa. This was a real issue which was resolved through debate and discussion between appropriate ministers of one province and the other, but the element of retaliation was there: "If you do not allow our construction workers in your province, we will not allow your painters in our province." This registered with Canadians, particularly those who come from Europe.

I can remember one very angry union leader asking me, "Is it really a big step from a work permit by the minister of manpower of a particular province to the day when we are going to need permits to travel across this country? Is it all that far-fetched to think that the next step will be the need for visas to travel from one province to another?" Intelligent and concerned Canadians see this trend toward balkanization. They wonder about it and ask, "What are we going to do about it?" When the Premier of Newfoundland—and I do not want to belabour him—stresses and emphasizes his dilemma, on the one hand, of providing jobs for the people of his province in the flourishing oil industry in Newfoundland, and the problem of denying access to those jobs to Canadians of other provinces, this is not a reassuring situation. The issue, for instance, of owning land anywhere in Canada by Canadians is another problem—

An hon. Member: Where is that covered in this bill?

Mr. Mackasey: I did not say it was. I did not interrupt the hon. member, and I will not interrupt him. If he would remain quiet during the rest of my speech, I will be very pleased. I did say earlier, when, I hope, the hon. member was in his seat, that the details to which he referred can be discussed when this resolution gets to committee. But I do not want to be bogged down on particular little points. I could ask the hon. member where, in here, is the province of Ontario prepared to recognize French as the official language in our province? It is not in there either, nor is freedom of choice in the field of education, nor was it intended, and I will come to that matter in a few minutes, if I am permitted.

Some hon. Members: Oh, oh!

Mr. Baker (Nepean-Carleton): Is the hon. member going to put in an amendment about this?

Some hon. Members: Put it in.

Mr. Mackasey: I will come to that. I suggest that the opposition members put in an amendment and they might be surprised at the reception on this side of the House.

What is proposed, Mr. Speaker? It is proposed that we bring our constitution home, the BNA Act, a further evolution, as I said earlier, a logical transition from a colonial state to a nation. The Governor General is now a Canadian, the new flag which is ours, and the Official Languages Act which reflects the true nature of Canada, and now we are suggesting, after all these years, that we bring the constitution home. I am not suggesting we should have moved at a faster pace. After all, we have achieved all that in a spirit of relative harmony and with virtually no bloodshed as compared to, say, the United States. But what is the sense of bringing home a constitution which we cannot amend because the Fathers of Confederation did not see the need at the time for an amending formula? What would be more logical, in selecting the amending formula to come along with the BNA Act, than the only formula which all the provincial premiers at one time agreed to in Victoria in 1971?

An hon. Member: What about the Vancouver consensus in 1980?

Mr. Mackasey: With the hon. member's voice one can hear anything he says, but unfortunately he does not make too much sense.

That formula is the only formula that the provincial premiers of this country were able to agree to, and I think that, barring a better one, and with the two-year period in which the provinces and the federal government can get together and come up with a better one, this makes sense.

Let me come back to the other point, Mr. Speaker. What are the entrenched rights which we think Canada needs and which provincial legislation provides in some cases? I say to you, Mr. Speaker, that provincial legislation is only as good as the legislatures or the premiers of that province at that time in history, and there is no guarantee that if our rights are enshrined in provincial legislation, those rights will be found in that same provincial legislation five, ten, or 15 years from now. So our rights must be enshrined in the constitution.

Is anybody here against the enshrinement of the fundamental freedoms, freedom of thought, freedom of religion, freedom of belief, freedom of opinion and expression, freedom of the press and other media, freedom of peaceful assembly and of association?

Some hon. Members: Oh, oh!

Mr. Mackasey: Is anyone here against the right to stand for office for election to the House of Commons? Is anyone here against the democratic right which includes the requirement that no House of Commons and no legislative assembly continue for longer than five years?

Is anyone here against mobility rights?

An hon. Member: What about freedom of property?

Mr. Mackasey: What about the democratic right which gives people the opportunity to speak from their seats? That is part of it, so I am not going to let the member worry me. Mobility rights? It is perhaps the most important right we can have at the moment, the right to work anywhere in this country in any province.

An hon. Member: What about free enterprise?

Mr. Mackasey: The right to establish ourselves and seek employment anywhere, the right to remain in Canada or leave the country, minority language educational rights which provide that citizens of the English-speaking or French-speaking minority of a province have the right to educate their children in that minority language, wherever numbers warrant—what is so important about that, Mr. Speaker? It is extremely important. How many of my friends in my province, in Quebec when I lived there, refused or had to refuse promotions, transfers by multinational corporations in other provinces, refusing jobs in Ontario, Manitoba or British Columbia because of their unease and concern that their children would not be able to continue their education in French? And now, because of provisions in Bill 101, English-speaking Canadians from the west, from Ontario and from the maritimes, are concerned also about transferring to the province of Quebec because of their unease about Bill 101 which permits them to have their children educated in English only with the permission of the government, and only then for a short period of time.

An hon. Member: Why did you not challenge the legislation?

Mr. Mackasey: Go home and you tell the people in your province what they should be doing about minority rights, and we will all applaud. The last time I was in Lincoln riding, I came to the conclusion that I was still in Canada. I was welcomed there, I was elected there. I beat a Tory there, and I will beat him again.

• (2020)

Some hon. Members: Hear, hear!

Mr. Mackasey: Is anyone in this House opposed to legal rights, the right to life and liberty, the security of a person, protection against unlawful search and seizure, unlawful detention or imprisonment, the right to be properly informed of the reasons, and non-discrimination rights which ensure that all Canadians, regardless of race, national or ethnic origin, colour, religion, age or sex, have the same before the law?

As I said earlier today, I think the Official Languages Act indicates what can be done in this House when people of good will stick together. In 1969 the Official Languages Act was passed with the support of all parties. As I recall it, some of the more eloquent speeches came from members opposite. But that too should be enshrined in the constitution so that subsequent parliaments can deal with the situation if some pressure

groups try in some way to amend, water down, or make inoperative that particular legislation.

My time is nearly over, but I urge members of Parliament to consider approaching this particular debate in the same spirit which existed when pieces of legislation dramatically altering this country were passed. I am thinking of the flag, official languages, and many others. I urge that this matter be referred to the committee sooner than later. There are hundreds of thousands of Canadians watching this debate. For the first time hundreds of thousands of them are in favour of what is proposed here because, for the first time, thousands of them are concerned about individual rights.

A new Canadian who comes here is concerned about his or her rights. In many instances that is what brought people here in the first place. They are concerned whether their culture, language, freedom and ways of life will be protected, as I think the House should be. They wonder why there has been a delay. In fact most of them are wondering why it has taken almost 50 years to reach the point where we are working toward bringing our written constitution back to Canada.

Those people who are concerned about a referendum should not be concerned. The chances of it being used are not necessarily remote but, according to the formula, as a last resort. What does it mean? What does it intend to do? It will appeal directly to Canadians to settle an impasse between the central and provincial governments. To whom should we appeal? We have reached an impasse in our ability to do things, to enshrine human freedoms, rights and privileges. It is the people who suffer, not the members of Parliament. It is quite logical to appeal to them in a referendum if we must, because after all their rights are being held up.

As I said before supper, I believe the high calibre of the debate should continue. There have been remarkable contributions from all parts of the House. If we look at this with a view to bringing to an end an impasse which was never intended by the Fathers of Confederation when they omitted to provide an amending formula, and if we look at it as one of our great responsibilities as members of Parliament to bite the bullet and do the things needed for Canadians, many years too late, I think all of us will be able to look back in five or ten years with approval on our own contributions.

Some hon. Members: Hear, hear!

Mr. Jack Murta (Lisgar): Mr. Speaker, I should like to say how pleased I am to participate in this debate. This evening I hope to point out, certainly to the hon. member for Lincoln (Mr. Mackasey), and other members of the House of Commons, the real concern of members on this side of the House respecting this resolution, and the real concerns of many, many Canadians across Canada. I will try to demonstrate to the House, as best I can, the fact that the country we know as Canada is really a partnership. It was formed that way and it was operated that way. One of the greatest threats the resolution proposes is the potential destruction of the partnership which makes Canada a truly unique country.

Also I should like to be able to say that this measure represents a major historical event in the progress of our nation. A nation's constitution is the basic law of the land. It provides the framework for social, political, and economic actions of its citizens. It is the document which establishes the basic ground rules of Canadian society. As such, any proposals to change this basic document should have the effect of increasing our sense of community and improving our institutions and processes in order that the quality of life of Canadian citizens can be advanced. In short, changes to the constitution should be directed toward greater harmony and understanding. They should be unifying and, above all else, they should not be undertaken lightly or without effective discussion and agreement between all partners of this confederation.

I believe the measure we are discussing today does none of these things. Without question, in my opinion, it is one of the most dangerous documents I have seen come before the House of Commons in the ten years I have been a member of Parliament. Both the manner in which this resolution is being presented and the resolution itself represent a direct threat to the very foundation of Canada. The resolution denies over 100 years of common Canadian experience. Since 1867 Canadians have been working toward developing systems and processes uniquely Canadian that can be applied to resolve Canadian problems within a framework which meets the underlying conditions of that common experience. The resolution which comes before us in the name of the Prime Minister (Mr. Trudeau), in my opinion, could destroy a fundamental part of our common heritage—our federal system of government.

Before I move on to the method of introducing this resolution and the specific contents of the document we are debating, I should like to say a few words about the nature of our federal system, why it evolved as it did, and how it has been used to meet the needs of Canadians. Canada's federation is a blend of government systems not found anywhere else in the world. It is truly a unique wedding of the principles of parliamentary government with the forms and institutions of a federal system of government organization. I believe all members of the House have a good grasp of the principle of parliamentary democracy, but it is true that sometimes we forget the importance of federalism in the Canadian experience and how we brought ourselves to the point we are at today.

Canadians gain a lot from both parts of our system. From the principles of the common law and parliamentary government we gain protection of individual rights and freedoms, an assurance of democratic principles and guarantees of our independence as a nation and freedom as a people. Individual rights and freedoms are matters of basic importance to all Canadians. If there was a measure to improve their protection in Canada, I am certain all members and all Canadians would wholeheartedly and gladly support it. However, the protection and the benefit Canadians gain from our federal system are also matters of basic concern to all of us. I believe this proposal is a direct threat to those uniquely Canadian concerns because it threatens the federal system we have established to protect and assure them. Canadian federalism is just not a

superficial luxury. When the Fathers of Confederation wedded the two systems of federalism and parliamentary government they did not do it simply as a sop to the provinces, nor did they do it as a means of window-dressing our constitution to distinguish it from the parliamentary system of Great Britain. Finally, I am convinced they did not do it simply as a means of causing problems for future generations of Canadians.

● (2030)

Canada's blend of federalism with parliamentary government emerged from a unique set of conditions which still apply today in Canada. Had these conditions not existed there would have been no need to marry the two distinct systems of government. Under different conditions it would have been easier simply to form a unitary state modelled on the parliamentary institutions of Great Britain and let it go at that.

What are these conditions which necessitate a federal form of organization in Canada? First, I believe our size is a major factor. Even today we have a relatively small population scattered across a vast and varied land. Governing this nation with a unitary national government could not help but produce feelings of remoteness and alienation in places like British Columbia or Nova Scotia. Even residents of the capital city would tend to feel removed from their governments because things of immediate local concern, such as schools, roads and property taxes, would all be governed by our national government. As a result we have developed a system of dividing the labour between the two levels of government, one that is equipped to deal with major questions of truly national importance and one which is closer to the people and equipped to deal with those questions of a more localized nature which could easily get lost in the shuffle under a unitary national government.

The second main factor requiring a federal form of government is, in my opinion, the diverse social, cultural and linguistic character of our country. This diversity is enhanced by our size and the relative isolation of large parts of our population. I believe it is the federal system and not the parliamentary form of government which protects the rights of Canadians in this area most effectively. Under a unitary state the distinct views and needs of cultural groups would again be lost in a shuffle of competing minority group interests. Under a federal form of government minority groups can have a much greater impact and participation in those items which concern them in their everyday lives.

I would like to take a few moments to expand on these concepts because I believe they are important if we are to try and understand the nature of the threat to federalism, which this resolution implies. I believe the two preconditions of federalism, which I have outlined briefly, come together in a national characteristic which is distinctly Canadian. Canadians are among the most self-reliant and independent people in the world. Our unique contribution to that self-reliance and independence is loyalty and a strong desire to celebrate our distinctiveness. We have a national government in place to guarantee certain basic universal rights and freedoms. But we have created a federal system to allow us as a people to develop and grow differently within the bounds of those universal rights.

These uniquely Canadian requirements were well illustrated in the BNA Act which wedded parliamentary government to the federal system in order to provide a unique solution to a truly Canadian set of conditions. Basically it is the federal system which affords the greatest assurance and protection for our people. The significance of this is well demonstrated in section 92 of the BNA Act which outlines the rights and powers granted to the provincial governments. While items of provincial jurisdiction are not absolutely inviolate under the BNA Act, the importance which the founding fathers placed on the federal system is clearly illustrated by the difficulties that will befall any national government which attempts an unwarranted intrusion into the provincial realm. Similarly, the desire to afford strong protection is illustrated by the granting of powers to the provinces which are much stronger and more extensive than those which have devolved to the state level of government in the nation to the south of us.

The unique solution to Canadian conditions provided by the wedding of two forms of political organization also recognizes the need for a truly national consideration. The parliamentary system of government is designed to protect individual rights and provision was made in the BNA Act which would allow the national government to go to the aid of individuals or groups whose rights might be threatened by provincial governments. Conversely, it is the federal system and the relatively greater strength of the provincial governments which affords protection against an infringement of our rights by the national government itself.

The conclusion which should be drawn is clear. The Canadian system is a unique experiment which has served us pretty well for the last 113 years because our national needs and the needs stemming from our regional and cultural diversity have evolved a system that is a partnership. This Canadian partnership implies relative equality for our two levels of government in areas where their interests are common or shared and relative independence in areas where their interests are largely exclusive. In other words, the Canadian experiment attempts to bring our diversity together where there is common interest and shared experience while at the same time allowing all Canadians an opportunity to celebrate their differences in different regions of the country. I contend our partnership does not allow for minority shareholders. The board of directors of Canada, if you like, is composed of relatively equal partners each with an area of expertise which allows him to make a valuable contribution and each with an area of responsibility which requires that consideration be given to the common responsibility. The over-all goal of this organization is the protection of life and liberty and the furtherance of quality of life in Canada. Each component part is important to the achieving of these goals and each has a very distinct role to play. I believe this resolution provides a threat to the federal component of our system and if we lose that component we

lose something which is uniquely Canadian, designed to deal with our uniquely Canadian conditions.

I believe Canadians want to resolve a problem that seems to be simply an eternal squabble about our constitution. I also believe they will support any action which provides a greater degree of protection for their fundamental rights of liberty and freedom. In other words, Canadians want to be Canadian. They want to be proud of their nationality and their institutions. They know their identity and they do not want to continually have it questioned as a result of constant bickering over the constitution or eternal federal-provincial fights. On the face of it, this resolution before us does not openly contradict any of these fundamental Canadian desires. If it passed I submit that there would still be a unit called Canada marked on the maps of the world and we would still have a Canadian flag and a national anthem. But many people in various parts of the country—certainly in the part from which I come—are asking "But for how long?" I believe as I mentioned earlier, that this resolution is deliberately, designed to change the concept of the Canadian federation as a partnership.

● (2040)

The Prime Minister (Mr. Trudeau) is imposing his personal opinions on the partners of our confederation. Those opinions will effectively destroy the partnership which countless generations of Canadians have worked so hard to forge and which, as I mentioned before, is working pretty well. If, as I suggest, these actions by the Prime Minister destroy our Canadian partnership, how long will it be before citizens in the west and the east, or the north and the south, decide they no longer need to be a part of the country because they no longer enjoy the rights of the partnership they feel they have enjoyed, certainly up until this time.

I believe there is a general consensus across Canada as to the positive benefits that can be achieved by a charter of rights in a new constitution. I also believe there is almost universal agreement on patriating our constitution with a suitable amending formula which reflects the reality of Canada's own totally unique experiment. However, I do not believe that Canadians would accept these improvements if the cost was the destruction or even the possible destruction of the Canadian partnership and the risk of fragmenting the country. Those possibilities are, in my opinion, certainly very distinct. Yet, this is exactly what I feel the Prime Minister is proposing to do and why I referred to the resolution earlier as being one of the most dangerous pieces of legislation to come before Parliament while I have had the privilege to be a member of the House of Commons.

I believe that the method which the Prime Minister has chosen is a dangerous method. The Prime Minister has imposed a deadline on the entire question. In effect, one of the partners of our confederation has said to all the other so-called equal partners that this process will be accomplished within a certain period of time whether they like it or not. In effect, the Prime Minister strode into the nation's boardroom, deliberately pointed a gun at the head of each of the other directors and said, "You will behave or suffer the consequences".

In a federation which was built on the concept of partnership and all that it implies in terms of discussion, compromise and consensus, putting partners under the gun destroys any hope of goodwill or mutual trust. Obviously, the Prime Minister has decided to create a Canadian constitution in virtually his own image. Items like the fundamental rights of Parliament or the partners in our confederation can be shoved aside if he so wishes. As a result of the way in which the Prime Minister is implementing this action, it is clear there will be no change without the personal stamp of the Prime Minister.

Through this resolution the government intends to patriate the Constitution of Canada with the addition of a charter of rights and a formula for amending the constitution once it is home in Canada. It is the amending formula the government proposes which provides the greatest threat to the partnership of our federation. Once again, I stress that if the partnership is damaged, then we in Canada are in for very troubled times.

The amending formula proposed in the resolution is in two parts, and these are contained in section 41 and section 42. Section 41 outlines the procedure for amendment by the Parliament of Canada and the legislatures of the provinces. Section 42 provides for a referendum on constitutional change which will be called by the national government if it sees fit. I wish to deal with section 42 first.

Let us assume for a moment that a change in the constitution was not accomplished under the provisions of section 41, which I will deal with shortly. If the Government of Canada particularly favoured that amendment it could, under section 42, issue a proclamation calling for a referendum to be held. Further provision of the bill states clearly that the federal government is solely responsible for making the laws that govern the rules of a referendum, subject only to the restriction that no Canadian citizen shall have his or her rights to vote removed.

How does this affect the concept of a Canadian partnership? First, there is no provision to allow the provinces to call a referendum across Canada in the event that it is the federal government which opposes a particular constitutional change. Second, there is nothing in the resolution that provides standard rules or principles to govern the referendum itself. Since the Governement of Canada is solely responsible for the rules of the referendum, it could easily amend the laws in that regard to suit its position on any given constitutional proposal. If it was in favour of a particular change, it could relax the majority required; if it were opposed, it could, I suppose, substantially tighten the requirements. In either case, the provinces would come under the complete domination of the federal government.

Instead of being equals in the Canadian federation, this provision creates ten second-class citizens within the partnership itself. Having made second-class citizens of the provinces under section 42, the federal government then proceeds to destroy the partnership even further under the provisions of

section 41. The amending formula outlined in this section is complicated, but certain key elements stand out clearly.

The first element is that no changes to our constitution will occur without the consent of the provinces of Canada which now hold, or have ever held, 25 per cent of the population of Canada. Of course, this provision gives the provinces of Ontario and Quebec veto power over any constitutional change in the future. Furthermore, population trends indicate clearly that no other provinces in Canada are likely to join this select group of veto holders in the foreseeable future.

The second element is the amendment procedure that applies to the rest of Canada, which is: agreement by two of the provincial governments in each of the Atlantic regions and the western regions. However, these two provinces must contain between them at least 50 per cent of the population of the region for their approval to have any effect. Clearly, this amendment procedure discriminates against the smaller provinces in our federation and denies them the rights and responsibilities of full partnership that they feel, and justly, that they have enjoyed up to this point.

Furthermore, it discriminates against the western provinces and Atlantic provinces as regions by institutionalizing different classes of provinces in the amending process. For example, consider the position of my home province of Manitaba and the province of Saskatchewan. Because of the relatively small populations in Manitoba and Saskatchewan, neither province can substantially affect the result of a constitutional amendment. Manitoba could combine with either British Columbia or Alberta in the western region to meet the requirement for approval or rejection of a proposed amendment. However, Manitoba and Saskatchewan acting together could not alter the outcome of an amendment one way or the other without the assistance of either Alberta or British Columbia. Therefore, the proposal creates second-class provinces within the nation and further subdivides the provinces within the regions.

What does the principle of subclasses of provinces do to the idea of our Canadian partnership? I contend that it destroys it completely. Under the constitution of a country, people should be equal regardless of where they live within that country.

The Canadian partnership is further eroded by the fact that one of the partners of our federation is not granted any status at all, not even second-class status. Since the proposal requires that approval be granted by at least two provinces containing 50 per cent of the population of any region, where does Prince Edward Island fit in? If Prince Edward Island combines with any other province in the Atlantic region, it still does not provide 50 per cent of the population. Accordingly, for purposes of constitutional amendment, it will always be necessary for two of the remaining three Atlantic provinces to be involved in the process.

Prince Edward Island's participation will have no effect one way or the other, and in constitutional change it will be meaningless. Prince Edward Island is a province to which this Prime Minister has kindly granted no status whatsoever. It cannot even lay claim to second-class or third-class status with respect to the amending formula. It is ironic that the home of the Charlottetown conference and the birthplace of our nation is now to be granted the unique distinction of having no status at all. That is a far cry from a partnership of relative equals such as I outlined earlier.

● (2050)

I believe the Prime Minister has taken what I consider to be a destructive course of action in a somewhat cold and calculating fashion. I also believe that this amending formula has been deliberately designed to stem the increase in political power which would flow naturally to the western provinces as the population increases and our importance to the national economy becomes more apparent.

It is abundantly clear that the western provinces are grossly underrepresented in the process of constitutional amendment proposed by the government in this resolution. The requirement that two provinces within a region agree to a proposed amendment opens the door to divide-and-rule tactics by the federal government. In addition, it allows the federal government to maintain its stranglehold over the provinces which, by right, should be relatively equal partners in confederation.

The province of Manitoba is under no illusion that it is able to make the same kind of economic impact as the larger provinces such as Ontario, British Columbia, Alberta or Quebec. However, the people of Manitoba take very seriously their rights and responsibilities as full and equal partners in our confederation. This proposal could simply take those rights away, and Manitobans like other Canadians in other provinces would become second-class citizens of our country in terms of constitutional changes. If Manitobans become second class citizens under the constitution or, for that matter, if any other citizen in any other province becomes second class, there is no partnership. There is no equality for our citizens and the domination of the national government is complete.

I am warning the Prime Minister this evening that talk about western separation which we hear about from time to time in this chamber is not idle. Westerners are Canadians, and I believe they always will be Canadians in their hearts. But if one man and one party can unilaterally create second or third class status for the citizens of 50 per cent of the nation with a single stroke of the pen westerners cannot help but ask where is the value in remaining Canadian. Until now, the citizens of western Canada have been accorded relatively equal partnership in our confederation. If the Prime Minister insists on making people in the west second raters, it could easily be an action they are unable to accept, especially if it is coupled in the next few weeks or months with export taxes on natural gas, or on hydro. In fact, any unilateral action affecting the area of resources might lead to a real and growing separatist threat in western Canada.

Having made those comments and issued that warning to the Prime Minister, I would like to devote my remaining time to outlining proposals which might help the government out of the situation in which it finds itself as a result of its actions. We on this side of the House believe they would be well received all across Canada, they have been demonstrated to be

workable, certainly from the provinces' point of view. But before going further, I want to explain once again to the government exactly what is so distasteful about the resolution which has been brought before us. First on the list is the Prime Minister's partiality not only for unilateral federal change to the constitution, but indeed, for one-man change. This serves only to destroy our hard-won partnership and has inflamed passions all across Canada.

Second is the double standard implied throughout the government's resolution. It is a double standard because unilateral federal action applies to any amendments proposed by the present government while all other partners in the federation must endure the application of the amending formula. It is a double standard because the Prime Minister, by his actions, creates distinctions and classes among the partners in our country and, by extension, creates second and third class citizens in a country which above all else values the democratic rights of freedom and equality.

Instead of destroying our unique Canadian partnership, I urge the Prime Minister to live up to his commitments made during the referendum campaign in the province of Quebec and propose measures which will renew and strengthen our federation, not weaken it.

On this side of the House, we are 100 per cent in favour of patriating our constitution, just as we favour any and all procedures and reforms which will strengthen the Canadian partnership in a manner consistent with the social and political realities of Canada. I believe the problem is not so much the idea of a charter of rights or the patriation of the constitution as it is the dangerous effect on our federation resulting from the manner in which the solution is being imposed, and the serious consequences of the amendment proposals which form such a large part of the resolution.

To restore faith in our provincial partners and begin to restore the sense of goodwill which is so necessary, I believe the Prime Minister should make the necessary arrangements to renew the federal-provincial negotiations beginning some time in the early part of the new year. Furthermore, if the Prime Minister is intent on persisting in unilateral action, he could make great strides toward restoring confidence across Canada if he changed this resolution to include the amending formula known as the Vancouver formula which was accepted, at least in principle, by the provinces. It would require that Parliament plus at least seven provinces containing at least 50 per cent of the population, express their approval of any future constitutional change. In my opinion, Mr. Speaker, that creates more evident equality and more of a partnership than we find under the proposed resolution. However, in certain clearly defined areas, such as the rights of provincial governments, provincial property or the ownership of natural resources, individual provinces would have the option to opt out of the proposed change. An amending formula such as this would have the advantage of restoring the goodwill and co-operation necessary for our Canadian partnership. It is not perfect; I do not think any of us could devise a perfect formula. But it is better in one way; it works.

Finally, I would urge the Prime Minister to call a special constitutional conference of a wider nature so as to implement changes in our constitution and set out the appropriate amending formula as I have outlined.

The irony of the proposal before us is almost beyond description. Not only does the Prime Minister intend to unilaterally impose his own will on the Canadian people, but he wants to accomplish that goal by asking the British government to change our constitution. In order to provide a system for amending the Canadian Constitution in Canada, by Canadians, the Prime Minister proposes to ask the British government for its permission. While that is the legal way at present, Canadians as a people are mature enough to be able to accomplish the necessary changes on their own through the vehicle of a widely based and representative constitutional convention. The British people and the British government are also mature enough to recognize that Canadians have the right and the responsibility to determine the ground rules for their own future.

If it were not for the fact that the government's proposals are so dangerous, the irony of a situation in which an anti-colonial prime minister is using an essentially colonial vehicle to implement these changes, would be humorous. It is not humorous though. I think it is frightening. This proposal and its possible consequences on the various regions of Canada, along with the intrusion into the provincial domain of natural resources, could together lead to a frightening period in Canadian history.

Hon. Judy Erola (Minister of State (Mines)): Mr. Speaker, I have listened with great interest to the arguments and comments of all members in this House who have participated in this debate. I am honoured to rise in my place as the representative of Nickel Belt and to bring what I know are their concerns into this forum.

I am especially happy to comment on the proposed charter of rights and freedoms, a charter which will end all types of discrimination. As a person from a northern community, an ethnic and a woman who has been active in the working world for some 27 years, I have indeed been witness to discrimination. I would like to comment about that for just a moment as a working woman. I know what it is to be passed over for promotion simply because I am a woman.

● (2100)

Mr. Baker (Nepean-Carleton): Tell them the story you told me.

Mrs. Erola: I do not have the time. I am only allotted 40 minutes. However, I would love to tell that story. I would like to say something to those, women particularly, who say they want something special. I say I want equality, nothing more and nothing less.

Northern Ontario is a hardy land and the people who settled it were equally hardy. They were immigrants from many countries with a multitude of ethnic, social and cultural backgrounds. They came to Canada because Canada offered them

something different. It offered them unlimited opportunity and it offered them freedom—freedom to follow their own dreams and to pursue their own interests.

I grew up in an ethnic environment. I can tell you there always existed a great pride in being a Canadian. Ethnic communities across this land are very conscious of their responsibility to the country which has given them so much. They first and foremost are good Canadians.

Every member who has taken his place in this House of Commons has, I am sure, at one time or another been present at a citizenship ceremony when new Canadians were sworn in. Everyone has seen the shine in their eyes. It is a genuine pride. They are proud to be Canadians, and we were proud as children to be Canadians. They are proud despite the acts of discrimination against many ethnic groups in Canada during the war. Indeed, the Canadian record is not without blemish. Most of us in this House have been made very much aware of what happened to the Japanese in Canada. I should like to tell you something of what happened to people of Italian, Finnish and to some degree German parentage in Canada during the war.

Italian parents of my friends suffered greatly, and they suffered unjustly. Though Canadian citizens with two sons fighting for Canada overseas, these people were marched off to be fingerprinted and their guns confiscated. We were all aware of other injustices against other ethnic groups. As a matter of fact, it happened within the church of my community. Despite it, ethnic communities across this country have persevered. Life goes on and injustice can be corrected.

I remember my parents and grandparents, Finnish born, speaking about the promise of Canada, of the history and especially the future of Canada. I think you will find that across this nation the ethnic communities are in general more tolerant and more sympathetic than any other group on the issue of linguistic rights. They themselves speak a second language in most cases, be it German, Finnish, Japanese, Ukrainian, Croatian, what have you. They appreciate the benefit that a second language can provide. It is an asset, an opportunity, a means through which we can broaden our understanding of one another.

Certainly in northern Ontario, in Nickel Belt, the Francophone community has had to fight long and hard to enjoy linguistic equality. However, I am happy to say that the previously unsettled atmosphere has now changed in my area. Let me tell you what used to happen to the Francophone in days not so far gone by. They fought first of all to have French minority language rights in the elementary schools. That happened. At the end of grade eight, after eight years of French language instruction, these children were placed into an English milieu. What happened to them in grade nine or ten? They dropped out. It was generally accepted that they were ineducable when the fact was they had been educated for eight years in one language and were then expected to sink or swim in another language.

That was changed. Through long and bitter struggles, we developed French secondary schools in our area. I believe we now have five. What happened to them at the end of secondary school? Did they have to go on to an English university? No. The people of northern Ontario did not tolerate that. They turned around and created a bilingual university, Laurentian University. In northern Ontario a student can go from kindergarten right through university in the French language. I am very proud to say that Laurentian University now offers a translators course which is the pride of not only northern Ontario but all of Canada.

I can also state that many of the youngsters have reversed the situation. Many of those who now attend French immersion classes share my own ethnic background, or that of other ethnic groups which help make up my riding. I might add that our courts in northern Ontario are now, for all practical purposes, bilingual. The battle was not an easy victory in northern Ontario. One of my early election promises was that I would fight to have minority language rights enshrined in the constitution.

[*Translation*]

To my constituents of Nickel Belt and French Canadians all over Canada, I proudly present this constitution, a constitution which guarantees the right to education in the language of the minority.

[*English*]

This resolution before us will enshrine in the constitution the rights to linguistic equality and educational choice where numbers merit. They will be protected forever. Linguistic rights are but a small part of this constitutional package. The renewed constitution will be the embodiment of our national purpose. It will define the basic sets of principles by which this nation will be governed in the future. It will be a symbol of the strength of Canada as one nation and the vitality of Canadian democracy.

I would like to dwell on this idea of symbols for a moment. Frankly, I think the beaver has been much maligned of late. I am very familiar with the beaver, there being many of them in my part of the country. Occasionally they are a nuisance. However, it was the only truly Canadian symbol that my mother, as an immigrant, had to offer us when I was growing up. I am rather proud of them. It will be very much easier for new immigrants who come to this country. They will have a flag and a constitution. These are not mere symbols, but real and tangible symbols.

Today we have so much more in our country, a flag, and a constitution that will be our guarantee for the people, a guarantee from their government to protect them from undue discrimination and harassment for all time. Basic human rights will be enshrined, not as mere lip service to well founded ideals but as part of the law of the land. The package of rights will have an effect that is long overdue. For example, upon the passing into law of the provisions of the proposed new Canadian constitution, injustices such as presently exist with respect to the rights of Indian women in Canada will disappear.

● (2110)

This is where I chastise some members of the House, Mr. Speaker. Section 12(1)(b) of the Indian Act which establishes criteria whereby Indian women are arbitrarily discriminated against has never really been an issue close to the members of this chamber, with the exception of a few, even though it was a blatant example of discrimination. The provisions of our new constitution will not allow such unjust treatment to continue. It is true that there is a period of transition; but the important point to remember is that such an injustice will not have the opportunity to reappear.

For those members who are shaking their heads, may I say that the women of this Parliament took matters in hand last spring and crossed party lines to make a statement saying they did not endorse it. Since then I believe that 42 bands have rescinded that part of the act. I am very proud of them.

Some hon. Members: Hear, hear!

Mrs. Erola: I should add that all the women in this Parliament participated in the activity of this committee and signed the declaration.

A guarantee of fundamental rights and freedoms can do nothing less than make us stronger; stronger as a nation and stronger as a people. If a government is to be judged by those whom it governs, and well it should, one of the main criteria for evaluation must undoubtedly be freedom. The best government is that which provides the maximum freedom for the individual. This document provides the Canadian people with a guarantee of that freedom.

Since the release of this proposal we have heard ominous statements of gloom and impending doom. There is concern in some provincial capitals that certain clauses of the new constitution will deprive them of their protectionist attitudes and practices. To this argument I can only say that this is Canada; we do not require internal passports in this country or papers and dossiers to travel from region to region, to work in one part or the other. This is Canada, a free land; a land where every Canadian is given the choice to choose his or her residence, occupation and lifestyle.

I have been behind the Iron Curtain where checkpoints are established on all access roads to cities to control the movement, not just of visitors, but of their own people. They do not enjoy freedom of mobility. To deprive our citizens of their freedom to live and work unhindered in any region of Canada is clearly an unacceptable option. Democracy demands better.

As a mother of two young people and through my contact with other young people, I am continually encouraged by their openness and candour. Something that young Canadians have done a great deal of—and I applaud them for it—is travelling. Every summer we see them on the road, from Newfoundland to British Columbia, discovering their country—discovering places in which they might like to live and work in the future. It is difficult to explain to them the artificial barriers to their mobility that have been created by narrow regionalism.

I met with several senior mining industry officials in Ottawa over a week ago and the first thing that they commented on to me was the importance of the mobility clause to the future of the mining industry. Unfortunately it seems that some of the provincial premiers—and some hon. members opposite—think industry can operate in a vacuum. I must inform them that it cannot.

At this point, Mr. Speaker, I think I should read from a brief they presented to me, part of which they will be presenting this weekend to the conference of mines ministers in Halifax. The brief states, in part, as follows:

> There is no doubt that Canadian unity is being seriously eroded, not only by the continuing dispute between governments over the distribution of powers, but also by the economic barriers that the provinces are setting up against each other. This contributes to the fragmentation of the Canadian common market and impedes the movement of capital, labour and products. Further, the climate of uncertainty thus created has affected business decisions. The result is to raise the cost of doing business in Canada, making it less attractive to new investment, both domestic and foreign, at the very time when massive amounts of capital are required to finance the many major projects which this country needs if it is to fulfil its destiny.

They went further, to urge all governments to give earnest consideration to these concerns which are shared by all productive sectors of the country.

Ultimately, the decisions on the future of this country will be made by the people. It is the people who will choose a formula for future amendment if the first ministers fail to reach an agreement. It is the people whose rights and freedoms are being protected, and therefore it is the people who must be the final authority. The people of Canada deserve and want a Canadian constitution, not a constitution that is an act of the British House of Commons. This last remnant of colonialism is an embarrassment to Canada and to many Canadians. Are we not a mature enough democracy to be trusted with our own constitution? Can we not be trusted to responsibly protect the rights of all Canadians?

I am a proud Canadian; the people of northern Ontario are also proud Canadians. The people of northern Ontario, like most of the people in this country, want to see action now—for us, for our children, for their children and for all future Canadians.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Blaker): The hon. member for Prince George-Peace River (Mr. Oberle).

Is the hon. member for Dartmouth-Halifax East (Mr. Forrestall) rising on a point of order?

Mr. Forrestall: I should like to ask the hon. member a question, Mr. Speaker.

The Acting Speaker (Mr. Blaker): The hon. member for Prince George-Peace River.

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, by now the phrases, "constitutional reform", "renewed federalism", "amending formula" and "charter of rights" must be etched in the minds and souls of many Canadians. But most

Canadians, just like some of us here, must be wondering what this all means and what has rendered our constitution so useless in the face of certain events which have happened suddenly and other events which have taken some time to develop.

There is a whole series of such events but I want to mention just two or three which have occurred over a period of time placing certain strains on the framework of our institutions and the fibre of our country.

The first event is the so-called "quiet revolution" which has been taking place in the province of Quebec for some time. Revolutions are really a short cut to evolution and the results of a revolution demand sudden and rapid change. It is really not the fault of English Canada, which was not a part of the revolution in the province of Quebec, that this change is now required so quickly. A lot of my friends from the province of Quebec do not realize that one of the problems there was that the provincial government paid very little attention to the most basic concept in the evolution of a culture—education.

● (2120)

It was only in the mid-sixties that the government of Quebec established a department of education and assumed that jurisdiction for itself, having earlier left it to the church. As I have said, the revolution made quick change a necessity. This change was proposed in two forms, and those two forms were pursued simultaneously. One of them was separatism, something that is totally unacceptable to the majority of the province of Quebec itself, and certainly to the rest of Canadians. The other form of quick and sudden change was the spreading of certain rights, which our compatriots in the province of Quebec legitimately desired for themselves, to the rest of the country.

The Prime Minister (Mr. Trudeau) can never get it through his head that those of us who stood in this House voting against another resolution dealing with the Official Languages Act were not so much against the Official Languages Act itself but, rather, against the way in which it was being implemented. It was to be implemented over a period of time which coincided with the Prime Minister's own personal timeframe which was too quick for the rest of Canada to accept. However, I do not want to dwell on the revolution in Quebec because it is not as germane to this debate as are certain other factors.

The second event which occurred, again over a long period of time, it could be said, was the incredible technological revolution which took place after the Second World War. Things which happened with respect to the electronic media altered very dramatically and fundamentally our very lifestyle in this country, as they did throughout the western world. Development in this field gave the federal government direct jurisdiction over something which was formerly entirely in the domain of the provinces. The television set is now, for better or worse, the focal point of all our cultural activities. That is probably stretching it somewhat, but it certainly is the focal point of much of our culture, and it is no longer just an entertainment medium. It is no longer just an information medium, either. It is certainly and most profoundly a medium of education.

As we all know, Canada would never have been possible in the first place if the provinces had not received an ironclad guarantee that they would always be in control of education and culture. John A. Macdonald was a fierce federalist, and he wanted to keep education in the domain of the federal government, but none of the partners would have joined if he had insisted on that. So, with the evolution of radio, television and other means of communication the federal government, through its residual powers, retained jurisdiction over the regulatory control of these media and, in so doing, asserted itself very clearly in a provincial jurisdiction. This caused all kinds of problems, with which we are still trying to wrestle.

Then, of course, there was one other event which occurred rather more suddenly. That was the energy crisis, all the problems which were associated with that, and the obvious need to develop a strategy which would deal equally and fairly with all Canadians regardless of whether they lived in the producing or consuming provinces.

If we look at the three events I have mentioned, we might ask: why was it that our constitution was not adequately equipped? What were the weaknesses in the constitution which made it inadequate to deal with mounting tensions? First, the constitution was inadequate in that it did not provide a formula to redistribute the residual powers which were granted under the British North America Act to the federal government. In other words, in terms of the electronic media and federal intrusion in that area the constitution was not sufficient to bring the partners of confederation together and to redistribute these powers and give some of this regulatory jurisdiction back to the provinces where it belonged. The provinces did not take the initiative of bringing the matter before the Supreme Court for adjudication there.

There is a very weak and vague definition in the constitution with respect to the relationship between the individual and the state, and the constitution is rather weak, as I have said, with respect to the relationship between the provinces and the federal government. There is a lack of a formula whereby meaningful change could occur without creating tensions. The constitution also provides for an electoral system which is not suitable for a modern democracy, particularly one functioning within a framework such as ours, so rich in geography and so diverse in culture and demography.

Institutions failed as well. In particular—and I mention only one example—the Senate did not fulfil the role which was intended for it by the Fathers of Confederation. The Senate, as hon. members know, was to be a regional forum where sober second thought was to be given to what happened in the House of Commons and regional concerns were to find expression. However, as the different provinces joined confederation they had different priorities. The province of Prince Edward Island wanted many senators. The province of British Columbia wanted the railway. As it happens, in British Columbia we have 12 per cent of the population and only 5 per cent of the

senators. Those five or six senators who sit in the upper House representing British Columbia are all from the lower mainland, which represents one-fifth of the land mass of British Columbia. Even if that were different, I do not believe the Senate, since confederation, has ever fulfilled its role.

The prerogative of government leaders to appoint senators has always been abused by all prime ministers, and the other place has failed to assert itself in a way which would have eased the tensions and crises we have experienced from time to time. So, people ask themselves, "What can we do now to correct all these crises which are with us?" The people in the province of Quebec can say legitimately that something will have to happen if they are to stay in confederation. There is dissension in western Canada as well. There are feelings of alienation and, as we have heard in the last few days from some of our friends here in the House of Commons, sentiments of separatism are being expressed even there.

Among the people I represent there is certainly a clear consensus, if not unanimous accord, that we should undertake this first and most symbolic act of patriating the constitution. Some questions come to mind right away which would have to be answered, of course, but certainly all of us want to carry out this symbolic act. The questions to which I have referred include: Who would be the guardian of the constitution when we get it to Canada? Will it be the Governor General, will it be the Queen, or will we choose a president to be the guardian of the constitution? When Britain surrenders its jurisdiction over the BNA Act, what will it mean to our relationship with the Commonwealth? I happen to think that our attachment to the Commonwealth and to Her Majesty the Queen is so strong that not even the present Prime Minister (Mr. Trudeau) would have the gall or the courage ever to tamper with that.

● (2130)

So I say, let us patriate the constitution. Indeed, sir, that is the feeling expressed by all the spokesmen who have participated in the debate so far. I also feel, and the people whom I represent feel, that it would not make much sense to patriate the constitution without finding a key which would unlock it so that it can be amended when we do get it.

We have talked about a number of scenarios and proposals which the first ministers of the provinces have discussed with the federal government regarding an amending formula. There are two proposals in particular which come to mind: the Victoria charter and the Vancouver formula. I happen to think that the Vancouver formula would be much more fair and equitable, as was so eloquently stated by my hon. friends, and indeed it is the expressed opinion of our party that the Vancouver formula would provide us with that key which has proved so elusive.

The resolution which is before the House does more than just patriate and amend our constitution. It is in the area of the entrenchment of rights that I personally have serious reservations. I should like to say a few words about what it means to me and to the many people to whom I have talked to have a charter of human rights entrenched in the constitution. I should like to agree at the outset that no one, either in this chamber or outside it, has a monopoly on the ideals which have been referred to here—freedom, liberty and human rights. But it becomes painfully obvious that some of us have different definitions of those rights and different perceptions as to whether these rights should or should not be entreanched in the constitution. Are we so naive as to think—as obviously the hon. member for Nickel Belt (Mrs. Erola) who spoke before is—that with the entrenchment of human rights in the constitution we will end all discrimination for all time? Are we so naive as to believe that with this one act we could end all discrimination forever? The hon. member for Rosedale (Mr. Crombie) was probably nearer the mark when he said that the constitution is not the source of our rights and freedoms but that it is the consequence of history in practice. You cannot legislate attitudes of people.

Basic freedoms and human rights have different meanings in different parts of the world. There are constraints to people's rights and freedoms for reasons of space and reasons of geography. The country in which I grew up has at present 66 million people, yet it is only as big as my constituency in north eastern B.C. Obviously in such an environment one cannot exercise the same rights and freedoms as one can in a country like Canada.

Then there is intellectual freedom. Again, not all of us are as mature and free intellectually as some others are. There is also economic and political freedom. Some say there are no political rights without economic freedom, and they relate that to free enterprise. Some of us did not feel free until we started our own businesses, when we became free to make our own mistakes. I was always under the illusion that I was also the benefactor of things I did right. However, that is no longer the case. We are now more of a collective society and we talk more about collective freedoms.

In a society such as ours we have obligations towards our neighbours. This confines our rights and freedoms. There is also the perception of our neighbours which should be taken into account because, as it is said in the Bible, if your neighbour does not think you should be free, then indeed you are not.

In some countries in the western world today there is conscription and people have to join the armed forces and train in case of war because they are close to a flashpoint of international tension. In this country, after we have entrenched our rights and freedoms, we should no longer have to do this. Certainly our Prime Minister has never felt he should ever have to join an army to defend our country. What would the freedoms which we have entrenched in our constitution mean if some day it should be the intention of a country with a different political ideology to attack and overrun our soil and we all sat back and exercised the right, which the Prime Minister seems to have reserved for himself, never to have to take up arms to defend our nation? What would happen to our entrenched freedoms if the communists were ever to take us over? I grew up in a country where there was an entrenched bill of rights which was written by Adolf Hitler. What did

these entrenched rights mean when it was all over? I can tell you, sir, what it meant to me at the tender age of 12. It meant to me that I wanted to leave that country and start a new life some place else. Certainly when I came over here I had some real expectations about how this country should evolve.

From time to time there must be change. Indeed, one of our former prime ministers, the Right Hon. Lester B. Pearson, said this about the entrenchment of rights when he spoke at the constitutional conference in 1968:

If a mistake is made in an ordinary statute, it can be remedied at a subsequent session of Parliament or the legislature. But a constitutional error may be almost irremediable and the consequences serious in the extreme.

From time to time we must make changes to our constitution and from time to time we must expand it. Who knows, maybe we might even find it necessary to restrict certain rights and freedoms for a short period of time. The Prime Minister should know that. In 1970 he found it necessary to impose the War Measures Act. Will he now say that no such thing will ever happen again when our rights are entrenched? Can we all gain access to the Supreme Court tomorrow morning if anything should threaten us individually or as a society? I say that such thinking is naive in the extreme. Our constitution should be flexible enough to expand on occasion the rights, liberties and freedoms of individuals, and, if the need arises, to ask individuals in our society to join a collective cause to defend the greater goals of our country. Is it not one's basic right to bring up one's children in a safe, wholesome and congenial environment and to protect them from influences which would adversely affect them in their formative years? But as proposed in this formula, there is also the right, now to be entrenched in the constitution, to express oneself in any way one wishes. If we draw upon the experience of the United States where freedom of expression is entrenched as the cardinal principle of democracy, we must accept the fact that our newsstands will be cluttered with smut and pornography because there are people in our society who like to express themselves in that way.

● (2140)

Is it not one's right to receive services which are essential to sustain oneself as a useful and full member of society, services that are provided by the government? The Post Office is an example. Does that right not conflict with the right to strike and withhold such services which is to be entrenched in the constitution? What about this most fundamental principle of democracy, the freedom of association, which is also to be entrenched? Freedom of association is really the very basis or foundation of our political system. One is free to associate with political parties and to express oneself publicly. How is the Supreme Court to interpret that after it becomes entrenched? The NDP, our friends to the left, might be wise, before they jump into that bath-tub, not only to check with the Saskatchewan premier who has some reservations with respect to resource questions, but also to check with "god" McDermott as to how he feels about it, because if freedom of association is interpreted in future in this country the way it is in other more advanced industrial nations, it means one can no longer be compelled to belong to a union. Not only is one free to belong, one is free to withhold membership. I wonder whether the NDP has given any thought to that little goody before they run away with their enthusiasm in support of this resolution.

For a few minutes I should like to talk more specifically about the latest attempt of the Prime Minister at social engineering in terms of two separate and distinct groups of minorities which will undoubtedly suffer very serious adverse effects. The first of these groups is our native Indians. In this connection, a group of native Indians will be going before an international tribunal in Amsterdam in the next little while to charge the federal government with ethnocide, which is a form of cultural genocide. One wonders why people in a society as free and generous as ours would have cause to seek redress in an international tribunal against the obvious and blatant discrimination they are suffering.

In this resolution we are talking also about the entrenchment of certain cultural and linguistic rights. I happen to think that if there are any cultural and linguistic rights which should be entrenched in any constitution, it should be those of the original people of this land, the rights of people who have no other place to go to replenish their culture. The fountain of their culture is mother earth on this North American continent. It is not derived from French, English, Italian or German—languages and cultures in evidence throughout the world. Their culture is indigenous, it is right here and there is no place else to go.

The Minister of Finance (Mr. MacEachen) spoke in emotional terms about his experience when he visited with the Acadians in Nova Scotia who were celebrating 375 years of presence and culture in his native province. He said in glowing terms that this culture is still very vivid and alive. I wonder if the same thing can be said for Indian culture. If native Indians could look back 375 years, I wonder if they could make the same claim—that the culture which existed then is still vivid and alive in our country today. I say they could not, and I say we must do something to ensure that whatever change we make to the constitution and whatever we entrench in the constitution it must make provision for some of the legitimate aspirations and, indeed, the legitimate rights of native Indians of our country.

Some hon. Members: Hear, hear!

Mr. Oberle: In his early culture the native Indian always understood the important relationship between rights, freedoms, responsibilities and restraints. The native Indian in North America gathered material goods only to be given away as gifts and in so doing he ensured the protection of the society in which he lived. We could have drawn a lesson from that, but unfortunately we did not. Not only have we denied native Indians their traditional rights, but we have fractured and broken the treaties we made after we came. We promised native Indians that as long as the wind blows, the water flows and the sun shines, they would be able to hunt, fish and live in harmony with nature as they had before, even though we knew at the time we signed the treaties that there might be some day

when rights of this kind could no longer be exercised as they were then. But even today we have not yet told the Indians that that is indeed the case. This resolution tells the Indian population, the Inuit and the non-status Indian population, that the Prime Minister is as committed now to the white paper of 1969 as he was then, and that today he is committed to a course of assimilation and integration at the most rapid pace possible. His opinion on it has not changed since 1969. Why does he not consult with native leaders before making these amendments to the constitution? In answer to my questions in the House he said, "We will patriate the constitution, we will bring it home, and then we will consult with Indians and other interested groups." He forgot to say that the rights of certain minority groups would be entrenched and that the rights of other minority groups would be very much in a secondary position.

I should like to say a few words about another minority group to which I belong. It is not as small or as helpless as the others I have mentioned. It has always been reluctant and perhaps somewhat afraid to speak out. Most assuredly it does not have the same kind of claim and right to speak out in this particular debate. I refer to the one third of our population consisting of new Canadians who did not inherit this great land by birth. All of us in this House with the exception of my hon. friend from the Arctic have belonged to this minority group at one time or another, or our ancestors have. People come to this land for different reasons, mostly for reasons of economic opportunity, which compelled them to make the move. But in many cases it was to escape political persecution and tension. They came to this country to seek political freedom. By accepting citizenship in this country they felt they were entering into a contract, a contract to which they had contributed the assets they had brought with them, such as their education, the skills they had acquired and brought with them and which someone else had paid for. They made a commitment to totally embrace the practice and way of life which was in evidence in Canada when they came. In return they expected the kind of freedom which was in evidence here, the kind of democracy that is the envy of the world. And they expected it would be assured not only to them for the rest of their lives but to their children as well. So they have a very clear stake; they entered into a contract and I, as one of this minority group, think this contract is now about to be broken.

● (2150)

As I said earlier, most of these people came from countries which do possess an entrenched charter of rights. Probably the most beautiful and philosophical charter of rights is that contained in the constitution of the Soviet Union. But what does it mean? It does not mean anything unless it is entrenched in the hearts and minds of the people who interchange with each other. Immigrants expected they would be accepted as full and equal members of this society and that there would be no disadvantages for reason of race, religion or colour. Again, the hon. member for Nickel Belt (Mrs. Erola) spoke in glowing terms of the immigrants with whom she came in contact and told us how they had been discriminated against. Well, sir, to entrench rights creates nothing but expectations which sometimes cannot be fulfilled. What, for instance, does freedom of religion mean to some of us? Does it mean that an immigrant family can come from India and bring with them their sacred cow and walk it down Yonge Street in Toronto? Of course not.

I can honestly and truthfully say, sir, that I have never been discriminated against. But my commitment was very complete to this country the very first day I arrived here. I was under no illusion that my children could be taught my native language in school. I was under no illusion that I could for ever practice my culture. I knew I had to attune myself to the mainstream of life which was practised here. Indeed, that was the reason for which I came. Certainly I have been in contact with bigots, of whom one has to be charitable and understanding, and it will probably be only my children who will become full members of this society.

Honestly, though, to talk about the generosity of this country one has to look at my experience as an example. Here I am, a member of Parliament. If someone had told me when I landed in Halifax on October 15, an immigrant at the age of 19, that some day I would be a member of the House of Commons, well, sir, I would not have believed it.

Some hon. Members: Hear, hear!

Mr. Oberle: Nevertheless, there are members of ethnic groups in my constituency who are being discriminated against every day and were discriminated against after the First and Second World Wars, as well as in between. The reason they are sometimes discriminated against is because they have unreasonable expectations about the relationship between the old country and the new country and their own relationship with this country.

An immigrant knows better than anyone else that one cannot legislate the attitudes of people. Immigrants are most tolerant of those who are narrow minded and who have no understanding. Our immigrants know that only time can heal and that the only rights one has are those which are entrenched in the hearts and minds of the people with whom you live, the people who are your neighbours, the people who share your community. Entrenching the laws does not and will not help the immigrant, or the Indian, to make accommodations for bigotry and insensitivity.

What can we do as a government other than entrench rights? We can create a climate in which hostile attitudes will change. We can assert ourselves in the field of education. When I entered Parliament in 1972 multiculturalism was one of the identifying features of our country. Now we seem to be saying that multiculturalism is a secondary objective, that there are only two cultures and two languages with official status, the others being in a secondary position.

Sir, I know my time is running short but if you would permit me I would like to read a statement by the present Prime Minister when he spoke in 1969:

One must be in the wheelhouse to see what shifts are taking place. I know we have spun the wheel and I know that the rudder is beginning to press against the waves and the sea—perhaps the observer, who is sitting on deck sipping his tea, sees the horizon much in the same direction and doesn't realize it, but perhaps he will find himself disembarking at a different island than the one he thought he was sailing for—

When I speak to my friends in the native community and my friends in the ethnic community I say I have the sinking feeling that we shall be landing on an island to which we did not think we were headed if we allow this resolution to go ahead, amended by a foreign country with entrenchment of special rights for some and not for others.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Blaker): The Parliamentary Secretary to the Minister of Fisheries and Oceans.

Mr. Henderson: May I call it ten o'clock, Mr. Speaker?

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

GOVERNMENT ADVERTISING—APPROVAL OF UNILINGUAL ADVERTISEMENTS

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, on October 9 I asked a question of the Minister of State for Multiculturalism (Mr. Flemming), who is also in charge of government advertising. I was witness to the astounding defence which that minister was making that day in support of the government advertising campaign to justify the government's resolution to bring back the constitution.

● (2200)

One thing which all Canadians will accept is that television advertising is designed to oversimplify the most complex issues, problems or products. The idea is to simplify to the point of oversimplification. It is the job of a television advertiser to put the issues into a 30 second clip, and in this case they will determine the future of the country for generations to come. The fact that the government has hired an agency to put on the television screen the picture of flying geese to convey to the Canadian people the simplicity of the issue of bringing home or patriating the constitution is almost insulting. Canada is probably facing its most complex issue in the past decade, and the government is resorting to the simplest of techniques in an attempt to simplify the complexity of the issue.

The second thing I wanted to point out is that in this particular advertising campaign not only is the issue oversimplified, but there is also untruth. If one listens to the script of those ads, they are saying very forthrightly that Canada has a constitution which was made in England; that it is time the constitution was brought home and we had a constitution made in Canada by Canadians. Historically, that is just plain wrong.

If I read my history books correctly, the Fathers of Confederation spent at least three years in Canada discussing, arguing, compromising and negotiating on the issues which faced the Canada of that day, and finally came up with a proposal to form the British North America Act which was then taken to England and passed by Westminster with only two minor changes being made. The fact is that the British North America Act is a constitution made in Canada by Canadians. The fact is that the television ads are blatantly untruthful.

The irony, as the hon. member for Prince George-Peace River (Mr. Oberle) just pointed out, is that the Prime Minister (Mr. Trudeau) who is a great anti-colonialist, wants to use our colonial station to revise the constitution in England in such a way that he can have his charter of rights and freedoms in Canada untouched by Canadian hands.

The government's advertising campaign on the constitution is oversimplified, untruthful and, third, misleading. On the one hand the Minister of State for Multiculturalism said in the House on October 9 that all the advertising was under the aegis and guidance of the Canadian Unity Information Office and that, therefore, it was a non-political, non-partisan campaign. Such a statement is plainly misleading. An officer of the Canadian Unity Information Office the very day of the minister's speech was reported in newspapers as having issued a statement to the effect that the final decision on specific cases in that advertising campaign were made by cabinet.

It is ironic that for two years a commission travelled across Canada studying the issues of unity. One of the co-chairmen of that commission is sitting in the House as a Liberal cabinet minister now, and he is being totally ignored. The Pepin-Robarts report has been totally ignored in the document which is under debate right now. It would appear as though there was a two-year campaign at a cost of millions of dollars that went for nothing in terms of the final product.

It is misleading for the Minister of State for Multiculturalism to say, as he did in his speech of October 9, that the final word comes from the Canadian Unity Information Office when in fact a decision was made by cabinet in the particular case which I brought to the attention of the House. I am referring to the portion of the campaign which used billboards; the fact is that the advertising on the billboards was unilingual. This is a total contravention of the bilingual act. If, as that officer of the Canadian Unity Information Office has said, the final decisions were made by cabinet, then they are responsible for the unilingual billboards which were in total contravention of the act and in violation of the law. How could the minister stand and say that it is a non-partisan campaign? One cannot have a non-partisan campaign when partisan decisions are made by cabinet. It is totally offensive for the government to wrap itself in the Canadian flag. I believe the hon. member for

Winnipeg-Birds Hill (Mr. Blaikie) said the other day that everybody who is for his particular constitutional package is a good Canadian and everybody who is against it is suspect. Somehow that begins to smell. It now appears to be almost unpatriotic to disagree with the Liberal party and the Liberal government.

● (2205)

Mr. Ron Irwin (Parliamentary Secretary to Minister of Justice and Minister of State for Social Development): Mr. Speaker, in responding to the hon. member for Surrey-White Rock-North Delta (Mr. Friesen), I take it that his main point is the non-bilingual billboards because the other matters to which he referred have been dealt with by the Speaker. I do not want to go back to issues which have been debated day after day in the last week or so.

Billboard advertising was under the auspices of the Canadian Unity Information Office. There was a national campaign. At the time it was felt that the whole country wanted patriation in some form. The billboards did not indicate that the Liberals wanted it, nor did they indicate that the Progressive Conservatives and the New Democratic Party were against it. The billboards were more or less straightforward. They advertised patriating our constitution—"one constitution"; "make it ours".

As for the matter of bilingualism, billboard advertising was in both French and English.

Mr. Friesen: In different places in the country.

Mr. Irwin: Let me get on with that. For instance, outside of Quebec where there is a high concentration of French-speaking Canadians, in such places as St. Boniface, Bathurst, Campbellton, Dalhousie, Moncton, Sudbury, Timmins, Windsor and Cornwall, there were two separate billboards, one in French and one in English. In my riding of Sault Ste. Marie with perhaps 2,000 to 2,500 French Canadians, which is not a high concentration, there were bilingual billboards. There were not many, but I believe I saw some. There were French and English billboards on Montreal Island.

On September 8, radio and television advertising was stopped. Billboards were rented on two-month contracts, and on October 15 most of them were removed. If they have not been removed, it is because the space has not been rented, but our responsibility ended on October 15.

As my hon. friend knows, government is not perfect. Everything was done that could be done to remedy the situation when the issue was raised. It is not the intent to continue along these lines. Obviously we are not a single mind even on such a basic issue as "one constitution; bring it home; make it ours."

FINANCE—GOVERNMENT POLICY ON INTEREST RATES

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, on June 3 last, I asked the Prime Minister (Mr. Trudeau) the following:

Is the government's policy at the present time to keep interest rates higher than the market forces would normally indicate?

If one examines the interest rate structure in this country since this government took office and after the flurry of high interest rates immediately following its taking office, through the months of June, July and up to now, it would seem that interest rates have been deliberately kept higher by the government than market forces would normally indicate. One begins to wonder why this is and what, in fact, is happening. To refresh people's memories, the Bank of Canada, lending to commercial banks, is prepared to lend at 25 bases points over the average rate of 90-day treasury bills as determined at the weekly auction. This week the Bank of Canada is prepared to lend at 11.6 per cent. The rate was slightly different when I asked the question in June. However, there is no question that the rate charged by the chartered banks to their most preferred borrowers is to some extent related to the Bank of Canada rate.

● (2210)

During the period through last fall when the Progressive Conservative government was in office, the difference between the Bank of Canada rate and the chartered bank rate was somewhere around one-half per cent or about 50 bases points, sometimes extending to as many as 100 bases points, but not more. Since this spring, the rate has rarely fallen as close as it is today. Even today the difference is 115 bases points. When the question was asked, it was 120.82 bases points.

One wonders why this is happening. One would have to look at a series of Bank of Canada statements, which are produced weekly, to see what in fact is taking place. It is clear that the Bank of Canada, in order to keep rates up, reduced its holding of treasury bills in one week alone by $424.5 million, and further in order to keep rates of interest up and to keep the Canadian dollar at a lower figure than it would normally go if rates were allowed by the market forces to justify themselves, increased its holdings of foreign currency in one week by $325.9 million.

Dealing in treasury bills alone, year over year, while the amount of treasury bills placed by the government on the open market has been $5.36 billion, the administration opposite has reduced its holdings of treasury bills by $110 million. In other words, the government has been operating the money markets in such a way as to influence those markets, paying more for its treasury bills than it needs to, or raising prices for treasury bills higher than necessary, enabling it to dispose of all its treasury bills on the private market.

That would not be so bad if it were not for the suspicion of myself and others that this government is in bed with the large chartered banks. While this year the chartered banks have increased their deposits by $15.8 billion, their holdings of government securities have not increased markedly at all. In effect, the government has been operating its financing in such a way as to absorb almost all of the private funds available in the marketplace and has not been leaning on the chartered banking system to supply its funds. The parliamentary secretary will know from his experience in the field that the Bank of

Canada has estimated privately that there may be about $12 billion in annual savings by Canadians available for investment. The effect of the way the government has been operating is to soak up all that investment in order to finance its bond issues and make sure that interest rates in Canada are kept higher than they normally would be.

• (2215)

From January 1, 1977, until the present time, the amount of government borrowing has increased from $42 billion to $77 billion. Of that increase of $35 billion, over $28 billion has been directly soaked up by the public. Most of the money borrowed has been soaked up by the public. Certainly in the past year the banks have taken virtually none of it.

This government uses the Bank of Canada as a vehicle to finance its outrageous debt, and uses the interest rate system to force interest rates up in Canada so as to deprive private business of money. Consequently, we get the very proper statement from the Canadian Federation of Independent Business that in Ontario alone 17.2 per cent of businesses have delayed planned expansions or cancelled new job opportunities because of excessively high interest rates.

I maintain that the interest rate policy of the government is designed to force up interest rates and thus make it possible for the government to place its outrageous debt requirements on the open market. This deprives small business, medium business and indeed, large business, of the opportunity to borrow at realistic rates. The effect of the government's activity has been to increase interest rates to business by between .5 per cent and 1 per cent, at least. The policy so far this year has been to hide behind the scheme of allegedly relating interest rates to the average of treasury bills. But this is a dirty float—the same dirty float as they used in foreign exchange dealings.

Mr. John Evans (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, the hon. member may remember that when the question he referred to was posed to the Prime Minister (Mr. Trudeau) with a supplementary to me, I indicated that the policy of the Bank of Canada has been and continues to be to resist sharp fluctuations in interest rates in Canada, especially in the 91-day treasury bill market, by buying out of the market and selling into the market, as the case may be, when the Bank perceives that the interest rate fluctuations are beyond normal bounds or are erratic and threaten to destabilize capital markets in the country.

The hon. member will recall that the purpose of these activities of the Bank of Canada is to maintain orderly markets. If he would look at the mandate given to the Bank of Canada in the Bank of Canada Act, he would see that one of the three stated purposes for the establishment of the Bank of Canada was to maintain orderly markets in Canadian capital and financial areas.

The mandate of the Bank of Canada is to maintain orderly markets. Over the period to which the hon. member has referred, it has both bought and sold government securities which means that in some cases it was moving in opposition to a rise in interest rates and that at other times it was moving in opposition to a decline in interest rates when it thought those interest rate movements were excessively erratic.

• (2220)

There is no evidence at all to support the hon. member's contention that the bank has been consistently keeping interest rates above their equilibrium level. In fact, it is quite clear that the bank could simply not maintain interest rates above what the market would say is the equilibrium rate in the marketplace for any length of time whatsoever because it would mean that the bank would have to be operating in one direction against the market in a consistent way, and the bank simply does not have sufficient power to force itself against the market consistently over a long period of time.

All I can say to the hon. member is that if he will look more carefully and perhaps take some guidance from the answers which have been provided to him in previous sessions of the House, I think he will find that in fact his contention is unfounded and that the bank has simply not been undertaking any such policy as he suggests in his question.

The Acting Speaker (Mr. Blaker): Order, please. The motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at 2 p.m.

At 10.20 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, October 21, 1980

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

THE BUDGET

PROPOSED NATURAL GAS EXPORT TAX—MOTION UNDER S.O. 43

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, I expect the unanimous consent of the House to my motion under the provisions of Standing Order 43 on a matter of urgent and pressing necessity; and as we get closer to the budget, it becomes more urgent and more pressing. Because the imposition of a tax on exported natural gas would reduce provincial revenues in British Columbia and thereby limit the province's ability to provide to its people such services as hospital and medical care; and because such a tax would also tend to dampen the effort being put into the search for additional energy supplies in British Columbia, I move, seconded by the hon. member for Prince George-Peace River (Mr. Oberle):

That this House urge the Minister of Finance to refrain in his forthcoming budget from imposing a tax on natural gas and other forms of energy.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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AIR CANADA

CALL FOR DECISION ON AIRCRAFT FUEL SUPPLY TO BE LEFT TO PILOT—MOTION UNDER S.O. 43

Mr. Les Benjamin (Regina West): Madam Speaker, under the provisions of Standing Order 43 I would like to move a motion. In view of the testimony by a pilot at the air safety hearings yesterday that Air Canada puts subtle pressure on pilots to accept low fuel supplies on certain flights and that this has already caused incidents where flights have been forced to land to refuel before reaching their destination, I move, seconded by the hon. member for Saskatoon East (Mr. Ogle):

That this House calls upon the Minister of Transport to require Air Canada to leave the decision on how much fuel is taken on for each flight entirely up to the pilots.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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AIRPORTS

VANCOUVER INTERNATIONAL—LANDING FEES FOR LIGHT AIRCRAFT—MOTION UNDER S.O. 43

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, I rise under the provisions of Standing Order 43 to put a motion of urgent and pressing importance. In view of the government's plan to increase substantially the fees charged to private pilots landing at Canadian airports effective on November 1, 1980, I move, seconded by the hon. member for Vancouver Quadra (Mr. Clarke):

That the Minister of Transport be directed to cancel his plans to raise the landing fees from $1.65 to $5 per landing for light aircraft flying into Vancouver International Airport until such time as the government carries out the commitment made by the former Progressive Conservative minister of transport to reactivate the alternative Boundary Bay airfield for general aviation use, a commitment which must be met promptly if air safety is to be maintained in the Vancouver control area.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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INQUIRY OF THE MINISTRY

CALL FOR RESIGNATION OF MINISTER OF ENERGY, MINES AND RESOURCES—MOTION UNDER S.O. 43

Mr. Vince Dantzer (Okanagan North): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Whereas the policy of this government is to pay $36 a barrel for heavy oil from Venezuela and Mexico and to force refineries to accept this oil rather than to use heavy oil from western Canada priced at $16.75 a barrel, and because paying foreign producers while there is a surplus of heavy oil in western Canada represents an oil policy so out of touch with reality that it staggers the imagination

and constitutes a complete abdication of ministerial responsibility, I move, seconded by the hon. member for Peace River (Mr. Cooper):

That this House ask for the immediate resignation of the Minister of Energy, Mines and Resources and urgently requests the Prime Minister to replace him with a minister who has demonstrated a greater ability to formulate policy and to manage a department, such as, say, the Minister of Transport.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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● (1410)

AVIATION HALL OF FAME

CALL FOR FEDERAL ANNUAL GRANT—MOTION UNDER S.O. 43

Mr. Bill Yurko (Edmonton East): Madam Speaker, I rise under the provisions of Standing Order 43 to place before the House a motion requiring serious and pressing consideration. Canada's Aviation Hall of Fame has been established in the city of Edmonton with the purpose, among others, of preserving and highlighting the heroic flying deeds of some of the early bush pilots of northern Canada. I therefore move, seconded by the hon. member for Yukon (Mr. Nielsen):

That the federal government generously support by way of an annual monetary grant this very worth-while project which has been established in the national interest.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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NATIONAL UNITY

CALL FOR CONGRATULATIONS TO ALBERTA MLA FOR SUPPORTING FEDERAL CONSTITUTIONAL PROPOSALS—MOTION UNDER S.O. 43

Mr. Jean Lapierre (Shefford): Madam Speaker, I would like to move a motion under Standing Order 43 on a matter of urgent and pressing necessity. As hon. members probably know, last Thursday the MLA for Calgary-Buffalo, Mr. Tom Sindlinger, was thrown out of his party caucus after he dared support publicly the proposed resolution respecting the Constitution of Canada.

[*Translation*]

Considering that the House will surely recognize that it is urgent to guarantee the rights and basic freedoms of all Canadians, and considering that a provincial member lost his right to speak within the caucus of his party, I move, seconded by the hon. member for St. Boniface (Mr. Bockstael):

[*English*]

That this House send a message of congratulations to the MLA for Calgary-Buffalo for his loyalty to Canada and urge him to continue his work in a spirit of sharing that is indispensable to achieving Canadian unity.

Madam Speaker: For presentation, this motion requires the unanimous consent of this House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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NATIVE RIGHTS

CALL FOR EXPLANATION OF POLICY—MOTION UNDER S.O. 43

Mr. Stan Schellenberger (Wetaskiwin): Madam Speaker, the first of a series of five-year policy statements entitled "Directions for the Eighties" has caused considerable resentment within the native community. Whereas finding solutions to the problems faced by the native community is of the utmost urgency to Canada, and since the proposed policy caused sufficient embarrassment to the minister to cause him to halt immediately its implementation, thereby exhibiting a total lack of control by the minister over his officials, I move, seconded by the hon. member for Cariboo-Chilcotin (Mr. Greenaway):

That the Minister of Indian Affairs and Northern Development immediately investigate what his officials are doing, make a statement on motions to the House and put an end to these chaotic and embarrassing occurrences within his department.

Madam Speaker: For its presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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TRANSPORT

SLOWDOWN IN GRAIN MOVEMENT—CALL FOR REINSTATEMENT OF FORMER GRAIN TRANSPORTATION CO-ORDINATOR—MOTION UNDER S.O. 43

Mr. Gordon Towers (Red Deer): Madam Speaker, I rise on a matter of urgency which has arisen since the resignation of Dr. Hugh Horner as grain transportation co-ordinator. In the short time which has elapsed problems have once again surfaced in the movement of grain from western Canada to

western ports. Elevators are being plugged, and farmers are unable to deliver grain, denying them of needed revenue.

I therefore move, seconded by the hon. member for Medicine Hat (Mr. Hargrave):

That the Minister of Transport immediately request Dr. Hugh Horner to reassume the responsibilities of his former position for a sufficiently long period of time to get the minister in charge of the Canadian Wheat Board out of this mess and the farmers out of a financial squeeze.

Madam Speaker: For its presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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SMALL BUSINESS

STEPS TO ENSURE BENEFITS OF SBDB PROGRAM INURE TO SMALL BUSINESS—MOTION UNDER S.O. 43

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In light of the fact that chartered banks and other financial institutions are quoting different rates of interest under the proposed SBDB program, and since the purpose of the SBDB program is to provide interest rate relief to small business, I move, seconded by the hon. member for Beaches (Mr. Young):

That this House instruct the Minister of Finance to take the necessary steps to ensure that the full benefits of the SBDB program accrue to small business and are not used to subsidize chartered bank profits.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

RESEARCH AND DEVELOPMENT

FUTURE FUNDING—GOVERNMENT POSITION

Mr. Gordon Gilchrist (Scarborough East): Madam Speaker, in the absence of the Minister of State for Science and Technology, who is speaking on constitutional matters today to western Liberals—I suppose he took them with him—I will address my question to the Minister of Industry, Trade and Commerce.

● (1415)

This month the minister's stand-in speaker at the *Financial Post* high technology conference made the same announcement as his colleague, the Minister of Supply and Services, when he stated that:

The federal government faces serious fiscal choices. It is likely that the government will not be in a position to respond financially in anything like the amounts required by the high-tech industries in the 1980s and 1990s.

In plain talk, this means that the government has so fouled up its priorities that it has no money. Does the minister identify himself with the statement, and does he agree that he has lost the battle in cabinet for vitally needed funds to develop this country, create legitimate careers and jobs for young Canadians, and reverse the government's dismal economic record?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, I am glad to see that support for making research and development and industrial development generally a priority of government is a matter which transcends party boundaries, and I hope we will see this continuing in the months to come since encouragement of research and development is a matter of priority with this government.

Despite fiscal constraints, I think we will see confirmed practical ways of carrying out that priority in a way that means jobs, innovation and development for Canadian industry.

Mr. Gilchrist: Madam Speaker, in spite of such lofty rhetoric, the minister knows very well that if we do not begin massive programs of research and development, more jobs will be lost to foreigners. The Japanese, through their high technology, have already replaced the Swiss as watchmakers to the world and they have taken over hundreds of automotive jobs in the minister's own riding. Will the minister undertake to remind the Minister of Finance that the government's commitment—and I underscore the word "commitment"—is to increase its investment in research to 1.5 per cent of the gross national product by 1985, not decrease it. This is too vital an area for another Liberal broken promise.

Mr. Gray: Madam Speaker, I do not think there is time in this question period for me to detail the long record of Conservative broken promises—

Some hon. Members: Oh, oh!

An hon. Member: Tell us about the interest rates.

An hon. Member: When did you resign, Herb?

Mr. Gray: Madam Speaker, I do not have to remind the Minister of Finance about the importance of support for research and development. He shares the view that I and all of us on this side of the House share, and which I hope members on the other side share as well, regarding the importance of this matter and of government leadership in this area.

Mr. Gilchrist: Well, Madam Speaker, let me be specific. Could the minister explain how the same policies, which have plunged Canada's technological effort by one quarter of 1 per cent to the shameful level of under 1 per cent of the gross national product—equal to Iceland and Ireland and other such "high technology" countries—will suddenly magically turn around, reverse the decline and instead bring about a two-thirds increase, even if that figure is met? And if it is not met, how can it be in Canada's interest, since it will put us so much out of step with our trading partners and cost us thousands of Canadian jobs?

Mr. Gray: Madam Speaker, we intend to improve, upgrade and substantially add to what is already in place.

FUNDS ALLOTTED TO SCIENCE AND TECHNOLOGY

Hon. Sinclair Stevens (York-Peel): Madam Speaker, perhaps in view of the previous answers I could direct my question to the Minister of Finance, who is also acting Treasury Board head. As the chief architect of our federal fiscal framework, I wonder if the Minister of Finance, in view of the comments made by his colleague about support of science and technology being shared by the Minister of Finance, would indicate why he has permitted the public service to snowball once again in size, going up over 7,000 in numbers since last April alone, costing the treasury in the full year $140 million, when the total amount allotted to science and technology as a department is $7 million, or one-twentieth of that amount?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I think the hon. member had better address the question to the President of the Treasury Board instead of to the alternate president of the treasury board.

Mr. Stevens: Madam Speaker, I will give the Minister of Finance another chance because I think the lack of funding for science and technology in this country is a terribly important issue. Would the Minister of Finance, perhaps after he has crowned the three hundred thousandth new public servant in this country—that is the number of public servants we have just exceeded—indicate whether he plans to take up, especially with privately-owned foreign concerns in this country, the need that they give their local subsidiaries in Canada a greater mandate, especially in the field of research and development?

● (1420)

Mr. MacEachen: Madam Speaker, no one could disagree with the motherhood portion of that question.

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ENVIRONMENTAL AFFAIRS

ALICE ARM, B.C.—DUMPING OF TOXIC WASTE BY AMAX

Mr. Jim Fulton (Skeena): Madam Speaker, I should like to direct my question to the Minister of Fisheries and Oceans. In view of the fact that an internal review of Amax's permit to dump 100 million metric tons of toxic heavy metals into Alice Arm, British Columbia, has been completed, would the minister advise the House whether or not he now agrees with the conclusions of the McCart report? It reads in part as follows:

—the potential impacts are serious enough to preclude marine disposal of tailings.

If the minister has not yet reached that conclusion, would he now call for a formal impact assessment and public hearings?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, I have in fact received the report and I want to discuss it with the authors. Hopefully I will go to British Columbia this evening to discuss it with them this week. I may have a fuller answer for the hon. member early next week.

IMPACT OF DUMPING ON NISHGAS AND COMMERCIAL FISHERY

Mr. Jim Fulton (Skeena): Madam Speaker, my supplementary question is directed to the Minister of Indian Affairs and Northern Development. I hope he and the Minister of Fisheries and Oceans will get together on this issue. On October 6, 1980, the minister sent out a letter in which he called for a review committee to consider a public inquiry on the Amax question. Would the minister now advise whether the impact of this dumping on the Nishga people and the commercial fishery are considerations of the government, or is the review process simply a further cover-up of the backroom election deal made between Amax and the Liberal party?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, I had a chance to discuss this question with the chief of the Nishga people a couple of days ago. I indicated that if he wanted to give further consideration to the materials before him before asking me to consider seriously a public inquiry, I would be more than happy to give him that opportunity. As I perceive it, further discussions will be going on before I will be required to make any decision of that kind.

CALL FOR PUBLIC INQUIRY

Mr. Jim Fulton (Skeena): Madam Speaker, my final supplementary question is directed to the Prime Minister. Very clearly the corporate interest is being supported by the government in this particular situation. The conflict between the evidence produced by the corporate sector and that by independent scientists looking into this matter indicates that the ocean will be seriously polluted and that in fact there may be an impact something like genocide of the Nishga people at the head of Alice Arm.

Will the Prime Minister simply stand up and indicate that he will call a full public inquiry into this situation, since the permit given to Amax is the only one of its kind in Canada and was granted behind closed doors in the middle of the 1979 federal election?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, if the hon. member had listened to the minister he would have understood that we asked for a review of the question precisely for that reason.

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SUPPLY AND SERVICES

TECHNOLOGICAL CONTRACTS—PREFERENCE FOR CANADIAN BIDDERS

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, my question is directed to the Minister of Supply and Services. Inasmuch as government procurement policies are acknowledged to be a key tool in advancing Canadian scientific expertise by providing opportunities for private Canadian firms to develop their unique proficiencies through the supply of specialized services and technological benefits to the Government of Canada, will the minister advise the House as to the specific rules and criteria used by his department to ensure that Canadian bidders are given a decided advantage when bidding on contracts of a technological nature?

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, I know the hon. member wanted to ask that question in committee this morning. Hopefully we will be able to go into further details at the next session. I am pleased the hon. gentleman has called to the attention of the House and all hon. members the role the Department of Supply and Services is playing in the research and development field.

● (1425)

Yesterday I issued a press release relating to the 172 contracts which I had signed for research and development with various institutions and corporations in Canada valued at $10,348,943. The criterion which we used is the furtherance of research and development in Canada for Canadian-based companies and the marketability of the products of that research and development.

Mr. Siddon: Madam Speaker, my supplementary is directed to the same minister, who may not be aware of the fact that a $250,000 contract was awarded by his department in 1978 to the Tracor Corporation of Texas for the supply of an airport noise monitoring system to be installed at the Toronto International Airport. The awarding of this contract was met with strong opposition from the Canadian acoustical community.

Does the minister realize that at least four qualified Canadian firms had bid competitively on that contract, that scientific experts in the Ministry of Transport and elsewhere, including other government laboratories, had strongly and forcefully advised against the procurement of the Texas system, and that the $250,000 imported system now sits in mothballs at Malton Airport because it does not work? It is completely useless. How does the minister explain this blunder in the face of his remarks of a few moments ago?

Mr. Blais: Madam Speaker, I would point out to the hon. gentleman that I am not familiar with what occurred in 1978. My responsibilities were assumed in March, 1980.

I will look into the matter which the hon. gentleman has identified. I point out to him that when we deal in the field of science and procurement with contracts in the range of $1.5 billion a year, the amount of the contract which he has identified, namely $250,000, is not huge. But notwithstanding that, I will look into the details and give him a full report.

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AIR SAFETY

REQUEST FOR TABLING OF REPORTS ON EMERGENCY LOCATOR TRANSMITTERS

Mr. J. R. Ellis (Prince Edward-Hastings): Madam Speaker, my question is for the Minister of National Defence. It refers to transport matters but I think it has much interest to the Minister of National Defence, to whom I wish to put the question. It now seems obvious that despite repeated questions and repeated non-answers from ministers of transport, in my case back to 1973, they have been fully aware of the problems related to the ELTs. I wonder if this minister would undertake to have his colleague put on the table of the House the report or reports which are in existence dealing with those problems.

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, the question of the hon. member is very interesting to me and as far as the defence department is concerned we always have been very interested because if the use of ELTs was compulsory in all small aircraft, our costs on search would be much less.

We have collaborated very closely with the Ministry of Transport to see how they can devise a new ELT with a proper battery which can stand all kinds of weather. We are pushing very hard to have this done as soon as possible because it will afford protection to the flyers and also to the department.

Mr. Ellis: Madam Speaker, the minister did not answer my question. I am going to ask it of him again, plus a further question, because he touched on the cost. The cost to pilots has been more than $4 million. The cost in dollars to the Ministry of National Defence has been incalculable, to say nothing of the cost in lives, which is completely unacceptable.

Given those facts, would the minister give a clear and definite undertaking that he will support in cabinet, if necessary, or with the Minister of Transport, the research necessary to produce a suitable ELT and support with some dollars, the placing of them in private aircraft; and as I have asked earlier, will he have the report which is available now placed on the table of the House?

[*Translation*]

Mr. Lamontagne: Madam Speaker, I think I did answer the question when I stated that we are now co-operating with the Department of Transport to have an ELT as technically

improved as possible to protect human life and the cost of our research.

I should also add that in my dealings with cabinet, the committees and the Department of Transport, he can rely on my entire co-operation to support the Minister of Transport in that direction.

As for the report, I will discuss it with my colleague, the Minister of Transport, to see whether it can be made public.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF MINISTER-SECRETARY GENERAL OF GOVERNMENT OF GABON

Madam Speaker: I wish to point out a distinguished guest in our gallery, namely the hon. Louis-Gaston Mayila, Minister-Secretary General of the Gabon government.

● (1430)

[*English*]

PRESENCE IN GALLERY OF MINISTER OF NATURAL RESOURCES AND INDUSTRIAL DEVELOPMENT OF MEXICO

Madam Speaker: I would also draw attention to the presence in our gallery of the Minister of Natural Resources and Industrial Development of Mexico, Mr. Andrez De Oteyza.

Some hon. Members: Hear, hear!

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INDUSTRY

INQUIRY RESPECTING ASSISTANCE FOR CANADIAN COMPANIES IN FINANCIAL DIFFICULTY

Hon. George Hees (Northumberland): Madam Speaker, I would like to direct a question to the Minister of Industry, Trade and Commerce. In view of the assistance which the government has announced it is prepared to give Massey-Ferguson with regard to the financial difficulty it now faces, is it the policy of the government that it will in future make available the same kind of financial assistance to all Canadian companies which run into the same or similar type of financial difficulty as Massey-Ferguson, and does it intend to make that assistance to all other Canadian companies in proportion to the size of their operation?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, the announcement which I made yesterday is with respect to assistance that we had decided, jointly with the province of Ontario, to offer as part of the refinancing of Massey-Ferguson.

The question as to whether similar occasions will arise in the future will have to be decided in the light of the circumstances of each case and, in particular, in light of the economic costs and benefits associated with the particular company for Canada as a whole.

Mr. Hees: Madam Speaker, as a job lost in any area is just as important as a job lost in any other area, and as those people who are employed by one company, irrespective of size, are just as important as those employed by a big company, is it the intention of the government to give exactly the same kind of treatment and support and show the same kind of interest as it has now indicated it is willing to give to Massey-Ferguson, or does it simply believe in the policy that "big is beautiful", and the government is not really interested in small companies that run into the same kind of financial problems as large companies?

Mr. Gray: Madam Speaker, we already offer very substantial help to small and medium-sized companies in Canada through programs such as the Federal Business Development Bank and the enterprise development program.

An hon. Member: Come off it!

Mr. Wilson: Answer the question.

Mr. Gray: We are certainly prepared to examine possible new initiatives which would add to these very successful programs. I have especially noticed the abandonment by my hon. friend on the part of the Conservative party of its traditional reluctance to have the government intervene in the marketplace.

Mr. Hees: In other words, the government's policy is "big is beautiful and to hell with everybody else".

Some hon. Members: Oh, oh!

Madam Speaker: Order.

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NATURAL RESOURCES

CROWN LAND DISPOSAL POLICY OF B.C. GOVERNMENT

Mr. Lyle S. Kristiansen (Kootenay West): Madam Speaker, in the absence of the Minister of the Environment who is responsible for forestry, I direct my question to the minister responsible for intergovernmental relations. On July 1, 1980, the government of British Columbia announced a new Crown land disposal policy which potentially will alienate and destroy tens of thousands of acres of forest at fire-sale prices. This is at a time when all governments through CCREM have demanded the importance of expanding our forest base.

Is the government aware of this policy and its potentially destructive impact on our forest resource and, if so, what action has the government taken to dissuade the government of B.C. from its mindless attack on this vital and fast dwindling natural resource?

Mr. Roger Simmons (Parliamentary Secretary to Minister of State for Science and Technology and Minister of the

Environment): Madam Speaker, the hon. member must be aware that the decision made by the government of British Columbia is entirely within its competence because the resource is provincial. The hon. member allows us to make the point that this government never does have and never has had the intention to tell the governments of the provinces what to do with their resources; we have confidence in their ability.

Some hon. Members: Oh, oh!

Mr. Hees: You get full marks for comedy.

Mr. Kristiansen: Madam Speaker, I can assure the parliamentary secretary that this party is quite aware of the prerogatives of the provinces when it comes to resources. What it does prove, in fact, is that laws and constitutions cannot stop fools from acting like fools.

Some hon. Members: Hear, hear!

Mr. Kristiansen: In view of the importance of this resource, as stated many times by the Canadian Council of Resource and Environment Ministers, a federal-provincial body representing all provincial governments across Canada as well as the federal government, and in view of the serious consequences of this totally irresponsible action, will the minister responsible immediately consult with industry and labour representatives and together with them work to persuade—to persuade, not to force—the provincial government of British Columbia to reverse this idiotic and self-destructive course?

Mr. Simmons: Madam Speaker, what the hon. member is getting exercised about is the decision or determination by the B.C. government to allow some of its Crown land to be used for agricultural purposes. I do not know what he has against agriculture. We on this side do not have anything against the subject.

Mr. Nielsen: Nothing for it either.

Mr. Simmons: We also see this decision of the government of B.C. as a decision which is strictly within provincial jurisdiction. We have no intention of interfering with it. I suggest to the hon. member that his question ought to be more properly directed to the appropriate minister in the government of British Columbia.

Mr. Clark: Or perhaps to Westminster.

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THE BUDGET

INQUIRY WHETHER ECONOMIC FORECAST WILL BE TABLED

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question is for the Minister of Finance. The Prime Minister took a vow of silence yesterday, and he would not answer me, so I have a question for the minister. The Prime Minister, of course, is a bit afraid.

Last year the government of the day introduced for the first time a five-year forecast in connection with the budget entitled "Economic Assumptions Underlying the Fiscal Projections of the Budget". In addition, just before the budget was brought down we tabled a tax expenditure account. Other information was also tabled, such as the explanation of the new expenditure-management system. The minister does not have such a system so I do not expect him to table it.

Does the minister intend to table a five-year economic forecast with his budget to follow the precedent set last year; and will he be tabling an annual tax expenditure budget and report that would show tax revenues forgone and which will bring up-to-date and refine the one published last year, as that report admitted that it was not entirely refined? Will these things be done?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, as one who has always believed in open government—

An hon. Member: "Open government by closed mouth".

Mr. MacEachen: —I propose to table all the documents which became part of the budget picture last December. I would add, and I am sure that the hon. member will understand, that these projections and assumptions are just that and, as I learned and as he learned, some of the projections which he made last December did not last very long. Despite that disability, I still think that it is worth while to give the largest possible amount of information to the public, even though much of it is at risk.

Mr. Crosbie: Madam Speaker, I am very much encouraged by what the minister has said because it shows that perhaps he is still ready to learn and to follow good practices. I would also like to ask the minister whether or not he will be dealing with the question of sunset provisions of tax measures. We had promised last year a review to determine whether or not it would be rational to have sunset provisions attached to certain tax measures.

Also, will the minister follow our example by referring the question of tax treatment of charitable donations and the question of capital gains taxes to a parliamentary committee as we intended to do? These are very involved questions. Will he follow our example in these areas as well?

Mr. MacEachen: Madam Speaker, in the statement which I made in April I indicated that I would be tabling a paper on capital gains. I will be doing that, if not on the day or the day after the budget, then very shortly thereafter, so that the House will be able to base a consideration of capital gains on an analysis which has been prepared within the Department of Finance. This document will be made available to the House as early as possible after the budget.

Obviously, some of the proposals will have sunset clauses, but I want to make sure that the sun does not set on me as it set on the hon. member.

Mr. Crosbie: It will rise again.

● (1440)

[*Translation*]

AGRICULTURE

AGRICULTURAL STABILIZATION BOARD—INQUIRY AS TO POSSIBILITY OF ACCELERATING PAYMENTS TO HOG PRODUCERS

Mr. Jean-Guy Dubois (Lotbinière): Madam Speaker, my question was for the Minister of Agriculture, but as he is away from the House, I will direct it to his parliamentary secretary. We are aware that last summer, through its Agricultural Stabilization Board, the Department of Agriculture provided assistance to qualified hog breeders and feeders. A great many of them, however, are complaining that payments are being made slowly. I should like therefore to ask the parliamentary secretary if the board has received many applications, how many cheques have already been sent out to the two categories of producers, and if these payments could be accelerated.

Mr. Marcel Ostiguy (Parliamentary Secretary to Minister of Agriculture): Madam Speaker, I am grateful to the hon. member for his question. Indeed, the two programs which have been implemented by the Department of Agriculture will require expenditures of $46.5 million and $6.5 million for hogs and piglets respectively. As far as hogs are concerned, 25,487 applications have been received and 5,998 cheques have been issued. The remaining cheques should be issued before the end of 1980. As far as piglets are concerned, 3,900 applications have been received and the cheques should be sent out within the next two weeks.

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[*English*]

SECOND WORLD WAR

KATYN FOREST MASSACRE—REPRESENTATION AT UNVEILING OF MEMORIAL

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is for the Secretary of State for External Affairs. On September 14 this year there was an unveiling of a memorial to the 15,000 Polish officers who lost their lives in 1940 as a result of an execution near the town of Katyn in Poland. At that commemoration there were representatives from the official opposition, representatives from the government of Ontario and the opposition of the government of Ontario, as well as a number of municipal politicians. The federal government had intended to send a representative but at the last minute the plans were changed.

My question to the minister is: on what basis did the government change its mind and decide not to have representation at this very important event; and was external pressure applied to the government which caused it to change its mind?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, I believe there was representation by several governments, but that had no influence on the attitude of the government because our long-standing policy has been not to participate in any activities relating to the Katyn forest massacre. I think the fact that the people of Poland at that time were undergoing such traumatic events should alone be sufficient reason to justify that position.

Mr. Wilson: Madam Speaker, I have a supplementary question. If the government has had this long-standing policy, why did it decide to send a representative to the memorial commemoration, the hon. member for Parkdale-High Park? Why did it change its mind at the last minute, and what governments were pressuring the Government of Canada not to send a representative to that event?

Mr. MacGuigan: Madam Speaker, it is my understanding that it was the governments of Poland and the Soviet Union which made representations to us, but I repeat that that had no influence whatever on the long-standing policy of this government, which was established long before such representations were received. Members of Parliament, of course, are free to attend such events on their own behalf and a number of members from this side of the House did so.

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THE CONSTITUTION

STATEMENTS BY PREMIER OF NEWFOUNDLAND RESPECTING FEDERAL PROPOSALS

Mr. George Baker (Gander-Twillingate): Madam Speaker, my question is directed to the Prime Minister. Last night the Premier of Newfoundland made some extreme statements, claiming that measures proposed by this government could result in Newfoundland losing control over Labrador and its right to a denominational system of education. Could the Prime Minister assure the House that such is not the case?

An hon. Member: Isn't it in the Supreme Court?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, members of the opposition are asking about the Supreme Court. I would point out that the statements are clearly untrue, based not on an interpretation of the courts but on what our resolution itself says. When there are other methods of amending the constitution, we do not propose to use the amending provision; we propose to use the one which is preserved in our resolution by section 53 and item 4 of the schedule. In other words, we cannot change the boundaries of a province without the consent of that province.

An hon. Member: A referendum?

Mr. Trudeau: That is stated clearly in our resolution, if only Premier Peckford took the time to read it.

Some hon. Members: Hear, hear!

Madam Speaker: The hon. member for Joliette.

Mr. Trudeau: Madam Speaker—

Madam Speaker: Pardon. The Right Hon. Prime Minister had not finished with his answer, I am sorry. I will give him the floor.

Mr. Trudeau: Madam Speaker, the opposition often asks questions in two parts so I do not see why they would object to a question in two parts by a member on this side.

Some hon. Members: Hear, hear!

Mr. Trudeau: On this question of denominational schools, Mr. Peckford again failed to read the resolution. When we talk of freedom of religion, we are not following the type of protection given in the United States which forbids the establishment of religions. Therefore, far from abolishing the right of denominational schools to continue to exist, our proposed resolution, on the contrary, guarantees the existence of that freedom of religion. It is also guaranteed by section 93 of the British North America Act which is continued by the present resolution. So again, on this item Premier Peckford is completely off base.

* * *

[*Translation*]

AIRPORTS

MIRABEL INTERNATIONAL—IMPLEMENTATION OF DEVELOPMENT PLAN

Hon. Roch La Salle (Joliette): Madam Speaker, in view of the absence of the Minister of Transport and the importance of my question, I shall put it to the Right Hon. Prime Minister. Last Thursday the Secretary of State, addressing the Mirabel Cargo Association, recalled that during the election campaign the Liberal party had promised to proceed with phase two of Mirabel, which was part of the original project, adding, and I quote:

—in fact, there is absolutely no question at this time of proceeding with phase 2 of Mirabel as provided for in the original plan and entailing the construction of a second airport and another landing strip.

Can the Prime Minister tell us today whether the Secretary of State and Minister of Communications was then speaking on behalf of the government and whether he, the Prime Minister, was advised of that decision?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): Madam Speaker, on behalf of the Minister of Transport, I must say the question is still under study; it would be unwise to announce a decision at this time. When the impact of the over-all situation at Mirabel and Dorval has been looked into, the minister, in agreement with cabinet, will be in a position to announce the decision to the House.

Mr. La Salle: Madam Speaker, in view of the reply of the parliamentary secretary, it seems clear that the Minister of Communications made an unfounded statement in affirming that going ahead with phase 2 had been definitely decided against; under those circumstances, can the parliamentary secretary assure us that a study is being made on the possibility of achieving the original objective which, according to the statement of the Minister of Communications, has been definitely cancelled?

Mr. Bockstael: Madam Speaker, there is still an element of uncertainty due to deep changes in our economy and the use of the two services, especially that of the Mirabel airport. The matter is still under review and the Minister of Transport will have an announcement to make at a later date.

* * *

• (1450)

[*English*]

INDUSTRY

MASSEY-FERGUSON—PROPOSAL TO REFINANCE

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I have a question for the Minister of Industry, Trade and Commerce. I wonder if the minister might share with us the nature of the proposal which was put before this government and the government of Ontario with regard to the recapitalization and reorganization of Massey-Ferguson which justified the government taking this most unusual position of guaranteeing the new equity investment of those who might put their money into Massey-Ferguson without similarly guaranteeing the jobs of the people who work there.

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, my hon. friend missed a very important part of what I had to say in making my announcement on behalf of the federal government yesterday. At that time I said that among the very important conditions attached to the willingness of the Government of Canada and the government of Ontario to guarantee a portion of the equity refinancing of Massey-Ferguson would be conditions involving the preservation of jobs and the carrying out of further research and development, production and investment by Massey-Ferguson in Canada. These will be conditions very much attached to what we intend to do in facilitating the refinancing of Massey-Ferguson.

Mr. Deans: In order that we can better understand what it is that the minister proposes to do and the nature of the guarantees that he is going to extract, is the minister prepared to stand in this House and explain to us and the people of Canada exactly what form the guarantees will take which will assure us that the equity investment guarantee will in fact mean for Canadians that there will be jobs, that there will be a reorganized company and that there will in fact be a profit-making operation from which we can derive benefit? If he can, will he explain why the government, if it feels this is a good thing to do, did not take an equity position and gain for Canada at least some return?

Mr. Gray: Madam Speaker, the exact details of the eventual arrangements are subject to detailed negotiation to ensure as a government, on behalf of the workers of Massey-Ferguson, the 300 suppliers and 300 dealers—the small businesses which my friend on the Conservative side forgot about when he asked me a question a few minutes ago—that we have in place commitments with respect to investment, production and research and development, commitments we will insist on having in place as a condition of making available, along with the government of Ontario, the guarantee of equity that we mentioned yesterday. I do not think my hon. friend would want me to prejudice the type of outcome of negotiations which he is calling for by making some premature disclosure of details which will harm our negotiating position. I also want to say that the position we are taking is the kind that has been very strongly called for by the UAW representing the workers at Massey.

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WATER RESOURCES

SKAGIT RIVER VALLEY—REFERENCE BY B.C. GOVERNMENT OF U.S. PROPOSAL TO FLOOD TO INTERNATIONAL JOINT COMMISSION

Hon. John A. Fraser (Vancouver South): Madam Speaker, I have a question for the Secretary of State for External Affairs. As the minister knows, the province of British Columbia has now referred the question of the American proposal to flood the Canadian Skagit river valley in British Columbia to the International Joint Commission. I ask the minister why there has not yet been any move on the part of the federal government to support that initiative on the part of the province of British Columbia.

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, negotiations have been ongoing in this matter between American and city authorities and British Columbia. Our position is well known. We have never been enthusiastic about this project but there is, after all, an agreement involving the province of British Columbia. We believe it is for the province of British Columbia to face up to its responsibility and to attempt to change the minds of the U.S. signatories in this respect.

Mr. Fraser: Madam Speaker, the minister knows that has not been the position of the federal government for ten years. If that is now the position of the federal government, the federal government is leaving the province of British Columbia in an extraordinarily difficult position in dealing with the United States of America. The minister has been very brave about trying to cover up on the messy and seamy side of the Canadian arrangements.

Some hon. Members: Oh, oh!

Mr. Fraser: I want to know now, is the Government of Canada prepared, after all these years, finally to get on the side of British Columbia and tell the American government that their order is invalid, that the order is not fair and that we will not have our valley flooded? Are we going to get an answer or is the minister going to run for cover?

Some hon. Members: Hear, hear!

Mr. MacGuigan: Madam Speaker, the position of the government has been consistent; we believe this problem should be settled by negotiation. We have consistently offered our good offices to assist the province of British Columbia in that regard.

* * *

CUSTOMS AND EXCISE

POSSIBLE IMPOSITION OF DUTY ON SCIENTIFIC EQUIPMENT

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, in the absence of the Minister of State for Science and Technology, I shall address my question to the Minister of Industry, Trade and Commerce. This government has agreed to carry on the funding to universities for scientific research, but we understand they are thinking about imposing a duty on the importation of scientific equipment and supplies. Can the minister assure us that this will not happen, because there is not much use increasing funding for research to universities if we are going to slap a tax on their imported machinery.

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, I think my friend is referring to a recent report of the tariff board after it held hearings into this matter. If I am not mistaken, the report is presently under study by my colleague, the Minister of Finance.

OTTAWA INTERNATIONAL AIRPORT—REQUEST FOR ASSURANCE OF ADEQUATE FACILITIES

Mr. Girve Fretz (Erie): Madam Speaker, my question is for the Minister of Manpower and Immigration. Meetings are being held today between Eastern Airlines and the Ottawa-Carleton Regional Municipality executives relative to future direct flights between Ottawa International Airport and the United States. Any decision, however, hinges on agreement by the minister of immigration to having proper customs facilities put in place. Will the minister assure us that such facilities are forthcoming, thereby saving Ottawa from the shame of presently being one of the few international capitals with no direct flights to its largest neighbour and most important market?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I will be pleased to do anything I can to get Ottawa better air service. We are certainly keeping abreast of those negotiations. When the time comes to make a decision concerning immigration facilities, we will certainly be prepared to respond, but we have to wait and see what the negotiations with the airlines result in first.

Mr. Fretz: Madam Speaker, will the minister consult with his colleague, the Minister of Transport, to get his support so

we can get this project off the ground and not wait for ten years from now, as we have to with his new manpower policy?

Mr. Axworthy: As you well know, Madam Speaker, the Minister of Transport has a very direct and personal interest in improving service in the Ottawa region. I will be glad to consult with him both on transport and on manpower matters.

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LABOUR CONDITIONS

REQUEST FOR ADEQUATE FUNDING TO ENSURE SAFE WORKING ENVIRONMENT

Mr. Stanley Hudecki (Hamilton West): Madam Speaker, in the absence of the Minister of Labour, I will direct my question to the parliamentary secretary. The Canadian Centre for Occupational Health and Safety, operating out of the health and science building at McMaster University in Hamilton, has been committed to the increasingly vital role of promoting the fundamental right of Canadians to a healthy and safe working environment. Can the centre be assured by the government of adequate funding to carry out this important mandate effectively and efficiently?

Some hon. Members: Oh, oh!

Mr. Louis R. Desmarais (Parliamentary Secretary to Minister of Labour): Madam Speaker, I thank the hon. member for his question.

An hon. Member: A yes or no will do.

Mr. Desmarais: The creation of the Canadian Centre for Occupational Health and Safety was authorized by an act of Parliament in 1978, with the active support of all parties in the House, I might add. When the bill was being considered the then minister of labour, the Hon. John Munro, stated that this vitally important new institution would be financed through funds appropriated by Parliament. This has been done in the last two years and it is the intention of this government to continue to do that.

The organization and development of the centre—

Some hon. Members: Speech.

Mr. Desmarais: —is moving ahead very rapidly in accordance with—

Some hon. Members: Order.

Mr. Desmarais: —the plans of the board of governors which is comprised of unions, management—

Some hon. Members: Order.

Mr. Desmarais: May I come to my conclusion?

Some hon. Members: Hear, hear!

• (1500)

Mr. Desmarais: I might say, Madam Speaker, that the increased activities of the organization would require a much heavier budget in the year 1981-82. The present Minister of Labour has committed himself to seek—

Madam Speaker: Order, please.

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PRIVILEGE

MR. FLEMING—STATEMENT MADE BY MR. CLARK

Madam Speaker: I have a number of notices of questions of privilege. Does the Minister of State for Multiculturalism (Mr. Fleming) still feel he has a question of privilege?

Mr. Clark: Yes or no?

Hon. Jim Fleming (Minister of State, Multiculturalism): Madam Speaker, I believe I had the basis of a question of privilege, and that is why I gave you notice. But on the basis that there was no deliberate intention in the charge made, I am willing to withdraw the question of privilege. If, however, there is an indication it was deliberate, I will try to make my point. In reviewing it, I believe it is up in the air. The words do not state it but there is an implication. I do not think the right hon. member would be deliberate in that charge.

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I, of course, would not suggest the minister is being deliberate in anything that he does.

Some hon. Members: Oh, oh!

MR. ROBINSON (BURNABY)—STATEMENTS MADE BY MR. BLAIS

Mr. Svend J. Robinson (Burnaby): Madam Speaker, I rise on a question of privilege concerning certain remarks made in this House on October 16 last by the hon. Minister of Supply and Services (Mr. Blais) during his learned discourse on the notice of motion before this House. At page 3755 of *Hansard* for October 16, 1980, the minister, in referring to the distinguished president of the Canadian Civil Liberties Association, said:

—Mr. Tarnapolsky, is a strong supporter of the legislation with which we are dealing, including the entrenchment of the bill of rights.

I regret to say that this is a completely misleading statement on the part of the minister. I would ask he take this opportunity to make it quite clear that in fact the contrary is true and that Mr. Tarnapolsky opposes very strongly a number of important sections of this proposed charter of rights.

Madam Speaker: Order, please. Before allowing the hon. minister to reply, because I feel that he should have the opportunity to do so, I do want to remind the hon. member for

Burnaby (Mr. Robinson) that this is purely debate. If the hon. member is not satisfied or does not agree with something that a minister or a member of this House has said in this House, it does not constitute a question of privilege.

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, I would like to point out to the hon. gentleman that I am not ready to withdraw the remark. Quite to the contrary. I listened to Mr. Tarnapolsky on the program "Cross-Country Checkup". He indicated quite clearly that he supported the measures being introduced and debated in this House.

I might say that once the committee stage is reached I would suggest the committee call Mr. Tarnapolsky to appear to discuss the matter—he has agreed to go—and I am sure the hon. gentleman will see that my statement was well founded.

Madam Speaker: I cannot allow the hon. member for Burnaby to speak twice on this question of privilege, which I feel is not a question of privilege. It is a matter of disagreement as to the interpretation made of certain remarks outside the House, from what I can gather. Therefore, there is no prima facie case of privilege in this particular circumstance.

MR. BEATTY—ENERGY ADVERTISING CAMPAIGN

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, last Friday afternoon I asked your permission to reserve my right to raise a question of privilege after I had had an opportunity to review the transcript of your ruling on the question of privilege raised by my colleague, the hon. member for St. John's East (Mr. McGrath).

As you will recall, Madam Speaker, my colleague's question of privilege arose from the massive advertising campaign which was begun last summer at the taxpayers' expense to promote the Trudeau government's constitutional initiatives. The substance of the hon. member's concern was that the spending of millions of dollars by the government to promote policies that did not have the support of both sides of this House constituted an attack upon the privileges of members.

Your ruling last Friday was extremely helpful in that it gave the House an indication of what you felt would be necessary, before spending on an advertising campaign by the government, to constitute a question of privilege. While you clearly saw the threats posed in the government's dangerous new entry into advocacy advertising—which is the selling of a particular, disputable, point of view—through the use of quantities of tax dollars that are so large they cannot be matched by groups with opposing views, you said that this action, in itself, did not constitute prima facie grounds for a question of privilege.

Your ruling provides an extremely useful guidance for members about what sort of conditions would have to exist before such an advertising campaign could give rise to a question of privilege.

The relevant part of your ruling, Madam Speaker, which is recorded at page 3781 of *Hansard* for October 17, 1980, reads as follows:

> The spending of public money cannot be the issue, but when a person or a government attempts to interfere with our deliberations through spending public money, or otherwise, directly or indirectly, or acts in contempt of the House, such action would constitute a prima facie case. However, the interference must be such that the member or the House is truly hindered or intimidated.

A second possible basis for a question of privilege was also mentioned in your ruling, namely, that such advertising represents, and I quote:

> —a publication of false, perverted, partial or injurious reports of the proceedings of the House of Commons or misrepresentations of members.

While it can easily be demonstrated that the government is using tax dollars for an advertising campaign that is replete with false information about energy in Canada, the advertisements do not represent these falsehoods as the position of Parliament or as the policy of individual members. A strict construction of the grounds necessary for a question of privilege to exist would not include the fact that the government is using millions of dollars to spread false information at the taxpayers' expense. This dangerous abuse of tax dollars would have to be opposed by methods other than by the raising of a question of privilege. As the House will be aware, Mr. Murray Coolican of the Canadian Arctic Resources Committee has laid complaints against the government, listing the numerous falsehoods contained in the advertisements, with the Advertising Standards Council and the Department of Consumer and Corporate Affairs.

For this matter to be raised in the House of Commons, it would have to be dealt with in the context either of debate or of the question period. As your ruling quite properly makes clear, such misleading advertising would not constitute a question of privilege unless it could be shown that it misrepresented the opinions or activities of Parliament or its members.

This brings us to the other conditions you outlined, Madam Speaker, where a government advertising program would present sufficient grounds to justify a question of privilege. I would remind the House of your exact words as reported in *Hansard* at page 3781 as follows:

> —when a person or a government attempts to interfere with our deliberations through spending public money, or otherwise, directly or indirectly, or acts in contempt of the House, such action would constitute a prima facie case.

It is my intention to demonstrate that the energy advertising campaign currently being run by the government was, in fact, designed to interfere with our deliberations through spending public money. I will show that the campaign was designed and initiated well in advance of the unveiling of the government's energy package which is to be revealed in the Minister of Finance's budget next week. The purpose of the campaign includes preventing members of this House from discharging their responsibility to have, in the words of Your Honour, productive debate on the government's energy policies. In this regard I remind the House of Your Honour's statement at page 3780 of *Hansard*.

> The original purpose of this privilege was, as the hon. member for St. John's East rightly pointed out, to guarantee the conditions necessary for productive debate.

• (1510)

When I wrote to Your Honour this morning to indicate my intention to raise this matter this afternoon, I sent Your Honour a copy of a document entitled "National Energy Policy, Communications". This memorandum outlines a possible federal advertising campaign on energy. Mr. Donald Hanright, who is the director of communications with the Department of Energy, Mines and Resources, has admitted publicly that he is the author of that document, so its authenticity is not in doubt.

I draw the attention of the House to page 3 of the paper which, under the title "Strategy", reads as follows:

The underlying strategy in this communications plan is to achieve three goals, in sequence:

1. Take control of the energy debate.
2. Retain that control through action and leadership.
3. Remove 'energy' from the list of high-ranking national concerns.

The purpose of this campaign was very clear. The government was to embark on a major advertising campaign to seize control of the energy debate—

Mr. Lalonde: On a point of order, Madam Speaker—

Mr. Nielsen: You cannot have order in the middle of a question of privilege.

Mr. Lalonde: On a point of order, I suggest to the hon. member that he take note also of something which happened in this House and that Mr. Hanright, whom the hon. member has quoted, has also said—

Some hon. Members: Order.

Mr. Lalonde: Mr. Hanright declared that this minister had rejected—

[*Translation*]

Madam Speaker: Order, please. I do not see readily what hon. members are protesting about. It seems to me, and I stand to be corrected if I interpret the standing orders wrongly, that a point of order can be raised at any time when a member is addressing the House. That is exactly what the hon. minister asked for. I recognized him, which seems perfectly normal to me. Has the hon. minister concluded his point of order?

[*English*]

Mr. Lalonde: Madam Speaker, my point is very brief indeed, and it is in relation to something the hon. member has just stated. He quoted a senior official of my department. I submit to him that he is being quite unfair to this particular senior official because the same senior official indicated, when he was interviewed on this subject, that his memorandum had been rejected by his minister. Therefore, it would be quite inappropriate for the hon. member—

Mr. Clark: Show us the new one, Marc.

Mr. Lalonde: —to refer to this document on a very partial basis and not to quote or refer fully to the statement made by the senior official in question. I stated in this House myself that this document had been rejected by me.

Mr. Beatty: Madam Speaker, it is regrettable that the Minister of Energy, Mines and Resources (Mr. Lalonde) felt it necessary to smuggle in a speech on the merits of the resolution under the guise of a point of order. It was clearly not a point of order.

It is very clear that the purpose of this campaign is that the government is to embark on a major advertising campaign to seize control of the energy debate and to, in the words of the document, "remove 'energy' from the list of high-ranking national concerns". It would be bad enough if such an action were targeted strictly at the government's opponents in the private sector. Spending vast amounts of public money to polish the government's image and to eliminate public concern over an issue which has reached crisis proportions for the whole industrialized world would in itself be extremely dangerous and disturbing. The document makes it clear, however, that the targets of the advertising campaign are not strictly in the private sector. They also include members of this House.

Let me read a paragraph from page 3 under the heading "Taking Control".

Federal 'control' will be suddenly, forcefully gained with announcement of the 'package'. This, however, will be a lumpy, almost indigestible mass of policy. Unless that initiative is retained by merchandising both the package and its individual elements, and existing programs in the fields of supply, allocation and conservation, that initiative will go by default to the inevitable detractors (including a largely hostile media, the producing provinces, the foreign-owned multinationals, and the Opposition).

What must be noted here is that Mr. Hanright is not talking about the government's opponents in the abstract. He is referring very directly and very specifically to the opposition in Parliament, as his decision to capitalize the word "opposition" makes very clear. How are the government's opponents, including the opposition in Parliament, to be out-manoeuvred under Mr. Hanright's proposals? One element, as Mr. Hanright pointed out, will be the announcement of an energy package which, according to the government, will come with the unveiling of the budget of the Minister of Finance (Mr. MacEachen) next Tuesday. The other element will be a massive advertising campaign to sell those initiatives.

Under the heading "Retaining Control", Mr. Hanright described the difficulty the government would have in obtaining sufficient favourable attention for its initiatives this fall. He continued:

In any event, these matters are relative. For potential opponents, the timing is even worse, provided we build on the initial communications advantage be continuously selling the federal position through the late summer, fall and winter. These detractors will be disadvantaged by surprise, encumbered by the necessity of applauding many of the policy initiatives, and possibly even nonplussed by our own noisy charivari.

It is clear that the targets of the campaign include members of the House of Commons. It is obvious that the period being referred to here is the present time leading up to and following the unveiling of the government's energy package. In these two

regards the government's advertising campaign clearly meets some of the criteria Your Honour outlined for a question of privilege.

However, it is fair to ask what the government proposes to do with its control of the energy debate once it has seized it. Well, Mr. Hanright gives us the answer to that question under the heading "The Energy Issue Take-out".

> Despite some expected difficulty in the early going with regard to the impact of the energy package on the constitutional talks, it should be possible—given the general cast of the strategy thus far—to make substantial gains towards the removal of "energy" from the pantheon of major national issues.
>
> This is regarded as the essence of the strategy, recognizing that it may take several years to achieve such a goal.

"Simply stated", Mr. Hanright continues further on in the statement, "the objective should be to reduce the level of public concern about energy".

There are few issues which are more important to Canadians than the implementation of a sound energy policy. It would be hard to think of any area where Parliament's attention is more urgently required or which has taken more of Parliament's attention in recent years. That the government's actions in the field of energy are highly controversial is not disputed by Mr. Hanright. Indeed, it is that fact which causes him to propose this major advertising campaign, and we have an indication in a further government document that the measures to be disclosed next week will be still more divisive.

In the infamous August 30 report to cabinet marked "For minister's eyes only" which was prepared under the direction of officials in the Privy Council office and the Department of Justice, the authors warned on page 43 that, and I quote:

> The political climate in Canada is likely to be poisoned by a major energy conflict throughout the fall of this year and at least the early months of next year.

This is a clear warning that the government expects the controversy over its energy policies to worsen dramatically this fall once its policies are made public. In the words of the document, "The political climate in Canada is likely to be poisoned by a major energy conflict".

Far from being lessened by the disclosure of the government's energy package, the need for constructive parliamentary debate on the government's actions is going to be increased. The purpose of the government's advertising campaign, however, is to "remove 'energy' from the list of high-ranking national concerns". I will bring this again to the attention of the Minister of Energy, Mines and Resources before he interrupts: "To remove 'energy' from the list of high-ranking national concerns". This is according to the document on which the campaign was based.

I think I have presented sufficient evidence to meet the criteria set out by Your Honour when you ruled last Friday that, and I quote:

> When a person or a government attempts to interfere with our deliberations through spending public money, or otherwise, directly or indirectly, or acts in contempt of the House, such action would constitute a prima facie case.

Let the government not claim that no question of privilege exists because the Hanright memorandum was simply the opinion of a single public servant, or because the advertising campaign currently under way is on a smaller scale than initially proposed by Mr. Hanright. The incontestable fact is that a campaign along the lines suggested by Mr. Hanright is currently under way and, according to a letter I received yesterday from the Minister of State for Multiculturalism (Mr. Fleming), who is responsible for government propaganda, three contracts totalling $5,850,000 have been let, making this the largest advertising campaign of its kind in the history of Canada.

The minister says he disavows Mr. Hanright's memorandum and that it has no validity, but I would then call upon the minister, first of all, to table the strategy documents which outline the purpose of the current advertising campaign because those are not available to Parliament. They are not available to the public. They are not available to Your Honour in order to rule on this question of privilege.

If the Minister of Justice (Mr. Chrétien) says that Mr. Hanright's document proposing that this attack on Parliament be made is invalid, then let the minister table the strategy documents which exist for the current campaign. However, even if it were the case, and I do not accept it, that Mr. Hanright's memorandum has no validity to the present advertising campaign, the mere fact that a public servant would propose a massive advertising campaign for the expenditure of, I believe, some $11 million which was originally proposed, the mere fact of its being proposed would constitute an attack on the privileges of members of Parliament in that what is being proposed in the document is that the role of Parliament be systematically undermined through the use of this device.

● (1520)

The minister may want to deny parentage of the document, but he cannot deny its validity and its relevance to the issue before the House today, and that is whether or not an attempt is being made, or was proposed to have been made, for the government to use the resources available to it and to it alone to undermine the role of members of Parliament, and to prevent members of Parliament from discharging their historic responsibilities.

Madam Speaker, your responsibility, as has been seen by you and by your predecessors, is to defend the rights and privileges of members of Parliament whenever they come under attack, including when that attack is planned and is executed by the government of the day. No majority in Parliament, no matter how large or how acquiescent it may be, can give the government the right or the ability to seek to impede even a single member of Parliament in discharging his responsibility to the people who sent him here, because the Speaker of the House of Commons remains in the chair to defend the House from such abuses.

In eight years as a member of Parliament, Madam Speaker, I have never seen a more clear instance where the government of the day has used the instruments available to it, and to it alone, in order to impede Parliament in its attempt to discharge its responsibility. You alone, Madam Speaker, have the

ability to ensure that Parliament's rights and responsibilities remain undiminished, and I am confident that you will use that power on the basis of the evidence I have presented this afternoon.

If you find, Madam Speaker, that I have a prima facie question of privilege, I will move, seconded by the hon. member for St. John's East (Mr. McGrath):

That the question of the government's energy advertising campaign and all relevant documents relating to the campaign be referred to the Standing Committee on Privileges and Elections for examination and report.

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I will leave to the Canadian public the decision to judge the frivolous points which have been raised by the opposition during the debate on the resolution of the constitution.

Some hon. Members: Oh, oh!

Mr. Lalonde: Day after day, unable to debate the substance of the important constitutional points which are before this House, divided as they are, the Conservative opposition have tried to raise phony questions of privilege and phony points of order. They have wasted a great many hours of this House in raising points which have all been rejected as ill founded.

I suggest that the particular point raised by the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty) is in exactly the same category. In effect, if he had listened to the debate and to the question periods in this House over the last few weeks, he would not have dared or bothered to rise in his seat and occupy 20 minutes of the time of the House with the point he has raised because, as I said on a point of order during his intervention—and I should like to repeat it now quite clearly—the senior official in question had recognized that he had prepared the memo to which the hon. member had referred. When interviewed about it some weeks ago, he indicated that indeed his minister had rejected the memo he had prepared. I stated, standing in my seat in this very House—

An hon. Member: You did exactly what he said.

Mr. Lalonde: —I stated quite categorically that I had rejected the proposal put forward by the senior official in question, and that I did not agree with the objective or with the way in which he was proposing to go about it.

I think I heard my hon. friend state that he did not believe me. I do not want to misquote him, but if he said that I would suggest that he knows the rules of the House and, if he does not believe a statement made by an hon. member in the House, there are rules in the House to deal with such cases. Otherwise, I suggest he should take my statement for what it is, as a statement of facts as they had developed.

Mr. Andre: Ironclad as it is.

Mr. Lalonde: The old argument of my hon. friend is based on a memo which had been rejected. I could go even further, but I will not go into the substance of this memo because, as I said, it is completely irrelevant to this issue.

As to the advertising which is going on currently and has gone on for several weeks, if my hon. friend had taken the trouble to study it—and I note that in his argument he has not referred to a single word used in any of those advertisements—I submit he would find that the advertising campaign, which has been in existence for several weeks or months now, is exactly in line with the advertising campaign which was carried out by his government when they were in office, and by the previous Liberal government. As a matter of fact, if my hon. friend would look at the amount of advertising done by the Department of Energy, Mines and Resources last year he would find that it cost about $5 million, which is certainly not very different from the figure which he has mentioned in his intervention.

Therefore, not wanting to waste any more time of the House, let me point out that I think there are issues of great importance and significance before the House now and I would not want to prevent hon. members from participating in the debate on the constitutional issue. However, so far as the question of privilege raised by my hon. friend is concerned, I submit to the House, and to you, Madam Speaker, that it is completely without foundation, that it is completely irrelevant, and as such should be rejected.

Mr. McGrath: Madam Speaker—

Mr. Neil: Madam Speaker—

Madam Speaker: Do both hon. members wish to intervene on the same question of privilege?

Tomorrow I shall rule on the question of privilege which was put forward by the Right Hon. Leader of the Opposition (Mr. Clark) which pertains to the same area of argument which has been made by the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty). Although it is not on the same subject matter, I feel the two points are very close. After the 20 minute intervention on the part of the hon. member, I honestly feel that the Chair is sufficiently informed, having also heard from the minister, and I should like the House to return to the other business before it. Tomorrow after the question period I shall rule on these two questions of privilege.

Hon. Erik Nielsen (Yukon): Madam Speaker, you indicated the other day in response to the member for Nepean-Carleton (Mr. Baker) that, should there be other points to be raised in debates on privilege such as this, you would hear them, and I do have points to be raised. The member who raised the matter today was kind enough to give me a copy of his written transcript where, for instance, he omitted one of the more forceful points of his submission to you today, which arguments, I submit with respect to the Chair, are quite different from those which have been raised by the Leader of the Opposition (Mr. Clark), and should be, in my submission to you, considered quite separately from the arguments presented by the Right Hon. Leader of the Opposition the other day—

An hon. Member: Have you no respect for the Chair? Madam Speaker said she had enough.

Mr. Nielsen: The Minister of Energy, Mines and Resources is trying to gag me and to stop me from raising points which he has not even heard. He has already spoken, so naturally no one else need speak.

An hon. Member: Typical arrogance.

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, I hate to intervene, but it seems to me that the hon. member for Yukon (Mr. Nielsen) is reflecting upon the decision you have just made to hear no further interventions on this subject. I should like to have a clarification from you, Madam Speaker, as to whether or not he or other members are indeed permitted to continue this shameful waste of time.

Some hon. Members: Hear, hear!

Madam Speaker: Order, please. I was listening to the hon. member for Yukon (Mr. Nielsen) because I thought he was making a point of order, but obviously he was pleading with me to hear him and saying he had further arguments to make in favour of this question of privilege.

What I did say was that the hon. member had spoken for 20 minutes. I believe it is the right of a member who feels he has a privilege to expose as completely as possible why he feels he has a question of privilege. I have allowed him 20 minutes in which to do that. I feel the two questions of privilege raised are close; the one raised by the Right Hon. Leader of the Opposition, and another one today. They will be considered separately. I can give the hon. member for Yukon the assurance that they will be considered separately. What I said and feel is true is that, having listened to both of them, they are quite close and based on arguments which have been drawn from my rulings, but in some of the cases some of the things I said in my rulings were left out. Therefore I feel sufficiently informed and I will not hear any more speakers on this particular question of privilege.

● (1530)

Mr. Dick: You cannot pre-judge on that.

Mr. Nielsen: This matter affects my privileges too as a member of this House.

Some hon. Members: Hear, hear!

Mr. Nielsen: I have submitted to you, Madam Speaker, the fact that I have additional points to make. How in the world can the Chair judge whether or not there are legitimate additional points until they are heard? Surely I am entitled to be heard on a question affecting so deeply the rights of members.

An hon. Member: Shame on you.

Mr. Nielsen: I do not accept interventions such as the lowly one that was raised by the Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. MacLaren).

Mr. Collenette: Obey the rules of this House. You are arguing with the Chair.

Madam Speaker: I offer to hon. members that I will look at length at the arguments submitted today.

Mr. Nielsen: But I have not submitted mine.

Madam Speaker: If, after having looked at those arguments, I feel I should hear supplementary information, I will do that tomorrow before I rule.

Mr. Dick: No, no.

Madam Speaker: I will not hear any more today on this particular question of privilege.

An hon. Member: Oh, oh!

Madam Speaker: Order, please. The Chair asks the co-operation of members on a matter like this one, where I feel I have given members a lot of occasion to express themselves on different questions of privilege that are brought up. This one being so similar—and I think we have discussed this matter in the House quite at length—I ask the co-operation of members in this particular instance to allow me to look at the intervention of the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty). I feel now that I have been sufficiently informed, but I will offer to some members the opportunity to speak again tomorrow if, having looked at the arguments put forward, I feel I need to be more informed.

Some hon. Members: Hear, hear!

Mr. Nielsen: Madam Speaker, the second time you reiterated that you would hear members tomorrow before ruling, there was a qualifier attached to it. I know I have points to present to the Chair that have not been put in this argument. I know that.

Some hon. Members: Order, order!

Mr. Nielsen: You do not, because you have not heard them. If what the Chair is saying to me is that I will have the right to put those points to you tomorrow before your ruling is made, then I will be happy and sit down. But I do not want any qualifications attached to it, because I know I have points the Chair has not yet heard from either this side or that side.

Madam Speaker: I have put the qualifications, and I am afraid I must maintain them. I will hear the hon. member tomorrow if I feel—

An hon. Member: Before, not "if".

Madam Speaker: —that on its face this question might be a question of privilege. If I am absolutely sure by looking at the arguments put forward by the hon. member that there could in

no way be a question of privilege involved, then I will not allow a new speaker, having looked at the arguments more carefully, reading them rather than just listening to them. Having done that today, I feel I am sufficiently informed to render a decision, but I have put that reservation and I hope the hon. member will accept it.

Mr. Nielsen: With great respect—

Some hon. Members: Order, order!

Mr. Nielsen: I know I have points—

An hon. Member: Sit down, you have not got the floor.

Mr. Collenette: Obey the rules of the House.

Madam Speaker: Order.

Mr. Nielsen: I know I have points bearing on this question to raise which the Chair has not received.

Madam Speaker: Order, please. I am afraid the hon. member is appealing what I just said.

Mr. Nielsen: Not at all.

Madam Speaker: I heard the hon. member when he said that he thought he had further points. I said that I would want to see whether I need to have further points. Therefore I would ask the hon. member please not to ask for the floor again because I will not be able to give it to him on this particular question.

Mr. Nielsen: Then I rise on a question of personal privilege to give you notice today that, should the course of events take the direction that I am gagged on this question of privilege, I will raise a personal question of privilege followed by a substantive motion.

Some hon. Members: Hear, hear!

Madam Speaker: That is the right of the hon. member and I take notice of it.

ROUTINE PROCEEDINGS

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 795, 806, 821, 1,276 and 1,454.

Order Paper Questions

[*Text*]

IJC—SCA PROPOSAL—DUMPING INTO THE NIAGARA RIVER

Question No. 795—**Mr. de Jong:**

1. Has the IJC participated in the hearings regarding the proposal by SCA Services of New York to dump 2,000,000 gallons of effluent daily into the Niagara river and, if not, for what reasons?

2. Will the government instruct Canada's representatives on the IJC to initiate an investigation into this threat to the environment and, if so, on what date will the investigation be made public?

Hon. Mark MacGuigan (Secretary of State for External Affairs): 1. The IJC has not participated directly in these hearings. Rather it has followed their progress closely, in keeping with its usual practices and procedures.

2. The government cannot instruct the Canadian members of the commission to initiate an investigation as the commission is a binational body whose members receive their instructions from both governments. Moreover, the IJC already is taking an interest in the SCA proposal in the context of its role in assisting both governments to implement the Great Lakes Water Quality Agreement. If the commission had any concerns it could be expected to raise these with the government.

EXTERNAL AFFAIRS—CROWN PROPERTIES OUTSIDE CANADA

Question No. 806—**Mr. Clarke:**

1. Did the Department of External Affairs have market value appraisals taken of property owned by the Crown outside Canada for the Department and, if so (a) in which cities (b) what was the appraised value of the (i) land (ii) buildings?

2. What percentage of the property, in each case (a) is used for (i) residential accommodation (ii) office accommodation (b) is held for other purposes and what are such purposes?

Hon. Mark MacGuigan (Secretary of State for External Affairs): 1. The Department of External Affairs had market value appraisals taken of the following properties owned by the Crown outside Canada:

(a) Jakarta —Two staff quarters duplex
Paris —Parly II Apartments (11 units), 4 rue Ventadour—office accommodation
Hong Kong —Viewpoint Apartments (5 units);

(b) The appraised values were as follows:

Jakarta —Appraised $124,378—land and buildings—no separate values obtained.
Purchased 1967 $54,000
Sold $132,000

Paris —Parly II Apartments (11 units).
Appraised $1,438,268—units only, no land.
Purchased $591,000 (1972)
Sold $1,339,745

—4 rue Ventadour
Appraised $373,200 (1980)—office only, no land
Combination land component and constructed value

Hong Kong —Viewpoint Apartments (5 units). Appraised $2,330,000—units only, no land.

The above properties were appraised for purpose of sale as surplus to use, except for the Hong Kong apartments which were appraised to establish their value in anticipation of a redevelopment proposal in partnership with other co-owners of the apartment building.

2. The above properties are identified for the following uses:

Jakarta —residential (2 staff quarters duplex).

Paris —(a) Parly II Apartments (11 units)—residential; staff accommodation

(b) 4 rue Ventadour—office accommodation

Hong Kong —Viewpoint Apartments (5 units) — residential; staff accommodation. (b) None.

HEALTH AND WELFARE—STUDIES ON MARIJUANA

Question No. 821—**Mr. Howie:**

Since April 1, 1975, what amount was spent on studies related to marijuana by the Department of National Health and Welfare?

Hon. Monique Bégin (Minister of National Health and Welfare): The amount spent on studies related to marijuana since April 1, 1975 is as follows:

1975-76	$ 197,341
1976-77	83,432
1977-78	31,632
1978-79	89,627
1979-80	6,000

CR DEMONSTRATION ON PARLIAMENT HILL

Question No. 1,276—**Mr. Baker (Nepean-Carleton):**

Were employees of the Departments of National Revenue, National Health and Welfare and Industry, Trade and Commerce granted an additional hour at lunch time to participate in the CR demonstration on Parliament Hill on Monday, May 28, 1980, at 12.00 noon and were employees of the Department of Supply and Services refused additional time and, if so, for what reason were different policies adopted?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): I am advised by the Ministers of National Revenue, National Health and Welfare, Industry, Trade and Commerce and Supply and Services that employees of their departments were not granted additional lunch time on Monday, May 28, 1980.

POST OFFICE—EXCESS OVERAGE

Question No. 1,454—**Mr. Riis:**

Is there a tabulated account of the accumulated money that occurs from the excess overage of individual postal wicket clerks in the Post Office Department and, if so, to what purpose is such money put to use?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Yes. Overages of $20 or less are credited to the postal wicket clerk's surplus cash fund to a maximum balance of $75. The surplus cash fund is used to cover shortages up to $20 that may occur in the clerk's credit.

Overages of more than $20 as well as amounts of $20 or less when the clerk's surplus cash fund has attained its $75 maximum balance are credited to postal revenue if the reason for the overage cannot be established in a current or subsequent monthly accounting period. If the reason for the overage is found, the overage would be returned to the clerk.

[*Translation*]

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

Madam Speaker: The questions enumerated by the hon. parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

THE CONSTITUTION

ESTABLISHMENT OF A SPECIAL JOINT COMMITTEE OF THE SENATE AND THE HOUSE OF COMMONS

The House resumed from Monday, October 20, consideration of the motion of the Minister of Justice and Minister of State for Social Development (Mr. Chrétien):

That a Special Joint Committee of the Senate and of the House of Commons be appointed to consider and report upon the document entitled "Proposed Resolution for a Joint Address to Her Majesty the Queen respecting the Constitution of Canada" published by the government on October 2, 1980, and to recommend in their report whether or not such an address, with such amendments as the committee considers necessary, should be presented by both Houses of Parliament to Her Majesty the Queen;

That 15 members of the House of Commons to be designated no later than three sitting days after the adoption of this motion be members on the part of this House of the Special Joint Committee;

That the committee have power to appoint from among its members such subcommittees as may be deemed advisable and necessary and to delegate to such subcommittees all or any of their powers except the power to report directly to the House;

That the committee have power to sit during sittings and adjournments of the House of Commons;

That the committee have power to send for persons, papers and records, and to examine witnesses and to print such papers and evidence from day to day as may be ordered by the committee;

That the committee submit their report not later than December 9, 1980;

That the quorum of the committee be 12 members, whenever a vote, resolution or other decision is taken, so long as both Houses are represented and that the joint chairmen be authorized to hold meetings, to receive evidence and authorize the printing thereof, when six members are present so long as both Houses are represented; and

That a message be sent to the Senate requesting that House to unite with this House for the above purpose, and to select, if the Senate deems it to be advisable, members to act on the proposed Special Joint Committee.

Mr. George Henderson (Parliamentary Secretary to Minister of Fisheries and Oceans): Madam Speaker, I have listened intently and with a very open mind and heart to the speeches made by hon. members on both sides of the House in reference to the resolution pertaining to the constitution, and I believe there is no question that most hon. members attempted to speak with sincerity. We are all aware that constitutional proposals of historic importance are involved.

I must say that on a number of occasions I have been somewhat disturbed by the personal attacks launched by some members of this chamber. We find ourselves engaged in a debate over the constitution of our country, a debate which, in the final analysis, overflows from these chambers and touches the hearts and souls of each and every Canadian. It is my contention that there is no place for personal attacks and attempts to make political hay in this historic debate.

Hon. members of the House must understand that, above all else, we must be cognizant of the fact that our performance in this House determines to a very large degree the level of respectability afforded this House of Commons. I personally have no intention of launching a personal attack on any member of the House concerning remarks already made in the debate, although there are some points of view upon which I would like to comment. Instead, I would like to speak on this resolution with simplicity and sincerity. As members of this Thirty-second Parliament we have the opportunity now to accomplish what other Parliaments had been unable to accomplish for the last 53 years. Parliament has the opportunity of bringing our constitution home, and after 113 years we will finally have a constitution which is completely our own.

When we were in the embryonic stages as a nation the Fathers of Confederation could have freely decided to sever the ties with Britain, but instead they unanimously chose to bring the resolutions into effect by an act of the British parliament. Now we have grown from that embryonic stage, we are a mature adult nation, and what may have been appropriate in 1867 is no longer appropriate in 1980.

● (1540)

The constitution of 1867 no longer meets the needs and aspirations of Canadians because many of our needs and aspirations have changed. It therefore must be rethought, remodelled, and rewritten to reflect these changes. And it must be done in Canada by Canadians. The constitution of 1867 contains a number of good points that can be modernized and complemented with new elements and incorporated into a truly Canadian document tailored to meet the needs of all Canadians. It is now the time to patriate the constitution, provide for an amending formula, and to entrench a Canadian charter of rights and freedoms and the principle of equalization in that constitution.

I would like to speak very briefly on the Canadian charter of rights and freedoms. At one time it was believed that these rights and freedoms could be adequately protected simply by the ordinary process of parliamentary democracy. But it has been increasingly recognized that more protection is required. The international community has expressed this need through such instruments as the Universal Declaration of Human Rights in 1948 and the International Covenant on Civil and Political Rights and on Economic, Social and Cultural Rights in 1966. The Canadian government, after consultation with the provinces, joined many other nations in subscribing to these international commitments, which were commitments to foster and protect the basic rights of people.

In Canada there has also been a growing recognition that legislatures should provide more positive protection for basic human rights. In 1960 Parliament adopted the Canadian Bill of Rights. Saskatchewan, Alberta and Quebec have provincial bills of rights. In addition there are federal and provincial laws which prohibit discriminatory practices in a broad range of social and economic activities. While these various statutes afford some measure of protection, it is by its very nature limited and sometimes inconsistent. For instance, the legislature which passed a law yesterday could decide to repeal or restrict it tomorrow. An individual's only immediate redress would be to try to convince the same government which had restricted the rights to reinstate them. In a country as large and diverse as Canada, with its two official languages and many cultural and ethnic groups, basic rights and freedoms require more protection than this.

Rights, by their very nature, pertain to individuals and minorities and their protection should not be left simply to the good will of the majority or of the government of the day. Those rights must be guaranteed in the constitution so as to protect them from change by any single government, parliament or legislature. I believe entrenchment in the constitution is the only way of ensuring Canadians their basic rights and freedoms for all time.

I would like to single out just one of the basic rights and freedoms which concerns me greatly as a Canadian and a member of this Parliament. I refer to the right of mobility, the right to work and live in my part of this great country. We have heard overtures from at least one provincial premier in the last short while to enact provincial legislation which would prohibit Canadians from working in his province. I submit this is the kind of legislation which is extremely dangerous to every Canadian. I bring this point up because I may be the only member of the House of Commons who has had an opportunity to work in every province in this great country.

I know what it is like to hitchhike from coast to coast. I know what it is like to pawn my watch in Edmonton in order to buy breakfast. I know what it is like to sleep in a culvert in northern New Brunswick in November. I know what it is like to drive railway spikes for the northern Alberta railway. So I have some general idea of Canada. And I know what it is like, as a Prince Edward Islander, to work in Toronto and shuffle my way onto tramcars at 7.30 in the morning to make my way to an assembly line. But, if I had my life to live over again, I would want to do the same thing because that was how I came

to know Canada, and that is why I love Canada and the people of all ethnic backgrounds who make up this great country. That is why we should not allow provincial barriers in any part of this country.

When I travel back to my constituency at the weekends and return to Ottawa on Monday, hardly a week goes by without my meeting on the plane five or six young Prince Edward Islanders who are on their way to Calgary or Toronto seeking jobs, a plane ticket in their pocket and a few dollars. That is quite an experience. I can relate to it because I went through that myself 26 years ago. The only thing different was that I did not have the money for the plane ticket—I used my thumb to get me across this great country. I do not believe we in this Parliament can deny young people from all corners of this great country that privilege and that opportunity if they so desire.

I believe the third main objective of this resolution is to entrench the principle of equalization into the constitution. It is an absolute necessity for the very survival of my province, the province of Prince Edward Island. I was looking over the speech made yesterday by the hon. member for Hillsborough (Mr. McMillan) and he quite correctly pointed out what the federal government means to Prince Edward Island. He pointed out that of the $505 million expenditures in 1978 $426 million was in the form of transfer payments or other payments from Ottawa. That is why it is very essential to my province that equalization be written into the new constitution.

When the Fathers of Confederation convened in Charlottetown in 1864, Prince Edward Island was in a very favourable economic position—a "have" area, if you will. I am quite sad to say that since confederation the fair isle of Prince Edward Island has eroded, not only has the sea eroded our beaches but there has also been economic erosion over the last 113 years. Without guaranteed equalization payments, a sharing of the almost limitless wealth of this great country, Prince Edward Island, along with other provinces, would find itself in very difficult circumstances.

A feeling of concern and willingness to share is nothing new to Canadians. The desire to share and help others less well blessed than ourselves has always been an ingredient to be admired in the over-all character of Canadians. But there are many millions of people in underdeveloped countries around the world who would readily admit that their lot is a better one because of Canada's willingness to share. It is that willingness to share in this country which draws us closer together as Canadians.

I believe it is absolutely essential to settle the question of the amending formula. The provinces and the federal government will be involved in studying all constitutional revisions or changes which will affect all Canadians. But the prospect of gaining unanimity on an amending formula is very dim. This being the case, and I believe that hon. members would agree, in order for my province of Prince Edward Island to be afforded meaningful input, I will be suggesting an amendment to section 42 to the committee. I hope that the Premier of Prince Edward Island will join forces with me in submitting that amendment and, indeed, that the two hon. members for the ridings of Malpeque (Mr. Gass) and Hillsborough in P.E.I. will join with us.

● (1550)

I believe that it is necessary to have an amendment because the population of the Atlantic provinces as of July, 1980, if my figures are correct, was 2,265,600 people. Prince Edward Island comprises only 124,000 of this total, or 5.4 per cent of the population of the Atlantic region. Therefore it would be impossible for Prince Edward Island in concert with any other singular province of the Atlantic region to be representative of 50 per cent of the population of that region.

My suggested amendment would be that at least two of the Atlantic provinces be in agreement with no reference made to specific percentages of the population of the Atlantic region. The hon. member for Hillsborough brought up this point yesterday, but I was surprised that he did not suggest an alternative, and I am very surprised that the Premier of Prince Edward Island, Mr. MacLean, whom I admire and who sat in these chambers for many years, did not approach the situation in a little different light.

The hon. member for Hillsborough mentioned that this government was taking the matter on in a partisan fashion. I do not believe that. He also went on to say that he believed that this government could learn a lesson from history, in particular from the Fathers of Confederation who, over a century ago, set aside their often bitter partisanship for a greater cause which was the union of the British North American colonies. He went on to say that at the Charlottetown conference the P.E.I, delegation was comprised of three government members and two opposition members. I would suggest to the premier of the province that rather than take the matter to the courts, perhaps he could learn that same lesson from history. Perhaps, instead of going back to his ten colleagues and making the decision that they would go to the courts, the premier could do something which is more representative of the people.

If the premier were interested in what the hon. member for Hillsborough suggested should be our interest, then he should have used another alternative. The premier could have called the House of Assembly in Prince Edward Island into session to obtain the views of the opposition. Or, indeed, in a province as small as Prince Edward Island, he could have called an election—and I think that it would have been welcomed—to let the people decide. But he has not done that. The premier has not even called a byelection in my old riding of Second Prince. Perhaps this would have given him an indication as to how the people of Prince Edward Island feel about this amendment to the constitution.

These are a number of points which I wanted to bring up because I believe that there are all kinds of room to make specific points in this debate. I do not believe that this government or, indeed, this Parliament, is out to shaft any one area or province of this country. I believe that every one of us sitting here today loves our country too much to do such a thing.

Although Prince Edward Island is small geographically and is limited in population, it is the very cradle of confederation and it must be afforded equal opportunity in determining its destiny and, indeed, the destiny of its nation. I believe that the over-all majority of Canadians are desirous of constitutional renewal. Without an amending formula this desired constitutional renewal will be impossible. As I say, I have listened to the speeches of most of the hon. members, and they all seem to bring out one point, that we need to bring our constitution home, we agree with patriation, and that we should not have to go to a foreign country, even though it is the mother country, to have our constitution amended.

However, I fail to see what good it would do to bring the constitution back to Canada if we did not have an amending formula. That formula, in my opinion, would have to be dealt with in the British Parliament. If we brought the constitution back without such a formula it would be totally useless because we would be left in a strait-jacket. If we were unable to reach agreement in the last 53 years, I see little prospect in the next 53 years.

When I consider some of the items which I have brought up, particularly with regard to mobility and the things which are taking place in this country through the actions of the provinces, I believe it is imperative that we get on with the job and bring the constitution home. If this great country of ours called Canada is to prosper from sea to sea, I humbly submit that the Thirty-second Parliament should act with all dispatch to accomplish what all members of Parliament before us have been unable to accomplish. I say, bring the constitution home.

Mr. Epp: Mr. Speaker, would the parliamentary secretary, in view of the statements that he just made, accept a question at this time?

Mr. Henderson: Yes.

Mr. Epp: Thank you, Mr. Speaker. In view of the fact that the parliamentary secretary is the sole government member of Parliament from Prince Edward Island, and in view of the fact that he mentioned that he was planning to propose an amendment to the amending formula as it would affect his province, has he discussed that amending formula either with the Minister of Justice (Mr. Chrétien) or the Prime Minister (Mr. Trudeau), or both, and has he received from them approval for that amendment?

Mr. Henderson: Mr. Speaker, I have not discussed such an amendment with the Prime Minister. What I said is that I would be presenting an amendment to the parliamentary committee. I asked, and I challenge once again, the Premier of Prince Edward Island and the two hon. members from the island, in the House to join with me so that our province will have that meaningful role within confederation.

Mr. Epp: Mr. Speaker, I have a short supplementary. How does the parliamentary secretary plan to proceed with that action if, as parliamentary secretary having taken an oath he speaks at the present time in terms of government policy, and he has not received that approval earlier?

Mr. Henderson: Mr. Speaker, I am not aware that I am a member of cabinet.

Mr. Hnatyshyn: Hope springs eternal.

Mr. Henderson: Perhaps the hon. member across the floor knows something which I do not know. I must say, though, that it is within my privilege as a member of Parliament representing at least one quarter of the people of Prince Edward Island—

Mr. McGrath: Not as a parliamentary secretary.

Mr. Henderson: —to make such an amendment.

Mr. Peter Ittinuar (Nunatsiaq): Mr. Speaker, I must say that it is always a little lonely for me to stand up in this place, although I am with colleagues whom I believe to be most sensitive to native issues in this House.

• (1600)

I am also not a little disappointed on entering this debate on the constitution because in the resolution that proposes four classifications of province I find that, as a territorial resident, I am left completely out of the picture, both in the pre-patriation and post-patriation stages.

I am also reminded somewhat of the Beothuks of Newfoundland—I do not mean this as a reflection on present day Newfoundland—who died off in a rather disdained manner. I think this resolution might be the trigger that shoots off a more contemptuous bullet.

Let me state this premise before I make further comments about what we believe—

Mr. Deputy Speaker: The hon. member for St. John's East (Mr. McGrath) on a point of order.

Mr. McGrath: Mr. Speaker, I rise on a question of privilege, because I have already participated in the debate and hence I have no alternative but to interrupt the hon. member. He is historically inaccurate and I am sure he does not mean to deliberately cast a slur on the province of Newfoundland—

Mr. Deputy Speaker: Order, please. The hon. member is failing to outline privilege in the sense that I have accepted it. I think the hon. member for Nunatsiaq (Mr. Ittinuar) should be permitted to continue his speech and then the hon. member for St. John's East may respond.

Mr. McGrath: Mr. Speaker—

Mr. Deputy Speaker: The hon. member for St. John's East, but I caution him that questions of privilege should be legitimate.

Mr. McGrath: Mr. Speaker, on a point of order, you did not even hear me. Consequently I will not delay the hon. member

any longer but will reserve the right to get up at the end of his speech.

Mr. Ittinuar: Thank you, Mr. Speaker. This is the usual case, I believe. I stated an historical fact and said that I did not mean it as a reflection on the province of Newfoundland nor on its residents. I have the utmost respect for the current issues on which they fight because some of those are analogous to ours in the north. Maybe the hon. member for St. John's East will accept my apology.

Mr. Benjamin: You do not owe him any.

Mr. Ittinuar: As I said, I draw that as an analogy to this resolution because I believe it may be the trigger that fires the final bullet for us as a people. I believe that.

Let me state this premise before I start—that the resolution on the constitution now before the House ignores native people and their rightful place in Canadian society.

Mr. Nielsen: It ignores the north.

Mr. Ittinuar: The hon. member for Yukon (Mr. Nielsen) interjects saying the north as well, and I shall come to that in a few moments. It perpetuates the view that they are inconsequential in a larger national context. I am as proud as anyone else in this House and I appreciate as fully the fact that I am Canadian but I must attempt to impress upon members that native people are not romantic relics from the past, to be forgotten and ignored in the process of creating a new Canada. We have been involved in the building of Canada from its infancy and long before that.

A few moments ago the hon. member for the Yukon said the resolution ignores the north. In the near future the north will be contributing to the economy of Canada through its resource development and yet, as the Prime Minister (Mr. Trudeau) said to me last year, the Northwest Territories has no standing whatsoever in making the Constitution of Canada. I am sure the hon. member for Yukon would echo those sentiments.

Mr. Nielsen: Echoed.

Mr. Ittinuar: As far as we are concerned, Inuit are not a conquered people nor have they ever been. In most cases native people accepted immigrants from Europe and assisted them in exploring this country and adjusting to its harsh and unknown environment. That may not be the case so much in the south as it is in the north. I could tell stories about explorers and their sentiments about discovering the north. They were inclined to say, "This Eskimo guided me and I discovered this island." So much for that.

In the early years of the European presence in Canada, aboriginal rights were recognized as valid, even though they were not always respected. In the royal proclamation of 1763 the King of England forbade settlement on Indian lands and declared that Indian lands could only be obtained by the Crown through treaties. Native people formed alliances and entered into treaties with Europeans, and even fought beside them in defending Canada in the revolutionary war and the war of 1812. I dare say that native people were also involved in World War II. Unfortunately, by the time of the drafting of the British North America Act, native people were already being taken for granted by those in power. Again, I do not mean any reflection on the Fathers of Confederation. Section 91(24) of the act proves that they were taken for granted, however.

In section 91(24) of the British North America Act native people, or, as we are called, aboriginals, were reduced to the status of an administrative problem. We are still regarded in this way to some extent today. Thus, the federal government was granted jurisdiction over Indians and lands reserved for Indians. The BNA Act did not impose any constitutional obligation upon the federal government to pass any legislation at all concerning native people. Nevertheless, the government passed the Indian Act which does not confer any legal rights or special status upon the native people. It is simply a statute for the administration of Indian affairs. That is the case today.

I want to emphasize this point since I believe it is often misunderstood, even by those who are well-intentioned toward the administration of Indian affairs. The Indian Act provides no constitutional guarantee of aboriginal rights and there is nothing in the BNA Act which recognizes, let alone protects, aboriginal rights. The BNA Act gives Parliament paramountcy, and an act of Parliament could extinguish aboriginal rights at any time. At the moment I do not believe that Parliament has paramountcy over this resolution because it is being railroaded through this House by the party opposite. That is unfortunate. Hon. members opposite would have a far bigger and greater victory if they would listen to people on this side of the House.

Some hon. Members: Hear, hear!

Mr. Ittinuar: I believe the Indian Act is a somewhat paternalistic statute in that it gives the federal government trusteeship over Indians and Indian lands. No special legislation has been enacted, and therefore no special legislation exists. It is interesting that some two or three decades ago the federal government moved Inuit—or Eskimos as some people refer to us—from the province of Quebec and parts of the territories to places like Grise Fiord and Resolute Bay in order to declare its sovereignty over those Arctic islands. We declared sovereignty for Canada, but there has never been a mutual respect of that sovereignty as we are not allowed to participate in any consultation on constitutional amendments.

An hon. Member: Shame!

Mr. Ittinuar: That is something that the government should amend. No matter how well intentioned, the government trusteeship has failed dismally and has led to a continuation of poverty, disease, and unemployment in many native communities.

I would challenge anyone in this House to go to places where I know there is disease, where I know there is unem-

ployment, where I know there is poverty, where I know there are inequalities that are not present in any other part of Canada. I would challenge any member to come to those places with me, and I hope some members will take up that challenge. There are reserves in the ridings of some hon. members in which there are unequal opportunities for native people. I hope that these hon. members will take the time to state such cases, as I have done.

No one is happy with the present situation of the native population in Canada. The native people in particular want to see changes, and believe that recognition of their aboriginal rights would begin a new era of optimism and building for a secure future within confederation.

Why do I emphasize aboriginal rights, Mr. Speaker? One of the most crucial factors in preserving cultures, as everyone in this country is well aware, is language. I wish with all my heart and soul that I could make this speech in my own language. Since we are not allowed to do so, I will continue in the only other language that I know.

● (1610)

While everyone else is talking about preserving minority language rights, I want to remind members that in my constituency of Nunatsiaq the language rights of the majority are not protected. In the proposed resolution there is no protection of Inuit rights to speak Inuktitut and no guarantee of their right to educate their children in their native tongue. This is further complicated by the fact there is not enough control over broadcasting in northern communities. The native language rights in the area of health, social services, and criminal justice are also missing from the pages of the proposed document, education being particularly important since it is the crucial element in the preservation of native culture.

Preservation of native lifestyles depend upon their source of livelihood and a sane development policy regarding renewable resources. Unlimited mobility rights would seriously threaten a process of careful and controlled development. Furthermore, native people must be fully involved in the resource development process on their lands, including access to revenue sharing as a means of establishing a stable economic base. In this case the territories are passed by.

Every party in this House has, at one time or another, called for the recognition of aboriginal rights. As recently as last July the Liberal party passed a resolution to:

Work toward the entrenching of original and native people's rights by:

(a) enacting legislation with the consent of the original and native peoples, that clearly provides for Canada's obligations by virtue of aboriginal and treaty rights,

(b) implementing a modern settlement policy that provides for orderly developments by enhancing, not extinguishing aboriginal, treaty and native people's rights and,

(c) include the original and native people's representatives at all levels of constitutional reform.

These people have not carried out any of the commitments of their party. These are all laudable sentiments. I am sure we in the House would express them at one time or another with varying degrees of truth. We on this side certainly express them with truth. We have not seen anything from the other side yet to confirm that.

Some hon. Members: Hear, hear!

Mr. Ittinuar: If there is anything to be achieved, now is the time for members to act on their principles and good will.

On Friday before last the Prime Minister said that he would be willing to put the question of native rights on the agenda for discussions toward further constitutional change, after patriation. Last June the Prime Minister agreed to bring up the matter of representation of native people and territorial governments in constitutional talks with the provincial premiers.

In July the Minister of Indian Affairs and Northern Development (Mr. Munro) told an all-chiefs' conference of the Manitoba Indian Brotherhood that native people across Canada may be invited to appear before the continuing committee of ministers to give their views on patriation and the constitution. Statements of good intent have so far lasted as long as one of our summers in the far north. We are looking for constitutional guarantees which are perennial as the permafrost in Grise Fiord, which I believe will last longer than this country.

The aim of the charter of rights and freedoms is to give individuals and minorities recourse to the courts if these rights and freedoms are violated. This I do not argue with. However, the proposed constitutional resolution omits any reference to the collective rights of aboriginal peoples. Canada's native peoples have a unique and historic relationship with the federal government, based on their aboriginal rights as the original inhabitants of Canada. Section 24 of the constitutional resolution provides that existing rights and freedoms of native people will not be affected by the rights and freedoms in the charter. I wonder what kind of guarantee this is when native people have been exerting considerable time and effort on the task of changing and improving the status quo. Are we now to be content with the same unsatisfactory status quo?

Section 24 protects native rights. There are no rights at present for native people. I wish to read the section and then re-read it in a manner which, had it been written that way, might have meant something to the native people. I quote section 24 of the resolution:

The guarantee in this charter of certain rights and freedoms shall not be construed as denying the existence of any other rights or freedoms that exist in Canada, including any rights or freedoms that pertain to the native peoples of Canada.

What does that mean? I dare anyone on that side to interpret that for me so that it gives me a feeling of security. Had it been written in a manner such as this, it would have some meaning.

The guarantee in this charter of certain rights and freedoms shall not be construed as denying the existence of any other rights or freedoms that exist in Canada, including the aboriginal rights and freedoms that pertain to the native people of Canada and which ensure their distinct cultural, economic and linguistic identities.

That would have had some meaning for us.

The situation is further complicated by the fact that an explicit charter of individual rights and freedoms may be used in the courts to argue against the collective rights of native people. A constitution which does not include a clear reference to the aboriginal rights of native people may, in fact, lead to an erosion of existing rights and freedoms.

I do not suggest that the government is conspiring to erode the few existing rights which we have. Northerners sometimes fear that the government is plotting to assimilate us into the existing southern model. Again, I do not believe that there is a plot. It should be noted, however, that such things sometimes occur as the indirect result of actions which may have been well intended. For example, the Baker Lake court case established that aboriginal rights can be extinguished by Parliament, even as a side effect of another law. However, in the Baker Lake court case, the judge was a previous Liberal cabinet minister of industry, and the Department of Indian Affairs and Northern Development had a Liberal cabinet minister at that time. The outcome was pretty predictable.

Native people and northerners do not constitute a majority of Canada's population. We all understand that. That is the basis for the argument which the Prime Minister often gives the native people. They argue that we are a mere municipality. The territories have not been included in any constitutional debate of any meaning because their population constitutes hardly more than a municipality in the southern section of Canada.

Those are not all the factors that are involved. We are under-represented in positions of power and influence and, consequently, decisions are sometimes made that affect us, but of which the consequences were not fully considered. I do not expect other members of this House to think like native people or northerners, sometimes not even my hon. friend from Yukon. I do ask them, however, to listen to what native leaders across Canada, and the elected representatives of territorial governments, are saying. The homecoming of the Canadian Constitution will be an historic event. It could turn out to be an historic disaster for native Canadians and northerners. The omission of any reference to aboriginal and treaty rights of native Canadians may not be a sinister attempt to wipe out special status and assimilate us into an American melting pot version of Canadian society. However, the results may lead to the same thing.

● (1620)

I urge all members of this House to insist that patriation not take place until adequate provisions have been made for native participation in the constitutional revision process. As I said at the beginning of my remarks, I am more than a little despondent about this wish.

This spring the Inuit Committee on National Issues, the National Indian Brotherhood and Native Council of Canada were given funds to conduct research into constitutional issues and present the results of this research to the government. The government is now proposing to patriate a constitution which does not provide mechanisms for receiving native input and which does not even attempt to cover many well-known positions which these organizations have articulated.

Furthermore, the amending formula leaves us little hope that changes beneficial to native people will have any chance of being included after patriation. Perhaps the money which these organizations received was intended to buy time for a government which has no intention of seriously addressing the legitimate concerns of native people with regard to the constitution. No timetable has been set to discuss native participation, and no formal procedure is in place for receiving submissions from the Inuit Committee on National Issues and the other native organizations.

I think this government should make its intentions clear with regard to native participation in constitutional renewal and that these intentions should be communicated to the Inuit Committee on National Issues, the Native Council of Canada and the National Indian Brotherhood, at the earliest possible date because we are rapidly running out of time.

The constitutional resolution as it is written falls short of recognizing the aboriginal rights of native people and offering guarantees which would preserve and enhance native cultures, of which I have spoken. The urgency of having these rights guaranteed in the constitution is enhanced by the fact that the amending formula offers us little hope of having changes made after patriation. Until part V of the resolution comes into force, the unanimous consent of the provinces is required before an amendment can be made. No one here today would argue that unanimous consent is an easily attainable goal. Part V comes into force when the consent of a majority of provinces is required. This is at least two years down the road and it still does not provide native people with any real assurances.

Instead of negotiating directly with the federal government, efforts will be dispersed to include lobbying for provincial support as well. The prospects of successfully amending the constitution to include a direct reference to aboriginal rights, as well as other guarantees which native people feel are essential, are greatly diminished after patriation takes place.

A couple of weeks ago the Inuit Tapirisat of Canada had their annual general assembly, during which they formed a resolution concerning the constitution of Canada. This resolution predictably had to do with making a submission and representation to the Government of Canada about what the Inuit of northern Canada believe should be included in the constitution. I have not yet seen any mechanisms for receiving those submissions or representations, and there is not likely to be. As I said, I am fairly despondent about the constitutional debate as far as the native perspective and as far as the Inuit of northern Canada are concerned. Although we have a word in our language for the constitution "piquyaryuak", I do not believe there is any chance that the Inuit of Canada will ever be given the opportunity to make amendments to benefit them in the context of the nation Canada.

Mr. Nielsen: Mr. Speaker, I rise on a point of order. I just want to suggest to the hon. member for Nunatsiaq (Mr. Ittinuar) that he provide *Hansard* with the Salabik spelling of

the Inuit word for the constitution so that it will appear on our records for the first time.

[*Translation*]

Hon. Jean-Luc Pepin (Minister of Transport): Mr. Speaker, I would like to deal with three aspects of the resolution now under consideration. First, I note the great number of views expressed by experts, members of Parliament, other people and the public at large on the elements of the constitutional reform generally and more especially on this resolution. I conclude that I and others have to take a relativistic attitude devoid of doctrinairism and absolutism.

In addition, since it is unfortunately impossible to conclude an early constitutional agreement at the federal and provincial levels, it is unavoidable, in my view, that Parliament has to take limited action at the request of government. Moreover, such a unilateral measure is adequately warranted from a philosophical, legal, conventional and political point of view. Finally, Mr. Speaker, the contents of this resolution do not disturb the present balance of powers between the two levels of government in Canada and consequently it is acceptable and can be approved.

I will conclude my remarks by wishing, of course, that the present resolution be adopted after having been polished in committee in the sense Boileau gave to this word and that the effort of constitutional reform be maintained beginning by the search for an amending formula agreed to by the two levels of governments, which is precisely what this resolution calls for.

Mr. Speaker, last weekend I read most of the speeches made in this House since October 6 by my hon. colleagues. All of them were made by learned, passionate and obviously sincere persons. Yet what a wide range of opinions! For some Progressive Conservative members, if adopted this resolution would signal the end of Canadian federalism and that of Canada itself. On the other hand, the same text meets the expectations of many other members and their electors, so they think. Some among the first group, namely, those who oppose the resolution, still approve part of its content thereby often contradicting the arguments they use to reject the other part, the acceptable elements being different from one member to the other. Some would like to add to it, others would rather delete from it according to their own preferences and the degree of public consensus they believe exists. Certainly there is a lesson in that for us to learn. As it should, politics plays a major role in this debate, and I will come back to that later.

Mr. Speaker, I have witnessed in the past the phenomenon of diversified opinions. It was in 1978 and 1979 when, as a member of the Task Force on Canadian Unity, I had the opportunity to hear personally the views of hundreds of Canadians from all walks of life and from all regions of Canada as well as of dozens of experts, all very knowledgeable, including several federal and provincial politicians of yesterday, of today as well as of tomorrow. Most of their contributions have been gathered in the third report of the task force entitled "A Time to Speak," a document which anybody seeking the absolute in politics should read, but which those who do not wish to change orientation should keep away from.

It was then to be expected, Mr. Speaker, that it might be impossible to accommodate all these various and indeed contradictory positions, and that some day or other, if we were to get out of the strait-jacket, the constitutional garment would have to be pulled somewhat at the seams! After the fascinating if overwhelming experience of the Task Force on Canadian Unity, I went to see other federations at work, the Federal Republic of Germany, Switzerland and Yugoslavia. I even had an opportunity, Mr. Speaker, to discuss in Sarajevo the dangers of balkanization! Once more, I was looking at the diversity of federal concepts and their practical implementations. May I add that during ten years of my life, as a student and later a professor, I met the finest brains of federal political thought, and during ten years also as a member of Parliament and minister of the Crown, I strived to translate into actions the spirit of federalism, in practical situations such as that referred to by the hon. member for Sarnia, (Mr. Cullen), namely, regional sharing in the development of the petrochemical industry. What did I learn from all that? First, that there is no doubt a spirit of federalism made up of balance and tolerance, but that the means to express that spirit may vary quite significantly from one country to the other, one period to the other, one government to the other, one member of Parliament to the other and one citizen to the other, without anyone's good will being in doubt.

In other words, I learned there is no single and perfect model of the federal state, one that could be imitated by all. All there is is more or less successful variations on famous themes, namely, the two orders of government, the formal distribution of powers, one adjudicator or a number of them if the referendum is to be accepted, institutions promoting interaction, and so on. The principle is understood by all, but there is no single formula to success. As it was in the beginning, as it is now and as it shall not be for centuries and centuries, such is the phrase that could be applied to our Canadian federalism.

● (1630)

[*English*]

I have learned also that if each one of us individual Canadians, members of Parliament and of legislatures, and heads and members of executives, stand unbending on all our first and favourite choices, nothing will happen. The constitution will not adapt to change, and we might very well die as a country, each of us with his or her constitutional boots on. As Mae West used to say, "Something's got to give".

So, we must compromise, obviously. This has often been said. Such an attitude was probably the best accomplishment of the Task Force on Canadian Unity when eight of us, commissioners, so different in so many ways, agreed on a single set of recommendations. We agreed on something

worth while which was generally acceptable, or not unacceptable, to each one of us individually. We never had the pretension of writing a political bible. We hoped only that others would follow the example we tried to set.

Compromise, said the late Hon. Guy Favreau, is "the meeting point between the thoughts of two intelligent beings." As John Kennedy wrote in "Profiles in Courage":

Compromise is not mean cowardice. Indeed it is frequently the compromisers and conciliators who are faced with the severest tests of political courage as they oppose the extremist views.

The content of the resolution before us is a compromise between those who wanted more and those who wanted less and those who wanted both more and less. It may not fully satisfy every one of us—or any one of us for that matter—but it should be accepted, in my view, by the greatest number of people as a first step.

I have learned throughout the years that to compromise with others, one must first compromise with himself. I cannot ask others to give if I remain ungiving in my own first choices of means toward an end which I share with others. So, I am compromising, as I should.

[*Translation*]

Is the kind of unilateral action stemming from this resolution justified? Like everybody here—I am sure—from the Prime Minister (Mr. Trudeau) to the hon. member for Hamilton West (Mr. Hudecki) who was recently elected to the House, I would have wished that government heads would have come to an agreement on four, six, twelve, twenty reform issues before patriation. Unfortunately that satisfaction has been denied to us.

History will doubtless seek to determine who was responsible for the failure of those negotiations, of those which have been going on for so long since 1969, of those which lasted throughout the summer of 1980. Due to the complexity of events, history will fail. I suggest history will consider the list of proposals that the premiers made on that September Friday and will maybe rule that they had worked out marvellous compromises among themselves by adding their first respective choice and disregarding the position of the central government. This is a well-known fact. Be that as it may, two facts remain, the first being that we failed to agree. I deplore the fact we did not, I am sorry we did not, it grieves me that we did not, I could cry about it!

We did not agree, Mr. Speaker, that is one fact. The other is that we do not seem, to my mind, to be about to agree either. So things being what they are, can and must Parliament sanction the present resolution? I ask myself a first question: does that resolution reflect the spirit of Canadian federalism? At first glance, surely for some it does not because it imposes its will upon the constituting governments. But, Mr. Speaker, and I must insist on that point, there is not only one conception of federalism in Canada. Professor Mallory, for instance, after having observed that federalism in Canada—

—is different things to different people—

—writes that Canada has known five forms of federalism since 1867: the quasi-federalism of its early days, the more classical federalism which followed, the federalism of emergency of the war, the co-operative federalism which followed the war, and the mixed federalism of dualism, which he calls the double image federalism of today. And he adds: those forms overlap. Professor Edwin Black, in "Divided Loyalties," speaks of the five concepts of federalism in Canada: the centralist federalism, the administrative federalism, the co-ordinated federalism, the contract theory federalism, and the dualist federalism. He concludes:

[*English*]

A combination of the concepts is required to characterize Canadian confederation at this time. The federation is chiefly co-ordinate in its political essentials, largely collaborative at the senior levels of the public bureaucracies, and tending to adopt linguistic cultural aspects of the dualist concept. Traces of the compact theory were represented in the constitutional amendment movement, but little evidence was to be found of the centralist concept in any influential circles.

[*Translation*]

There, to my mind, is an important idea. Before passing judgment on events and men, as in the case, for instance, of the resolution before the House, one must perforce realize that the concept each one of us has of federalism need not necessarily be that of all the others. And, as a consequence, I feel one must try to reconcile his own interpretation with that of the others.

Mr. Speaker, I suggest that it can still more simply be classified into two schools of thoughts, namely federalism of juridical equality between the two levels of government, to which the Task Force on Canadian Unity generally adhered, and a federalism of juridical seniority of the central government, which this resolution moderately reflects to a certain extent since it claims to be founded on present, previous, former and past agreements with the provinces. This second school of thought, which I call federalism of juridical seniority, emphasizes, because of its wider, more ultimate and final responsibilities, that the federal government has obligations to Canada as a whole which it alone can meet, in the interest of the common good, especially in cases where there exist apparent deadlocks such as the one we are faced with now on the constitutional issue. That is a highly defensible position which I can appreciate for what it is worth, that is to say, a lot. By the way, people would be wrong to think that the rule of unanimity is an essential corollary of federalism of juridical equality. As a matter of fact, several supporters will accept that it may be limited by the will of the majority or for the sake of political expediency.

In any event, I for one refuse to become the prisoner of either one of these two schools, though psychologically I prefer the first one. It seems to me that there are circumstances when the second school is right and this happens to be one of them. Second question: is the unilateral action on the part of the government, on the part of Parliament under this resolution

acceptable under constitutional law and convention? Nothing in law prevents the Parliament of Canada from adopting the present resolution, nothing prevents the British parliament from giving its assent. Yet is it the case when it comes to convention? First what do we mean by convention? It is a government practice which does not carry the weight of law, which cannot be referred to in a court of law, but which politicians consider as politically necessary and mandatory. I think it is actually based upon the assent of public opinion, the ultimate recourse in this area. In "The Law and the Constitution", Jennings says, and I quote:

[*English*]

Conventions keep the constitution in touch with the growth of ideas.

● (1640)

[*Translation*]

And that is very important, I might add, not only—

[*English*]

—in touch with the growth of ideas but also, one might add, with the growth of sentiments.

[*Translation*]

Mr. Speaker, such a convention is an instrument of government which has great flexibility but which is also very imprecise. The convention, in Canada, as far as constitutional amendment is concerned, is that the British parliament must accept a resolution put to it by the Canadian Parliament asking for an amendment to the Canadian Constitution. Even a legal expert like Brossard states that:

In theory, nothing prevents it from amending the BNA Act by itself or even at the request of a province, but the British parliament feels bound by constitutional conventions. It considers itself merely a recording mechanism.

That is convention. Therefore, the problem is not there, at least I hope so. The problem is here in Canada. So we must ask ourselves: what does convention say as far as the provinces' power to amend is concerned? Can Parliament seek to amend the constitution without the consent of the provinces, especially in matters which affect the division of power, especially in the matters reserved in the 1949 amendment which concerned in part the division of power, the right to education and the institutional use of languages?

But, Mr. Speaker, this is a question I have been considering for quite a while and I have noted that opinions vary, and convention is unspecified and it is well known that in only five out of 18 cases provincial consent was deemed necessary. Even those who believe that such convention exists express their views differently and always very cautiously. For instance, in the dictionary of the Task Force on Canadian Unity, volume 2, we can read the following, and I quote:

Legally speaking, Parliament is not absolutely forced to obtain the prior consent of the provinces. However it did so when in its view the provinces were directly concerned.

Then any dissertation on the state of convention in Canada should insist on sentences such as "according to the judgment of federal authorities", "directly affects the power of the provinces". Some people will certainly state that such convention does not make unanimous consent compulsory. This is where the uncertainty of convention lies in this matter.

Mr. Speaker, there is something much more important, namely, the very nature of convention as it is being discussed. Brossard states the following. I chose my authors carefully to avoid being accused of partisanship. Brossard states the following: "The federal Parliament could even, if it dared do so, amend some constitutional conventions." You see the imprecision surrounding convention. And in a key part of his book Jennings states the following:

[*English*]

—the real question which is presented to a government is not whether a rule is law or convention, but what the House of Commons will think about it if a certain action is proposed.

[*Translation*]

Of course, it amounts to stating very clearly and forcefully the supremacy of policies over "what is conventional and over law itself". And Jennings states further:

[*English*]

Conventions are political decisions. Political antecedents and political consequences prescribe their creation, existence and dissolution.

[*Translation*]

So, Mr. Speaker, we can see that in the end political circumstances are what justifies unilateral action and convention itself. It is therefore a political problem. That is where the problem lies; I repeat that however important philosophy, laws and convention may be, what is at issue is practical politics, the art of governing which is the art of doing what is possible and also the obligation to choose according to a conception of the common good. At this point I refer to what was said by my colleagues who spoke about political necessity, particularly the Minister of Justice and Minister of State for Social Development (Mr. Chrétien) who has made some very important statements on that subject. They said that the federal Parliament must act for all kinds of reasons; efforts have been made over a long period of time to get the consent of the provinces without success; the party that now forms the government has been defending the ideas contained in the resolution for years and its leader, for 12 years at least; on the other hand, some provincial leaders agree with some parts and even the form of the present resolution; some who were in agreement in the past, some who reject it do so for reasons that have absolutely nothing to do with the amendments asked for, and finally some others would like to give their consent but dare not do so. Other points have been argued since October 6, promises were made, there was soon to be action, a breakthrough, a way out of the deadlock. Commitments were made that must be fulfilled at the reasonable moment. The benefits have been stated. The Minister of Justice and Minister of State for Social Development says that patriation and the amending formula

will allow what I call an "à la carte" amending process where revision in large blocks has proved to be impossible.

Besides, the other means of breaking the deadlock that have been referred to in the House do not really exist.

• (1650)

For instance, it is very obvious that calling a constituent assembly now would not solve the problems facing Canada. We would spend an enormous amount of time just in determining the rules that would then regulate the process, to establish who would be represented where and on what basis, how decisions would be made, how the vote would be taken. We should then have a lot of problems to solve. It has also been suggested that resolutions be passed in all provinces and in Parliament. The proposals were to be identical. Obviously, it would take decades to be done. On the other hand, it is quite obvious that there is a sufficient consensus among the population on the content of that legislation. As co-chairman of the Task Force on Canadian Unity I had the Hon. John Robarts who was constantly raising this issue and asking us how could anyone reach finality.

[*English*]

"How to reach finality in this matter."

[*Translation*]

Well, I see—at least in the press—that Mr. Robarts has also decided to support the government action on that issue. Indeed the Minister of Justice and Minister of State for Social Development has quoted the Leader of the Official Opposition (Mr. Clark) himself who in other circumstances has propounded views similar to those we are expressing today.

Mr. Speaker, will this resolution change the balance of power between the two levels of government? Does it diminish the powers of the provinces for the benefit of the central government and, if so, does it do it unacceptably, without their expressed or implied consent? Let us consider the situation more in detail. Does patriation in itself upset the balance of power between the two levels of government? I think that the protection of provinces by London has long since been a myth used by some provinces as a simple bargaining lever. And who is still opposed to patriation? Not too many people as far as I know. Some people, including myself, regret that it should come about this way. Others would have preferred, and so would I, that certain important and meaningful amendments be made either before the constitution was patriated or at the same time. But everyone agrees about this. Others suggest, at least according to what I have read, that patriation should occur after a review of all the components of the Constitution. This is obviously unrealistic since we would already have to review some elements which had already been reviewed before the patriation formula was developed. It is obviously unrealistic.

Third, is the formal amendment procedure proposed in this resolution acceptable? Mr. Speaker, I would have to spend several minutes on this subject to dissect what the resolution contains in this regard. Moreover, I have the impression when I look at the Minister of Justice (Mr. Chrétien) that the last word has not been said on this matter and that there will be further exchanges. I hope for my part that we shall be able in the next two years to develop a formula which can be accepted by the central government and the provinces, which will be respectful of both orders of government and which will not include the concept of unanimity, of vetoes and opting-outs. I believe we can do this. The report of the Task Force on Canadian Unity, to which I have already referred two or three times, included, in my opinion, a formula which met this objective while granting power of agreement to the people. However, I must admit that this formula required the existence of a chamber of provinces which would vote on the resolution on a simple majority. But since some people still defend this type of an upper chamber, we might be able to apply this formula one day.

What about the entrenchment of basic rights? Here again, Mr. Speaker, there are two opposing views, the one which maintains that the basic rights, which are fundamentally evolutionary, are best guaranteed by the federal and provincial legislatures which are more conscious of the subtleties of social evolution. There is also a view which maintains that the basic rights are inalienable rights which are best protected by the Constitution itself, to which must submit both the legislatures when they legislate and the judges when they interpret the statutes. Both of these positions can be defended. For my part, the choice is simply one of wisdom and political caution, one of, and I quote:

—prevailing philosophy—

—as Jennings, who, as everyone knows, is a highly recommended author, says.

One thing for sure, the prevailing philosophy today leans toward entrenchment and several speakers have referred to this trend in Canada, in countries governed by common law or civil law, within international bodies. It has been said that the Task Force on Canadian Unity stood as an exception to this trend. This interpretation is wrong. In fact we were going much further than the present resolution in the way of enshrining and institutionalizing bilingualism at the federal and provincial levels. Our report may have recommended a slower process than the present resolution does on rights relating to education in both official languages, merely as a matter of prudence. However it recommended—I suggest my friends read it if they feel it was the opposite—that entrenchment be effected as soon as a provincial consensus would be expressed. And in fact, one could think it had already been expressed in the meetings held in Montreal and St. Andrew's in 1978. One can also think it is now being expressed, at least in English-speaking Canada, and I would think also in French-speaking Canada—maybe not at the government level, on this subject.

In the present resolution, I think there is a consensus, however I noted the matter was hardly discussed.

Relating to the freedom of movement and of settlement I hope, Mr. Speaker, that all provinces will eventually agree to entrench all prerequisites of the economic union, even if it means qualifying them by some GATT regulations on the obligation to justify exceptions and to terminate them as soon as social and economic conditions improve, possibly with an arbitrator to decide on them.

While inclusion of the equalization principle does not seem to raise any problems, I noticed that some people are not logical in that they oppose some aspects of this resolution when they do not raise any objection when they seek recognition. They use those arguments when they do not agree but drop them the moment they do.

Mr. Speaker, on balance, having taken into account philosophy, law, convention, the art of the possible which is the government of the people, I think that this resolution is justified. But on balance is it not always how hard decisions are taken? Last resort measures are often the only workable solutions.

I hope we will resume within a short time the constitutional reform discussions concerning the political institutions and distribution of powers where we have so much to do. Meanwhile, I will keep on being interested in the constitutional change and I assure you, Mr. Speaker, that I will live up to the spirit of federalism in the transport area.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Blaker): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Laval (Mr. Roy)—Canadian Pacific Railway—Abandonment of certain daily supplementary service; the hon. member for Winnipeg-Assiniboine (Mr. McKenzie)—Air Safety—Enforcement of regulations respecting aircraft and pilots; the hon. member for Burnaby (Mr. Robinson)—Human rights—Inquiry as to date of implementation of commission's recommendations.

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

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

The Acting Speaker (Mr. Blaker): Order No. 6, the hon. member for Regina West (Mr. Benjamin). Shall the order stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Blaker): Stand by unanimous consent.

* * *

RENEWABLE ENERGY ACT

MEASURE TO PROMOTE USE OF RENEWABLE ENERGY RESOURCES

Mr. Stan Schellenberger (Wetaskiwin) moved that Bill C-210, to promote the use of renewable energy, be read the second time and referred to the Standing Committee on National Resources and Public Works.

The Acting Speaker (Mr. Blaker): Before recognizing the hon. member for Wetaskiwin (Mr. Schellenberger), it may come as no surprise to him that the Chair thought it necessary to examine the terms of Bill C-210 before the House, because the bill proposes in clause 3 to create a Crown corporation to be known as the Renewable Energy Corporation.

• (1700)

There have been previous instances in which it has been the duty of the Chair to bring to the attention of members of the House that in some circumstances there may be a claim upon the public purse and such bills ought to be presented only in the name of a minister of the Crown. With the assistance of the Table officers I have reviewed the bill, and for those members who may seek to make reference to it, I find that in clauses 3 and 7, matters related to the financing of the corporation appear to be wholly outside the Crown's interests. For that reason the Chair is initially inclined to accept Bill C-210 as being in order. However, there is a tradition related to decisions on such bills whereby the Chair does enter a caveat so that, as debate continues, some hon. member may want to bring to the attention of the Chair some manner in which such a corporation might, in fact, be responsible for the expenditure of public funds. Accordingly, the Chair has taken the position it may have to intervene at some later stage in the proceedings if public funds were found to be involved. Subject to that caveat it is my view that the debate on Bill C-210 should proceed.

Mr. Schellenberger: Thank you, Mr. Speaker. I accept your guidance and wisdom with regard to the bill. I am aware of the restrictions under which private members are placed in not having the ability to spend the moneys of the public purse and I attempted, when drafting this bill, to be very cautious in this respect.

The object of the corporation and its directors was to find finances outside of government for the operations of the corporation and, in addition, that they not be reimbursed in their capacity as acting directors. I suspect there would be many people available in Canada to serve on such a corporation because of the interest which exists in renewable energy. As you are aware, there is a great need for this bill, which was pointed out in the debate which took place last week on the opposition motion dealing with energy.

As governments argue as to who will take what part of the energy dollar, we are finding Canadians are being faced with the reality that they are and will be depending more on foreign sources of oil and other forms of energy. I believe very strongly that we, as Canadians, must establish, as a national goal, energy self-sufficiency. Part of that goal must come from renewable energy because we have the ability and the technology to move much faster than we are at the present time toward more renewable energy, forming part of our heating plan, our movement of vehicles, transportation and so on. We are not moving quickly enough to that end.

Most of the encouragement we have received from government has come in the form of research and not enough in the area of practical application of that research. I will not spend a great deal of time on the reasoning and the need for rapid expansion in renewable energy because we have discussed these reasons repeatedly in this House. But Alberta, the province with most of the conventional oil in Canada, has only five billion barrels of conventional oil left and we are pumping approximately 450 million barrels out of that pool per year. Even though we have in our province the second largest pool of hydrocarbons in the world, we need new technology and rapid development with the present technology to meet our needs in the next ten years.

Even if the oil sands and the Cold Lake plant get off the ground—and I sincerely hope they do—we will still need an additional five plants of the same magnitude just to meet our needs to 1985. That has nothing to do with the expansion of demand which Canadians may seek. Some hon. members may say that we have Northern Natural Gas and Oil, Hibernia, Sable Island gas, and tremendous pools of natural gas in Alberta and British Columbia and if we put them in the marketplace we can reach that self-sufficiency goal. That may be true, but at the rate we are going now it could take a good many years before we can get those pools of resources into use by Canadians. So, in light of that background, I believe the national government must encourage Canadians to accept renewable energy at every opportunity because it is lasting, exciting, and something which will catch on quickly in the Canadian sphere. I believe the adoption of Bill C-210 would constitute a start in that area.

I am averse to the creation of another Crown corporation, but we need some way of gathering information and making it available to the Canadian people immediately. We also need protection for consumers because most of the hardware which is now available is imported.

One might ask why we should move quickly with renewables. One of the particular advantages of renewable energy is the fact it is not handicapped by geography. We can use the potatoes in Prince Edward Island and New Brunswick to produce alcohol, we can use poplar trees in Quebec and northern Ontario to produce alcohol for vehicles. Solar heat is available in all provinces. Wind is available in most areas and we in the southern part of the prairies know how much energy it can produce for us. This is also true for the islands off Quebec. Heat pumps are another area of technology which is just getting started. Then there is geothermal energy under the foothills of Alberta and parts of British Columbia which can produce hydroelectric power at rates much lower than we can produce at the present time from our rivers, which have been our principal source of electricity in the past.

What I am saying is that natural renewable energy resources are everywhere in Canada and they are capable of being used by all Canadians if they receive the encouragement and information which should be at hand.

What steps should be taken in Canada? There is at present a complete lack of co-ordination between scientists, governments and others interested in obtaining information. There is no central source of information available other than the department, which is just getting started as an information disseminator. There is no agency responsible for testing new devices and inventions. Standards have not been established at the present time, so how are consumers to know when they buy a technology that it will be capable of performing under our winter conditions? Therefore no production, design or construction technologies are available immediately to people who ask for them.

As I say, there is no agency established to co-ordinate further research and development which will assure consumers that what they are buying will work. What I am seeking to do in Bill C-210 is to have Parliament give a commitment to gather this information and work out the standards which are so necessary.

• (1710)

What I would also like to see in the bill are incentives, particularly in the form of tax incentives so that the people of Canada will move toward the use of this technology. When the cost of renewable technology is placed against the cost of natural gas and oil at its present value, the oil and natural gas win out in terms of price. They will not for much longer, and with a minor tax credit to Canadians we could quickly get a certain portion of them involved in renewable energies and increase the percentage of homes and buildings heated by this source.

Another key feature of Bill C-210 is outlined in clause 4(a). That section states that an object of the corporation is to propose design, production and construction standards for renewable energy. Because we are not sponsoring sufficient encouragement to small businesses in Canada so that they will get involved in the production of hardware for solar plants or wind technology, even though the National Research Council

has produced one of the best windmills in the world, heat pumps or even digesters in the biomass industry, most of the technology which is now available comes from either the United States or Europe.

As I stated before, there is a need for a group of Canadian people, hopefully a group such as I outlined in this bill, to set out the design standards, production standards and construction standards for the technologies which we now import to prove to our consumers that such devices will work and do have a long life. Most renewable energy forms should have a lifespan of some 20 years in order for them to be placed in an operation. Consumer protection in the field of renewable technologies would be ensured by this bill. Not only would the consumer have greater confidence in his product, but he would also be able to instal and utilize such devices without a great deal of technical or mechanical expertise.

I have also envisioned that this corporation could make use of engineers across Canada. For example, in the budget of last December reference was first made to the use of agricultural stills. We were amazed to learn that an entrepreneur from Montana had come up into the southern portions of the prairie provinces to market a device which he said would work. By putting small advertisements in local newspapers this man attracted crowds of 300 to 500 farmers in small communities as he explained the operation of the still and how it would create, from wheat and straw and other products normally grown on the farm, alcohol which could be used in tractors, cars and homes. This shows that there is an interest. Surely, if the interest is there, our government, through a corporation such as the one I described, could use a group of engineering experts versed in the operation of such technologies to move from community to community across Canada explaining the technologies which are now available and how individuals with very little engineering expertise could, in fact, put these devices to work for themselves if they are given the proper guidance and information.

For example, there are many engineers in the PFRA who are not being fully utilized in their areas throughout western Canada. These people could be used to disseminate this kind of information. If the government would see in their wisdom the advantages of offering a tax credit in the upcoming budget to individuals for the placement of renewable technologies in their homes, this group of engineers could also, while spreading this information, check on the claimants who have installed renewable technology devices in their homes or places of business and give them advice on whether the engineering requirements have been met.

The United States, which is ahead of us in this field by far, is using a toll-free Zenith number in each state. Persons who have an interest in placing, for example, solar heating hardware in their homes can phone this toll-free number and be immediately provided by experts with information, bibliographies of books which are available in local libraries, and any other advice that is available on the particular form of renewable energy about which they are asking. The United States has moved quickly to provide the kinds of information which are not available at the present time in Canada. Through this corporation such a system could be set up under clause 4(d) of the bill because it authorizes the renewable energy corporation to publish information relating to the uses and applications of renewable energy technologies. This clause was designed to ensure that the need for public information is met.

The last function of the corporation would be to co-ordinate further research in the areas of renewable energy-producing devices and inventions. Many Canadians are putting their minds to work and are trying to come up with new ways of using the energy in the sun, the ground, in water, and with machines. Such people are always coming to their members of Parliament and to government with new devices that are capable of doing such and such, but in many cases they are not given an ear and are turned away. As a result, we lose the value of that particular piece of technology. I can see this corporation playing a very important role in this area. It could look at new inventions and, as well, co-ordinate the research dollars which are made available by governments, foundations and large companies. I believe that a central body such as this corporation is necessary to co-ordinate all this information.

Those are my explanations as to why I placed each of the clauses in the bill. I would like to end this portion of my speech with a quote from the book "The Challenge of Man's Future", which was written by Harrison Brown:

> Consumption of the earth's stores of fossil fuels has barely started, yet already we can see the end. In a length of time which is extremely short when compared with the length of time during which man has inhabited the earth, fossil fuels will have been discovered, utilized, and completely consumed.

That is very likely true, but the sun, wind, and waste materials from agricultural products and trees will be with us into perpetuity. It shows how important it is for us to move quickly toward the use of renewable energy forms.

I would like to end my speech by saying that, for the first time in history, the government in its budget of last December recognized that individuals, not just corporations, should have a tax break if they place in their businesses or their homes a heat exchanger or heat exchanger material. It was the first time in history that this type of offer had been made to Canadian citizens. The budget papers and the notices of ways and means motions stated very clearly under energy conservation equipment that there would be a write-off for district heating systems, solar heating systems on the new buildings, small-scale hydroelectric projects, heat recovery systems including heat exchange material and equipment and auxiliary components which are used to conserve energy. That opens up to all Canadians the use of this device of a tax write-off in order to place these in their homes and certainly in businesses. I have checked with the department and it seems that the regulations have finally been written after this long time, because in the budget that he sneaked into the Speech from the Throne, the Minister of Finance (Mr. MacEachen) said he would continue with that initiative.

● (1720)

Mr. Paproski: They listened to you.

Mr. Schellenberger: I hope so. The department has indicated that the regulations should be available to us soon. I sincerely hope that Canadians take advantage of them. In a policy paper published three years ago this party announced a policy which we were then very glad to see incorporated into the budget. It allowed personal tax credits to people, who use renewable technologies. It would have also offered accelerated five year write-offs for the cost of solar equipment, wind technologies, and biomass technologies, used in industrial and commercial buildings and in multiple residences.

We stated many other things that should be done. For instance, we should encourage municipalities not to tax people who use these new technologies in buildings. We should encourage mortgage and insurance companies to incorporate provisions for the use of these technologies into their mortgage contracts and insurance policies. We can think of many other areas where rapid use of renewable energies could be encouraged in the country.

In my bill I have outlined this as much as possible and as far as I can, having regard to the legal requirements of a private member's bill. I offer it to the House and hope it will be accepted so that the committee can use the bill as a basis on which to build a corporation and information disseminating device within government. I hope this will be done as rapidly as possible.

Some hon. Members: Hear, hear!

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, while regarding the hon. member's bill as being in some way redundant, as I shall explain in a moment, I should like to assure the House that we on this side welcome the occasion that he has provided to discuss an important and pressing topic, the use of renewable energies in Canada.

The hon. member has proposed a corporation which in some respects is similar to that to which the government already committed itself in the Speech from the Throne. I am sure the hon. member is aware that such a commitment has more recently been given substance. A corporation embodying some of the responsibilities envisaged in this bill is already in being. I nevertheless welcome his remarks about the various alternate forms of energy that can be developed in Canada and which can play a very real part in our energy future.

Perhaps it would be appropriate if I were to inform the House of some of the current policies and programs of the federal government in the development of renewable energy before turning to specific aspects of the hon. member's bill. I should say at once that the federal government considers the development of alternate forms of energy as a high priority. Indeed, I anticipate that in the new energy policy to be presented to the House next week, the hon. member will see further substantiation of that commitment.

Over the last seven years, the federal government has substantially increased its research and development efforts in renewable energy, from less than $1 million in 1974 to just over $20 million in fiscal year 1979-80. Since 1976, the National Research Council has been the federal government's lead agent in its renewable energy activities. In this role it will continue to be an important actor in the federal government's renewable energy program, as the new alternate energy corporation comes into being. The research and development activities I refer to, as the hon. member noted, include solar energy, biomass, wind energy, geothermal energy, hydraulic energy and so on. Policy responsibility for research and development in these important resources resides, of course, with the Department of Energy, Mines and Resources. In 1977 the renewable energy resources branch was formed in the department, to begin the development of programs in renewable energy. Later, in 1978 a conservation and renewable energy branch was formed to deal with policy questions. This latter group has the leading role in the federal government for policies regarding the research, development, demonstration and commercialization of renewable sources of energy.

In July, 1978, the federal government announced a major new $380 million initiative to develop renewable sources of energy. These programs related primarily to solar heating, forest biomass use, research and development in renewable energy, and federal-provincial demonstration agreements. These programs are now in place and I am pleased to say, are operating satisfactorily. As an example, the forest industry renewable energy program committed $104 million for the period through 1985, to provide capital assistance to approved projects in the forest industry to displace fossil fuels with wood wastes. Projects which have been approved in many parts of Canada will displace fossil fuels equivalent to about three million barrels of oil per year. Some projects will displace imported oil at an estimated saving to the federal government at the current level of compensation of $53 million in the first year after the approved projects are completed. Related spending by the private sector in Canada will be about $105 million. This is just the beginning. The government has already stated a strong commitment to renewable energy. And the benefits, particularly in displacing imported oil, are now beginning to emerge.

Let me give you a specific example of how the government has committed itself to the development of renewable energy technology. I have in mind the example of solar heating. I should like to quote from an address given by the Minister of Energy, Mines and Resources (Mr. Lalonde) to the Canadian Solar Industries Association on September 30, when he said:

> We need a strong, growing and healthy solar industry, a solar industry that can produce a Canadian product for Canadian conditions. That was, and remains, the purpose of the federal government's purchase and use of solar heating program. I want to assure you this will continue to be an important mainstay in developing a short-term market for solar equipment.

The minister, of course, was referring to the federal government's $125 million solar purchase program.

To demonstrate further the commitment of the federal government to develop solar heating technology and a Canadian solar industry, the minister announced, on September 30, a new federal government initiative. To accelerate the development of solar hot water technology, a new demonstration program involving a thousand units at an estimated cost of $5

million will be undertaken. The objectives of the program will be to demonstrate large-scale deployment of solar domestic water heating systems, to establish the preliminary economies of scale, to identify more precisely the reliability and durability of solar heating systems. The minister also amplified the April announcement by the Minister of Finance (Mr. MacEachen), to which the hon. member opposite referred, of changes in income tax regulations which will make solar energy equipment a more attractive investment for industry by allowing fast write-offs for a wide range of active solar heating equipment. These two measures will further promote the demonstration and commercialization of solar heating. Additional measures will be announced on October 28 or shortly thereafter as part of the national energy program. Hence there is indeed a co-ordinated federal strategy for the development of solar energy, and the government plans to publish this strategy once the consultative process has been completed. We believe there is a great opportunity to build a Canadian solar industry, partly so that Canadians do not need to buy foreign-designed solar equipment from foreign-controlled corporations.

• (1730)

We realize we cannot look for dramatic immediate pay-offs from our investment in an emerging technology such as solar heating or in the demonstration programs sponsored under the federal-provincial agreements on conservation and renewable energy. It would be wrong to embark on such pioneering programs without a realistic sense of the time required to see the results or the difficulties they are likely to experience. But it would be equally wrong to under-estimate the specific contribution they can make over time to our efforts to substitute away from oil.

We believe there may well be good opportunities to make early use of renewable energy forms in remote locations. The urgency of the national effort to substitute away from oil is such that we do not believe any opportunity should be neglected. Some renewable energy forms will be particularly attractive in areas not now serviced by natural gas or hydro electricity.

These are important developments. However, before solar can be commercialized it must be shown to be credible. The public must be convinced that the systems we are developing are reliable. We must remember that solar projects must compete with other technologies such as wind, biomass, energy conservation technologies, geothermal and so on. Before solar heating can be acceptable to the public, there needs to be adequate consumer confidence, a subject the hon. member touched upon. The government is continuing to work with the Canadian Standards Association to develop a standard for domestic water packages. But the public will require tangible evidence when they are in the market for solar heating products. That is why a warranty program is so important, and that is why the government is encouraging the Canadian Solar Industries Association to play the lead role in formulating an industry-wide warranty program.

The government is determined to ensure that the solar industry remains a Canadian industry. In the case of solar, there is rapid technological change. Today's technologies may be superseded by second and by third generation technologies. It will be up to Canadian industry to adapt to change and to seek new ideas and new markets in the face of this world-wide search for ways to capture efficiently the sun's energy.

The bill before us proposes to establish a new institution. One of the objectives is to publish information relating to renewable energy. However, there are already a variety of publications readily available which describe these policies and programs of the federal government. One is called "Energy Update". It provides an overview of the energy situation and government activity in renewable energy. Another, called "New Energy, New Opportunities", describes new government programs in renewable energy in considerable detail.

I would like to touch upon some of the objectives of the new corporation which the hon. member opposite has proposed in his bill. On standards, objective (a) in his bill, the proposal is made for increased standards development. As I have already noted, energy, mines and resources is already working very closely with the Canadian Standards Association and the National Research Council on the development of standards for solar heating equipment. Energy, mines and resources is already collaborating with Canadian Solar Industries Association on the development of warranties for solar heaters.

On testing of new energy technologies, objective (b), energy, mines and resources is sponsoring work by a number of agencies, for example, the Ontario Research Foundation on the use of alcohol fuels in diesel engines, and research work by CANMET, the Canadian Centre for Mineral and Energy Technology, on the testing of wood appliances. Also, the National Research Council has recently funded a new solar test facility at the Ontario Research Foundation.

There are a number of other points in the hon. member's bill which either duplicate activities already being conducted by the federal government or anticipate tasks which will be undertaken by the new alternate energy corporation. I remind the hon. member that in the Speech from the Throne he will find a clear commitment to the creation of an alternate energy corporation. He is probably aware that since the Speech from the Throne, some $20 million has been allocated for the start-up of the new corporation. In the initial period, support for its activites will be provided by Petro-Canada, pending the stage at which the new alternate energy corporation will be able to stand on its own feet.

This new corporation will have a mandate to provide the essential support needed to move renewable energy technologies beyond the demonstration stage into wider commercial use. It will reinforce private sector purchase activity by joint ventures, share purchase and by offering other assistance in the commercialization and marketing of renewable energy technologies.

Of course, there will be some scope for a direct role in research and development and production of renewable energy, but the main emphasis will be on support and encouragement

for young Canadian firms in the private sector. Such firms will then have a partner of substance with much needed financial and general business strength. So as firms exploiting renewable energy move toward commercialization of solar, wind and biomass energy technologies, we foresee the corporation playing a strongly supportive role.

In conclusion, the National Research Council, the Department of Energy, Mines and Resources and the new alternate energy corporation will all be important and aggressive actors in the development of renewable sources of energy. Their efforts will be carefully and strongly co-ordinated with other new energy policies to be announced next week. With a strong and coherent energy policy, therefore, the additional corporation proposed in Bill C-210 is unnecessary. I again thank the hon. member for this opportunity to discuss what is an important issue for all Canadians.

Mr. Mark Rose (Mission-Port Moody): Mr. Speaker, I too am pleased to speak to this bill promoting renewable energy sources and technology by the establishment of a renewable energy corporation. I congratulate the hon. member for Wetaskawin (Mr. Schellenberger) for presenting this bill, despite the fact that it calls for another Crown corporation. I understand his party has some strong feelings regarding more Crown corporations, but he has gone ahead anyway. I congratulate him for his courage.

We in the New Democratic Party have no difficulty supporting the bill in principle. We feel, as the preamble says, that there is no doubt that conventional sources of energy are dwindling at an alarming rate in Canada and throughout the world. To back that up, we have witnessed far fewer oil discoveries both in traditional areas in Canada and in our more remote regions. There is no doubt that our petroleum resources are declining even though we have great riches in other forms of energy.

At the moment Canada has no real, substantial energy policy. In spite of what the parliamentary secretary mentioned in terms of what may come about, at the moment, it is fair to say, we do not have any energy policy other than the traditional one of exporting all our cheap energy resources to the United States as quickly as we can. First it was oil, now it is natural gas. Some agency of government, whether it is the member's proposed corporation or some other secretariat or commission has to be charged with the job of co-ordinating the development of new sources, especially in renewable energy fields. The parliamentary secretary says that a corporation of this type will be filling the gap. All of us will be pleased about that, and we look forward to the announcement. My party and I certainly can support the bill in principle, if not every comma or last detail. Indeed, we support enthusiastically the basic principle behind it.

● (1740)

Continued growth in energy consumption seems to be linked inextricably with growth in the economy. The hon. Minister of Energy, Mines and Resources (Mr. Lalonde) still believes this is true, I think. The minister knows there is growing opinion that the link between continued growth in energy and growth in the economy need not be made.

Sweden, Denmark, the United Kingdom and the United States have all produced studies to this effect, even within the nuclear establishment which is generally opposed to renewable energy. These studies have come to be regarded as milestones. I will mention a couple of them. For example, I speak of "A Low Energy Strategy for the United Kingdom" by Gerald Leach and the study on energy future prepared by the Harvard Business School in the United States. Those are only two which show that we probably do not always need to think of growth in energy use running parallel with growth in the economy. There are newer ways to look at it.

The thought that we cannot easily reduce our energy requirements by as much as 40 per cent without economic disruption is a mistaken belief. I think we can.

While ministers have made certain noises, tokenistic ones in my view, about the need for energy conservation—and I will outline and document this later on—the government is ignoring the real potential of an off-oil policy or an energy saving policy.

It seems to me the government is constantly preoccupied with the supply side, with punching more holes in the Beaufort Sea bed when there are many more gains to be made without risking our environment. We could put substantial sums into conservation. For instance, the United Kingdom, Sweden, Switzerland and West Germany, all highly industrialized nations, with economies working reasonably well, consume 50 per cent less energy per capita than we Canadians do. Japan and France consume two thirds of what we do. Japan and France too are highly industrialized countries but they make greater use of conservation measures than we do. These countries have developed sensible energy policies years ahead of Canada. No one can dispute that. While we may be very rich in energy resources, Canadians continue to be the energy gluttons of the world. I think the party is over now. We cannot continue on this wasteful path for much longer.

People do not want energy, Mr. Speaker. They want what energy provides, namely, heat, light, transportation and communication. Perhaps these ends can be met better by an over-all decrease in energy consumption or simply by increasing the productivity of each thermal unit of energy consumed.

The notion of self-sufficiency in oil is unrealistic unless we improve our energy efficiency. Indeed, Canada was self-sufficient in oil until 1975. But because of increased consumption and only one recent substantial oil find, we are no longer self-sufficient.

The process of improved energy utilization begins with very simple measures. We can improve the thermal design and locations of new houses, offices and factories. We can increase the insulation and employ heat recovery methods, such as heat exchangers in existing dwellings. We can increase the efficiency of appliances and furnaces—something which manufacturers and oil companies are loath to do. We can further improve gasoline mileage by building lighter vehicles and using more

efficient engines. We can generate electricity through industrial waste heat. And, as Iceland does, we might do a lot more with district heating. For example, why have one furnace in every home, or apartment building—when one large furnace could heat whole districts? Whole districts can be heated. While we do not have the sources of geothermal heat that Iceland does, a cheap source of energy for them, certainly, we have other sources of heat supply which we could use and spread around throughout districts. In Canada only universities and large institutions have district heating.

About 50 per cent of the housing which will be used in the year 2000 has not yet been built. If Canada is really serious about energy conservation and efficiency, we have to investigate other methods, such as district heating. We need not be confined to oil or geothermal. Other countries are developing different thermal fuels, but in my view Canada is not.

The Gulf Tower in Calgary, a highrise office building, has a tremendously efficient system. It probably uses one fifth of the energy needed for other Calgary office buildings. Methods can be found. If you can decrease by 80 per cent the energy needed for space heating and replicate that over and over as new buildings are built, that is a much more sensible approach than continue the energy binges we have been on for years and years.

We have not encouraged efficiency, but we should. The cost of improving energy productivity and efficiency is relatively modest, while the benefits in increased savings in energy, not to mention the jobs that could be created in alternative energy industries, are immense. It has been said many times that the cheapest barrel of oil is the barrel that we can save. One hears that statement day in and day out whenever one talks to people involved in energy, even government people or people from NRC or EMR. However, we do not see this theme translated into positive programs. There are the pilot programs, certainly, but there is no real push or a battle to try to build more efficient buildings through changes in the building code, for instance. We should be looking at approaches of the kind I have just outlined. If the energy corporation that is contemplated in the bill can help do this and get us moving faster, then I think we can support the bill.

Biomass, solar, low-head hydro and wind all have futures as possible energy sources. We have not yet scratched the surface on the supply side. We are told that with appropriate design, passive solar coupled with insulation can save 85 per cent of the space heating costs and hot water costs in homes. I believe there is only one place in Canada—I believe it is the city of Brantford although I am not certain—which has a solar subdivision where the locations of houses are so arranged that each one has light and an opportunity to absorb as much of the solar heat as possible. That sort of project is not yet in full swing, and it will take a long time, I agree.

However, biomass already supplies 3 per cent of Canada's energy needs. That is about as much as what nuclear does. Of course, in Ontario the mute proportion is much larger, since few other sources are available and nuclear has been overbuilt.

As I see it, the major impediment to the more widespread use of renewables is attitude that we tend to subsidize certain kinds of energy components and not others. We subsidize the nuclear industry tremendously.

Mr. Crosby: There are others to be heard!

• (1750)

Mr. Rose: The hon. member should not worry about it; I will give him plenty of time. I am going to talk until one minute to six because I do not want to talk the bill out. I will give the hon. member one minute to make his remarks.

I think there is probably a good deal more we can do here, but renewables do need support. The alternative energy industry needs a great deal more support than it has been getting in the past. The parliamentary secretary mentioned what has been done in the last five years. When was the energy crisis, anyway? It was more than six or seven years ago, and what we have done in the last five years is extremely modest and nothing to shout about in my opinion. We have, however, made a start.

I have just returned from a tour with the alternative energy committee task force. We toured western Canada and central Canada and took some trips abroad as well. We also went to northern Europe. We are able to see a great many things. I would like to mention some developments which are occurring in such places as Sweden, Ireland and Iceland. The hon. member should certainly be interested in hearing about that in some detail, even though it might take a little time. I would be very pleased to relate some of my experiences in those exotic, out-of-the-way and non-Canadian places.

Let us first deal with the situation in Canada. The committee found that the provincial governments are showing little or no interest in alternative energy. We visited the capitals of Quebec and Ontario and the four western provinces. Not one of those provinces expects renewables, except hydroelectricity, to provide much more than 2 per cent, 4 per cent or maybe 5 per cent of its total energy needs by the year 2000. That does not sound to me like any great enthusiasm or push on the part of the provinces for much more emphasis on renewables. Provinces could use more renewables and still use more total energy, in which case the percentage dependence on renewables would not change very much. I understand that. We could still be employing a good deal more effort, but I do not think those provinces seriously feel that renewables are viable at the moment. And they may not be; I do not know, but I can give some figures from Ontario. In its book called "Energy Security for the Eighties, a Policy for Ontario" the province of Ontario says it expects that the renewables, including energy from waste, forest, industrial by-product heat, solar, wind, wood, direct burning, liquefaction of coal to gas and that sort of thing, will amount to only 5 per cent of the total energy budget needs of the province by 1995.

If we take that 5 per cent and apply it to a year, it amounts to ten days, so Ontario does not expect renewables to amount to much. Looking at investment figures, it appears that

Ontario plans to expend some $16 billion on renewable energy by 1995. This is on page 14 of the same publication. When asked where Ontario will get the money and whether it is a budgeted amount, the officials we spoke to said that they expect those funds to come mainly from private sources, so there is no push on the part of the Ontario government. Neither is there on the part of the other governments much enthusiasm for a big start, a big bite into renewables. Enthusiasm for renewables just does not exist, and anyone who thinks it does is kidding himself. It is not happening here in Canada at all. I do not care what kinds of noises are made. I do not care how many big million-dollar ad campaigns are floated. It is not happening, and I do not think it will happen unless people start becoming alarmed and are made aware of the fact that Canada has no strong program to develop and implement large projects based on renewable sources.

I will give some comparisons. The same is modest expectation true in all the other provinces. We wondered why there was so little interest. The committee really wondered. It looked around and visited various places, and all the officials were very co-operative. But why was there no interest? What is the matter? Why is there so little interest in biomass, wind, water, sun, ethanol or forest waste utilization? Does no one believe there is an energy crisis? That is a possibility because we have been fooled so often. Is there no leadership from Ottawa? That is another possibility. There is probably a bit of cynicism on both those points because we have been fooled so often. My constituents believed there is no energy crisis at all, and all there was was a scare campaign on the part of oil companies in an effort to get prices up. I do not believe that, but I think it is the prevailing view out there, and it seems to me this attitude is what is holding back the development and acceptance of renewables by the general public.

Look at what Ottawa is spending this year on energy research and development. The parliamentary secretary made reference to what Ottawa is spending. The total spending for conservation measures and research and development in this country by EMR this year amounts to $12 million. The total spent on all renewables in this country by EMR is $20 million. The same publication lists total spending on nuclear of $104 million. We can see where the priorities lie. They are where they have always been. Money is being spent on fossil fuels. It is also spent on subsidizing oil wells and gas drilling and tar sands developments, but it is not being spent on renewables. I am not suggesting research could absorb it all anyway, but a pitiful $12 million is spent for conservation R and D, $20 million is spent for renewables, when $104 million, if not more, has been spent in each of the last ten years on nukes. That is where Canada's energy priorities lie. They do not lie with the renewables at all.

The *Financial Post* says we need to spend much more on research and development. On October 18, there was a whole editorial headed "Ignore Research and Development at our Peril". The editorial says that in 1967 we were spending 1.4 per cent of our gross national product on research and development, and now we are spending less than 1 per cent. Is that progress? We are going backwards in this regard. Where do we need the research and development? We need money spent on research and development into energy sources and especially renewables.

We might compare—

Mr. MacLaren: Mr. Speaker, I rise on a point of order. I apologize to the hon. member opposite for interrupting, but I would be interested if he would care to cite his authority for the numbers which he just gave. In fact, total federal expenditures on energy conservation during fiscal year 1978-79 exceeded $82 million. In addition, provincial governments spent an estimated $13.5 million, bringing the total for the year to something close to $100 million.

The Acting Speaker (Mr. Blaker): Order, please. Hon. members should recognize that the clock moves on. I know the parliamentary secretary is aware that technically speaking that is not a point of order, but I will recognize it for what it is, a question, and I encourage the hon. member for Mission-Port Moody (Mr. Rose) to deal with it as he sees fit, but to recognize the clock as well.

Mr. Rose: Mr. Speaker, I would certainly be delighted to do that. Perhaps the parliamentary secretary chose three years and added them all up. I took EMR 1980-81 budget for R and D, and my source was the brief to the parliamentary task force for alternative energy and oil substitution by the Department of Energy, Mines and Resources. I recommend that to the parliamentary secretary for his long winter bedtime reading.

I cannot go on too much longer with this, but there is a great deal more that needs to be said. Let us say that compared with other countries such as Sweden, Canada is spending about one-fortieth as much on conservation and research and development. We have not looked into all alternatives. We have not developed the procedures we need, and we had better start doing so because, as I said earlier, the party is over. Let us get this business of renewables on the rails and start moving on it. Let us stop kidding the public that we are doing a lot more than we are.

Mr. Howard Crosby (Halifax West): Mr. Speaker, let me say that I support Bill C-210, to promote the use of renewable energy. I congratulate the hon. member for Wetaskiwin (Mr. Schellenberger) for bringing this very important matter to the attention of the House.

I wanted to take a little time to explain to the House our situation in Nova Scotia. I wanted to explain our developments in tidal power. I am sure the hon. member for Cape Breton-The Sydneys (Mr. MacLellan) wanted to tell us about the development of fossil fuels.

● (1800)

We lost that opportunity because the time in the private members' hour has been occupied. But the hon. member for Mission-Port Moody (Mr. Rose) gave us one important lesson in the matter of renewable energy in his intervention: that he has a solution. The hon. member and the NDP have a solution

for the renewable energy problem in Canada. It is hot air, Mr. Speaker. The hon. member is full of hot air, his party is full of hot air, and if we could harness that hot air, we would solve the renewable energy problem in Canada. So I will not have an opportunity to talk about tidal power and we will not have an opportunity to talk about the fossil fuel development in Nova Scotia. What we can say is that we support the bill and we hope it will soon come to a vote.

The Acting Speaker (Mr. Blaker): The hour provided for the consideration of private members' business having expired, I do now leave the chair until 8 p.m.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

THE CONSTITUTION

ESTABLISHMENT OF SPECIAL JOINT COMMITTEE OF THE SENATE AND HOUSE OF COMMONS

The House resumed consideration of the motion of the Minister of Justice and Minister of State for Social Development (Mr. Chrétien):

That a Special Joint Committee of the Senate and of the House of Commons be appointed to consider and report upon the document entitled "Proposed Resolution for a Joint Address to Her Majesty the Queen respecting the Constitution of Canada" published by the government on October 2, 1980, and to recommend in their report whether or not such an address, with such amendments as the committee considers necessary, should be presented by both Houses of Parliament to her Majesty the Queen;

That 15 members of the House of Commons to be designated no later than three sitting days after the adoption of this motion be members on the part of the House of the Special Joint Committee;

That the committee have power to appoint from among its members such subcommittees as may be deemed advisable and necessary and to delegate to such subcommittees all or any of their powers except the power to report directly to the House;

That the committee have power to sit during sittings and adjournments of the House of Commons;

That the committee have power to send for persons, papers and records, and to examine witnesses and to print such papers and evidence from day to day as may be ordered by the committee;

That the committee submit their report not later than December 9, 1980;

That the quorum of the committee be 12 members, whenever a vote, resolution or other decision is taken, so long as both Houses are represented and that the joint chairmen be authorized to hold meetings, to receive evidence and authorize the printing thereof, when six members are present so long as both Houses are represented; and

That a message be sent to the Senate requesting that House to unite with this House for the above purpose, and to select, if the Senate deems it to be advisable, members to act on the proposed Special Joint Committee.

The Acting Speaker (Mr. Blaker): When the debate was interrupted at five o'clock the hon. Minister of Transport (Mr. Pepin) had the floor. The Chair will now recognize the hon. member for Dartmouth-Halifax East (Mr. Forrestall).

Mr. J. M. Forrestall (Dartmouth-Halifax East): It was a very enlightening experience for me, this October 21, to sit in my place and listen to the Minister of Transport (Mr. Pepin), the very distinguished co-chairman of the committee which in the initial stage looked at the events which led up to the—I think, sometimes, innocuous—procedure which is being followed by the present government with respect to our constitution.

I say at the very outset to the minister, through you, sir, that having followed the hearings and events which surrounded the Pepin-Robarts commission, and as one who was somewhat involved in previous measures, movements and studies by government of some significance to this country, together with others, I was not alone—not alone in this chamber, not alone in the other place, not alone in this country—waiting to hear the minister tell us how in hell he was going to swallow what it was that Trudeau was trying to stuff down his throat.

With some respect, I say that the minister did a remarkable job, first of all, of swallowing himself, of telling us what we already know, what we already accept in all corners of this House, which is that the content of what we are talking about is generally acceptable. He told not only those of us who sit in the opposition; he told the people in his own back benches as well. I watched the 12 of them who were gathered around behind him, in line with the cameras, applauding loudly. I also noticed several of his colleagues not bothering to applaud.

I have a lot of respect and a lot of time for the contribution the Minister of Transport has made to this country in a variety of responsibilities. He has a good intellect, one which Canadians should pay attention to, and if the Prime Minister (Mr. Trudeau) is a Canadian he, too, should listen to him. I wonder whether he will bother to read the message left by the minister, who is a very distinguished scholar and Canadian, on this particular question. I disagree with the minister when he said, by way of excuse, that it was political prudence that would lead him to support the proposals that are in front of us. I wonder what his colleague, Mr. Robarts, would think of that, Mr. Speaker.

● (2010)

As was the case with other hon. members, I enter this debate with considerable concern, a concern which arises from what I understand to be the implications to the Canadian partnership which are inherent in the proposal that is before us. The subject matter that is raised in this motion to establish a joint committee to discuss the content of a joint address to Her Majesty the Queen concerns not only myself, but I am sure, many other Canadians.

One of the first points I want to make is that this government and its supporting bureaucracy in dealing with this matter are fully aware, as are all of us here, that the vast

majority of Canadians will not closely follow this debate. They have other things to do. They have families to raise, other business, social, human and personal commitments, and they will not closely follow the details of these discussions. Therefore, it is incumbent upon us in dealing with this aspect of the measure which is before us to try to indicate to Canadians—in my case to the people of Dartmouth on the eastern shore of Nova Scotia—as it is our responsibility, some of the dangers which are inherent in what is proposed.

In the next few minutes I hope I can in orderly fashion deal, albeit superficially, with some of these matters. It is important to patriate the constitution; there is no question about that. Along with all who have spoken, I too express very sincerely my support for a strong central government. There is nothing new about that; it was expressed in 1867, 1864 and even prior to that. I support this notion in some kind of spirit of true partnership, a true partnership with strong provincial governments.

These concepts are not in conflict. Indeed, there cannot be such a conflict in our system and under our structure. The conflict arises only when one, the predominant partner—and I say to the Minister of State for Mines (Mrs. Erola) that that is not chauvinistic—attempts to impose upon the other, as the Minister of Transport put it this afternoon. His concern is that we are imposing. This concern is not with the content but with the procedure and that is what I am saying. There can only be conflict when the senior partner in this historic and traditional partnership deliberately and unilaterally imposes its strength and its will on the junior partner.

We have conducted our affairs in this country, not for 113 years, but for virtually 200 years under the British Crown. Is Canada such a bad place? Are we not well off?

Mrs. Erola: We could be better off.

Mr. Forrestall: Mr. Speaker, the minister says that we are a good country, we are well off but we could be better off. They were saying that in 1854, in 1858, in 1864 and we are better off. There is nothing wrong with what we are now, and we have done it all under the British Crown. My objection to the position and the process which we are now forced to follow and probably will be forced to bow to because of the weight of the government majority, is simply to the procedure, not the content. The government is wrong. It will destroy this country and it will destroy it knowingly and willingly with no regrets whatsoever. If the hon. members opposite want my conclusion now, I can tell them what it is and sit down.

An hon. Member: Don't keep us in suspense.

Mr. Forrestall: That would be the typical retort or response of a backbencher, supporter or trained seal. The Parliamentary Secretary to President of the Privy Council (Mr. Collenette) this afternoon in one of the most scurrilous attacks on the opposition I have heard for a long time in this chamber suggested we were wasting the time of the House in this debate. It is rather interesting that the government backbenchers themselves, out of a sense of attempting to achieve some vague level of glory, have spoken more frequently than the opposition parties put together. Why is that? Who is delaying the debate? In any event, nobody can delay this debate.

If every member in this chamber wants to get on his or her feet and speak to his or her country then, by God, it is their right, and no Speaker sitting in that chair, no prime minister of this country and no government, no matter what their intent or their end purpose, will ever change that. The moment it is changed, we will not have a Canada. I suggest to my colleagues from Quebec that they sit up and listen and turn around because I might just be what they would like to attack, but I am not. I have spent 25 years in public life. I can say that Quebeckers have not had the courage to travel to western Canada, to northern Canada—

Some hon. Members: Oh, oh!

Mrs. Hervieux-Payette: We have been there more often than you have been to Quebec.

Mr. Forrestall: I gather that is a rejection of what I had to say, and I apologize, obviously, they all have, and they will not have a question of privilege or a point of order.

[*Translation*]

Mrs. Hervieux-Payette: Mr. Speaker, I rise on a point of order. I should like to remind my hon. colleague that as MP for Mercier I visited the west four times this year. I went to Edmonton, three weeks ago, I went to Calgary, I went to Vancouver; I would ask the hon. member to kindly retract his remark.

[*English*]

Mr. Nielsen: Come up and see me in the Yukon sometime.

The Acting Speaker (Mr. Blaker): Order, please. I am not sure whether that constitutes a valid point of order or whether it is a point of debate, but in either case the hon. member for Dartmouth-Halifax East (Mr. Forrestall) had already retracted the comment. So I think we might recognize again the hon. member for Dartmouth-Halifax East, unless the Minister of State for Mines (Mrs. Erola) has a point of order.

Mrs. Erola: Since the hon. member has retracted his statement, I should really withdraw mine as well, but I would like to bring to his attention the fact that I too have on a number of occasions this summer been out west, from Yellowknife to British Columbia to Calgary. I have enjoyed each visit and I am looking forward to further visits.

Mr. Chrétien: I suppose I should make the same point.

Mr. Forrestall: Mr. Speaker, I am intrigued by the indignation of the members opposite, because if they have travelled so much in Canada why do they not understand what they are doing to this country?

Some hon. Members: Hear, hear!

Mr. Forrestall: If they have been west, north and to Atlantic Canada, then they should know that they are tearing this country apart. They are trying to impose upon us something which we do not want. They are trying to impose upon us a procedure which is abhorrent to us.

● (2020)

I am not one of those in this country who is a great defender of the Crown but I am one of its greatest exponents when it comes to the system of central government that we enjoy. I will not stand idly by and watch the Prime Minister, with the blind support of hon. members opposite, impose unilaterally measures which the people as a whole will accept only if they are debated and agreed upon in this country.

How can anyone say that they want to end this era of colonialism that has been referred to—it has been referred to in different tongues in different parts of the country—how can anyone say they want to bring an end to things as they are, that they want the constitution in Canada while at the same time bootlegging by way of the back door significant and substantive proposals and measures which are not the subject matter of wide dialogue and widespread requests from the people of the country? On what basis do hon. members opposite feel they can toy with the sentiments of western Canada or the sentiments of Newfoundland? I am sure all hon. members who are interested in this debate watched the premier of the province of Newfoundland on television.

Some hon. Members: Oh, oh!

Mr. Forrestall: Hon. members opposite laugh at him.

An hon. Member: Yes.

Mr. Forrestall: Where is the hon. member for Gander-Twillingate (Mr. Baker)? Where is the minister from Newfoundland? It is a good thing those two gentlemen are not in the chamber because that is who members opposite are laughing at. They are laughing at Canadians.

An hon. Member: Sit down!

An hon. Member: Resign!

Mr. Forrestall: Resign? Me? Ha! Long before I resign, sir—

An hon. Member: You accept?

Mr. Forrestall: Long before I resign you will know that you are going to fight this to the death, because I will not permit you to act unilaterally.

An hon. Member: That is beautiful!

Mr. Chrétien: That is your motion tomorrow.

Mr. Forrestall: Bring home the constitution. Bring home the agreed-upon formula. But do not shove down the throats of Canadians amendments made to their constitution in the British House of Commons. If the Prime Minister believes that the British House of Commons will look only at the title of the joint address, then I suggest those who support him in this belief are blind and have not researched the matter. They are acting only in blind support of the Prime Minister.

Some hon. members opposite have spoken with compassion for this country and with some understanding of it. Those of you who know me, know what my roots in Quebec are and I am proud of them—a little more proud than might be suggested by some of the laughter and jests from the other side of the chamber. But I expect that and accept it, Mr. Speaker.

I implore hon. members opposite not to let this country fall apart as a result of their acting unilaterally. We are close to agreement among the provinces on an amending formula—we are very close. We are not far apart, as the government's damnable, inexcusable advertising program would suggest. This country is not divided, although the government is trying to tell us that it is. They have shoved this view down our throats for years. But we are not divided, Mr. Speaker. This is a good, close-knit, close-working country. No one seriously objects to the principles that are embedded in this resolution but they can certainly object to the procedure. It is being done illegally, by way of the back door. I agree with some of the proposals and with some of the positions taken with respect to various premiers. If anyone wants my frank opinion, I think they were fools to go to the Supreme Court of Canada. This is a political argument.

Some hon. Members: Hear, hear!

Mr. Forrestall: After some hon. members opposite have spent 25 years in public life they can then come to me and talk about it. I wonder if they know what it means to struggle. I listened to the distinguished new member from Prince Edward Island, the Parliamentary Secretary to the Minister of Fisheries and Oceans (Mr. Henderson) speak of his early years in this country and his love and dedication to it. It was a good speech for a new member. I invite him to look around and get to know other hon. members who represent all the people of this country. Listen to them, please.

Mr. Henderson: I have.

Mr. Forrestall: No, you have not.

An hon. Member: You have turned a deaf ear.

Mr. Forrestall: The hon. member has turned a deaf ear. He has denied everything he said this afternoon by his blind support of unilateral action. This is a country of partnerships and I should like to speak about that for a minute or two. I will deal with two areas.

The other day I listened to—or, perhaps more correctly, I should say read, because sometimes reading is more important than listening—the speech of the Minister of Finance (Mr. MacEachen), a distinguished Nova Scotian, and I have one or two comments to make about his intervention in the House. I want to touch briefly on the question of equalization as the parliamentary secretary did this afternoon. I am not yet

convinced, and probably never will be, of the sincerity of the minister's argument because I do not believe he fully subscribes to the principle. During his intervention he reiterated his support, and presumably that of his cabinet colleagues, for the principle of equalization. No one can really question that, of course. The action of governments from those of Mr. Diefenbaker to Mr. Pearson, to the Leader of the Opposition (Mr. Clark) and the Prime Minister, have demonstrated the protections that we need. Their actions regarding equalization have been what the country wanted. There is no question about that. What I do question, however, is how the Minister of Finance could conceivably support the wording of the proposed reference to a joint committee of the two Houses of Parliament. I do not understand how he can allow such a worth-while practice to be broken down in a manner that would allow the government to use the principle of government-to-people, direct transfers, to satisfy the principle of equalization. I do not know how he can accept wording that would lead to the kind of conflict and abuse that is possible. That wording is unacceptable and is wrong.

The Minister of Finance has a long history of great contributions to this chamber and to the country but his acceptance of what is going on now defies the wildest imagination of Nova Scotians or Atlantic Canadians or, indeed, any Canadian who bothers to examine the situation. Yet he has accepted it. Why he would not prefer wording that would require the purpose and intent to be effected through appropriate provincial legislation instead of around them or over their heads, I just do not understand. In public and in private, its integrity should be defended by such a proposal. With respect to the minister's second point, he directed his comments to the question of offshore resources. Along the same lines, the argument or the debate centres on ownership. In this regard, I not only find myself in continuing disagreement with the Minister of Finance (Mr. MacEachen), but as well with the Minister of Labour (Mr. Regan) and other members of the government.

● (2030)

While the prospects of short-term financial gains under the proposals of this government are attractive, it is the long-term prospects and concerns which attract my attention. Implicit in the Minister of Finance's intervention in this debate—and I cannot imagine why he did not refer to it—is the decision of the Supreme Court of Canada in the so-called British Columbia reference case. By his silence on the matter last week, the minister left me with the clear impression that he was extending a decision based on one set of facts to cover another situation in another part of the country surrounded by a different set of facts.

For the minister to rely on this ploy is out of character. At worst, he implied that the decision extends to the waters adjacent to Atlantic Canada, referring to the process which led to the court decision respecting the B.C. reference. He knows the language of the British North America Act. He knows what section 7 says, namely:

> The provinces of Nova Scotia and New Brunswick shall have the same limits as at the passing of this act.

That is a very simple but meaningful statement. The British Columbia reference led the court to a conclusion based on the historical facts leading up to British Columbia joining confederation. These historical facts do not reveal, in any research that I and others have done on the subject, any conferring by the British Crown of rights with respect to the sea, the seabed and the resource, that is the sea and the seabed, which under international law at that time and subsequently it was the clear right of the British Crown to extend.

With regard to Nova Scotia and Newfoundland, the record is very different. In our case, the British Crown did extend rights which were clearly theirs to extend to governments or administrations of the day. Perhaps it would serve the minister and, in turn, Nova Scotians and others well if the minister were to re-read our history, although I am sure he does not have to do that. He might do worse than begin with the intervention of the Hon. G. I. Smith of the other place on this question as recently as July 10 of this year. My purpose is to express to this House a determined belief that the resources offshore in eastern Canada belong to Nova Scotia and Newfoundland. Quebec certainly holds the same view and Prince Edward Island and New Brunswick are entitled to that view. From every quarter we hear of growing involvement between Quebec and Ottawa and the producing provinces of natural gas.

I raise this final point to try to impress upon hon. members some of the concerns we have over unilateral action. I raise it in the context of resources offshore. In my opinion, there is little doubt that officials in the two capitals have already decided that Gros Cacouna will be the location of a new petro-chemical industry using eastern Arctic gas and oil as well as the gas and oil of Nova Scotia and Newfoundland. We in Atlantic Canada will become nothing other than pipeline caretakers if we do not own the resources affected. Federal ownership will dictate the form and location of an industrial base arising out of these resources.

We had hoped this could have been done in a spirit of co-operation. Obviously it can no longer be done that way. However, for Nova Scotians and Newfoundlanders, one of our great tasks will be to protect this resource. It is clear that our Atlantic ministers—the Minister of Fisheries and Oceans (Mr. LeBlanc), the Minister of National Revenue (Mr. Rompkey), the Minister of Finance and the Minister of Labour—have lost their argument in cabinet. They have let us down.

Talks have taken place between officials of the province of Quebec and the producing provinces which indicate that east of Quebec gas would not be included for energy security, backing up oil. Rather, it will be to create the initial base for an industrial complex based upon gas and oil. That industrial base, if allowed to go ahead the way it is, will characterize this government's attitude with regard to the four Atlantic provinces.

This is a good country. The subject matter of this resolution gives me very little difficulty though I disagree wholeheartedly with the unilateral way in which the government is acting. Since we are so close to unanimity among the provinces and

the federal government on the amending formula, why deny us the time? Some members opposite say it is not a question of time, but that it is about time. Watch them all applaud. Silence. I caught them in their own act. Why can we not have a little more time?

I said earlier that it was wrong for the provinces to go to the courts, but the Prime Minister has forced them to do that. I wish they would have said: let us have patriation with an agreed-upon amending formula. Then we could have had a debate we could all understand instead of muddying the waters with detail.

We are asking the British Parliament to deal with matters we will not deal with ourselves. That is wrong and I object to it. As an Atlantic Canadian and as a Nova Scotian, I say the government is going about this the wrong way. They are sowing the seeds which will tear this country apart. Do you not know Newfoundland? If you did not listen to the premier of that province last night, I suggest you obtain a transcript and read it, because he was serious. The premier of the province of Alberta did not just put through the matter of a referendum just willy-nilly, and if you think you can fight that, you are wrong. You are addressing yourselves to a break-up of this country.

Some hon. Members: Oh, oh!

Mr. Forrestall: What would you know about it? Why do you not go there and find out? What the hell would you know about it? Go out there and find out. Go out to Fort McMurray and into Tyvan, Saskatchewan and ask the wheat growers. Go to Ecum Secum. Stand on the wharf and see what the people think of what you are doing. Go to Lloydminster. Go to Vegreville. Go into the valleys of British Columbia. Go into those magnificent mountains. Go and find out. Hon. members over there are supporting a leader who is sowing the seeds of destruction of a way of life in this country. The British Crown that you fellows so deride has not served us badly for 200 years—not 53 years, but 200 years.

• (2040)

Let us get agreement and let us proceed by way of agreement, not by way of confrontation or fighting or argument. Why divide and conquer a country that wants to get on with living and working, providing for its families and providing for national and international security?

This matter before us is important. It is important to all of us. Our blind following of the dictates of a man who wants to be prime minister of a unitary state, a man who wants to be president of his own republic, will lead only to dissension and division. As I mentioned earlier—and this is especially for the Minister of Transport, the distinguished co-chairman from our committee—to suggest to those who know him that he has decided, to support this measure because it is politically prudent, is a position that is not acceptable to me. I say to you, Mr. Speaker, that the longer this debate goes on, the more often and the more frequent hon. members opposite will hear their constituents voicing their objections to the unilateral action they are so blindly supporting.

Hon. Erik Nielsen (Yukon): Mr. Speaker, I could say, along with most members who have participated in this debate, that I am happy to be taking part in it. But I am not going to say that. I am not going to say that for much the same reasons as the hon. member for Nunatsiaq (Mr. Ittinuar) expressed earlier this evening.

I come from a region which has been denied a voice, denied a voice at the table and, until now, denied a voice in the debate. The spokesman for our party, the hon. member for Provencher (Mr. Epp) when opening this debate was the first to speak of Canadians above the 60th parallel. I want to add that voice to this debate in addition to the hon. member for Nunatsiaq.

It has been the intention of our party to approach the issue of constitutional change in a comprehensive and open-minded manner. That has always been our intention. It has been rendered extremely difficult by the Prime Minister's arbitrary and capricious method of imposing change through the medium of the British Parliament against the strongly voiced opposition of the majority of the premiers of this country. It has been rendered difficult also by his refusal to accept the fact that the premiers have exactly the same rights and privileges in matters under their jurisdiction as he, the Prime Minister (Mr. Trudeau), has in federal matters. They have the same right and responsibility to put forward their views on matters affecting their provinces. It has been rendered difficult, too, by his insistence upon regarding the constitutional issue as a very personal one, one that he is peculiarly qualified to solve—so he thinks—to the point where all those who dare disagree are stigmatized as anti-Canadian. And that has been the tack over there. It has been rendered difficult, too, by the Prime Minister's insistence on creating straw men—putting the premiers in a false position, by setting out the issues in his terms, and in his terms only. It has been rendered difficult, too, by the deliberate attempt of the Liberal government party to mould, to shape and to manipulate public opinion in this country under the guise of legitimate advertising, and embarking on a new era of mind control, the Orwellian 1984 concept.

Since it is my intention to move an amendment this evening, rather than run out of time before doing so, I intend to put it to the House now and then carry on with my remarks. I put this amendment to the House in the hope that it will be accepted in the sense of parliamentary fair play, in keeping with the rules as they used to be before they were altered by the present Prime Minister thus rendering less effective the meaningfulness of this place. I hope it will gain the support of those to my left who appear not to be listening. They might as well be across the aisle for all it matters. From what I hear on the news tonight, they believe they are there. I think, Mr. Speaker, the fix is in and that there will be some kind of perception, some attempt to create the kind of conciliatory process which will allow the public to come away with the belief that the Prime Minister has graciously conceded to the adjurations of the Leader of the New Democratic Party (Mr.

Broadbent). That is a sham and it will come back to haunt them.

An hon. Member: That is democracy.

Mr. Nielsen: That is democratic? Hon. members over there would not know what democratic is or what it means.

The motion I wish to move for your consideration, Mr. Speaker—and you may want to take it under advisement until tomorrow—is:

That the motion now before the House be amended by adding thereto after the sixth paragraph the following:

Notwithstanding any Standing Orders or practices of either House, the committee shall have the power to table a minority report with its main report, and any such report shall be tabled by the committee if signed by three or more members of the committee.

Quite apart from the numerical qualifications in that motion, that used to be our practice in this place. But a few years ago, under the changes in the rules—would the gentleman bring back the copy of my speech please? It is caught under the copy of the amendment.

Some hon. Members: Oh, oh!

An hon. Member: Table your speech.

● (2050)

Mr. Nielsen: Notwithstanding that the present Prime Minister had those rules changed, the fact remains that it used to be the practice in this place that a dissenting voice in committee could be heard. However, under the changes he brought about, they cannot be heard at all, a matter of such importance as this is an occasion when, if there is a minority voice to be heard, it should be heard, and that is the purpose of the resolution.

If they are not out to gag us and if they are not out to preclude another point of view being heard, there will be no difficulty over there and certainly no difficulty on my left. I see that the hon. member for Winnipeg North Centre (Mr. Knowles) is in his seat now. He remembers this procedure very well.

Mr. Knowles: No, I have never heard of it.

Mr. Nielsen: You have never heard of a minority report?

Mr. Knowles: Never heard of it.

Mr. Nielsen: Well, I am surprised.

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

Mr. Nielsen: Certainly. That used to be a custom which seems to have been forgotten in this place, but we always permit questions.

Mr. Knowles: Would the hon. member permit a question?

Mr. Nielsen: Certainly.

Mr. Knowles: Is he not confusing the fact that minority members in committee have made statements outside the House and reports to the press, with what he is now proposing? I do not recall a committee ever having a minority report tabled in the House.

Mr. Nielsen: The committee itself never had the power to file a minority report, but members on the committee had the opportunity to file a minority report.

Mr. Chénier: Now you are confused.

Mr. Nielsen: I am not the one who is confused. It is that hon. member over there who keeps hopping from seat to seat and interjecting and never taking part in debates who I always hear.

In the instrument that is now before Parliament the Prime Minister and his Liberal government are attempting to do something which has never been attempted in this country before and perhaps not in any country at all with a constitutional and parliamentary democracy.

They are attempting unilaterally to rewrite and revise the constitution in a manner decided upon by the Prime Minister and his advisers in the bowels of the Langevin Block in areas—and there certainly can be no argument on the opposite side or to my left—which are definitely as well under provincial jurisdiction as they are under federal. They are attempting not simply to patriate but unilaterally to rewrite and deeply revise the constitution in a manner decided upon by the Prime Minister and his advisers. They are attempting to impose upon all Canadians, regardless of their political belief, a Liberal party constitution created in the smoke-filled backrooms in the bowels of *l'Édifice Langevin*. I know. I have been there, and I know how they operate over there.

An hon. Member: For how long?

Mr. Nielsen: I know where all this nonsense came from.

Mr. Harquail: How long were you there?

Mr. Nielsen: We may not have been there long, and perhaps the people of this country will very soon have cause to regret that we were not there a little bit longer. However, that is where this kind of leaked cabinet document for-ministers'-eyes-only comes from.

When I read this document and studied it, I went back to my copy of "Machiavelli the Prince". I read it and re-read it and compared it. I had two copies of "Machiavelli the Prince". I burned my other one because this cabinet document is the update. "Machiavelli the Prince" is now irrelevant. It has no more meaning because this cabinet document is the update on how to manoeuvre, manipulate and shape public opinion to conform with Liberal policy while it is being made. This is a very, very dangerous direction for the political life of this country to be taking.

Knowing that what they are doing cannot be done constitutionally in Canada, they are going over to ask the British

Parliament to change the constitution for them. They do not have the courage to do it here. They do not have the courage to submit what they are attempting to the scrutiny of public debate here. They are going to the British parliament to do it for them. That is a strange performance for a government which, though constantly reiterating its desire to remove the vestiges of colonialism, places us in the north, as my colleague, the hon. member for Nunatsiaq said today, in a strait-jacket of colonialism where Liberal policy will keep us forever and a day.

The constitution is more than a document. It is more than a scrap of paper. It is the backbone of a nation. Canadians in general have a vision of what this country is and ought to be, and I am convinced that it is not the view put forward by the Prime Minister and the present government. In his discussions with the premiers the Prime Minister spoke of two versions of Canada—his, and that upheld by the premiers. The Prime Minister's version is now embodied in the document placed before the House, and it is a version which enables the federal government to impose its views on all Canadians. We on this side and, indeed, across the country have reiterated the position that no one is opposed to patriation.

Some hon. Members: Hear, hear!

Mr. Nielsen: We think the constitution should come back, but we think it should be brought back unaltered and unchanged, and it should be brought back, the British North America Act, exactly as it has been since 1867.

Some hon. Members: Hear, hear!

Mr. Nielsen: We think that whatever changes are made should be made in Canada by Canadians and certainly through a process of consensus involving the premiers rather than by arbitrary imposition, which is the direction this government is taking.

We are told now that it was only because of a last minute cooling off among the Prime Minister's advisers that there is not included in this document before us a device for the assumption by the federal government of equally arbitrary economic powers. Anyone who witnessed the Prime Minister's performance at the federal-provincial first ministers' conference will not feel any surprise at this information. Nothing could be more disruptive of the state of unity of this nation than the attitude of the Prime Minister, and attitude which has done more to sow the seeds of disunity in this country since he took office in 1968 than any other single force in our history. His idea is to bulldoze—and that is the word for it, bulldoze—his version of confederation into place regardless of those elected to represent the people and the views of the people of the provinces. Mark my words, sir, I fully expect hon. members opposite, led by the present Prime Minister, to impose closure on us in this very important debate.

Mr. Harquail: It won't be necessary.

Mr. Nielsen: The hon. member for whatever says it will not be necessary. I have travelled a few times with him. I have a hard enough time remembering the ridings of my own area.

Mr. Harquail: Tell us what Joe told you to say.

Mr. Nielsen: The member for nowhere. I am speaking about the democratic process in this country, which is something the hon. member should study. If he does so, he might understand it.

What the Prime Minister is doing now in bulldozing his version of his confederation into place is nothing short of an invitation to anarchy. Those are my views and the views which are being expressed by Canadians in the north who, up until this afternoon, have been denied any voice in this debate. The hon. member for Ottawa Centre (Mr. Evans) likens us to municipalities, but he and others like him, including the hon. member who is interjecting now, have their own premiers to speak for them. We do not.

Mr. Harquail: Our premier is with us.

Mr. Nielsen: Regardless of where a premier is at, yea or nay, he at least speaks for the people of his province. Canadians above the 60th parallel were denied that basic fundamental right. Hon. members talk about entrenchment of a charter of human rights to speak, feel and think as we please. We, as Canadians above the 60th, cannot even be heard, and that is what we object to. To be heard is fundamental to any democratic process. We have been denied even that right.

An hon. Member: You are being heard right now.

Mr. Nielsen: I hear an interjection from my left, probably from someone from Saskatchewan. I do not know. It came from over there.

Mr. Riis: Behind you.

Mr. Nielsen: All right. I will let you go this time.

Mr. Althouse: We were listening.

Mr. Nielsen: Nothing could be more disruptive of the state of unity in this country. That goes without saying. The Prime Minister used the constitutional issue to catapult himself to the leadership of his party in the first instance, and he has been flogging the same horse ever since. At the Victoria conference, the Prime Minister would have been delighted to acquire from the premiers present an assurance of constitutional change guaranteeing the right of both languages from coast to coast. He was unable to get their consensus, partly because of resistance in the west but more because of the objections of the Liberal Premier of Quebec who had his own ideas about language rights embodied in Bill 22 of that province. Later it was further elaborated in Bill 101 under the separatist government of Premier Lévesque and had the effect of removing from parents the right to choose the language of education.

● (2100)

I want to say immediately to members from that province, most of whom are opposite, that I have been an advocate of constitutional recognition of language rights since entering this House. I am on record more than once to that effect. The Prime Minister bit off half the apple in the Official Languages Act, which was, as you will recall, sir, the constitutional amendment slipped in under the table but which did not give constitutional authority to the sweeping recognition of languages which he was seeking.

So now he is back with the declaration of rights, through which he seeks to smuggle into the constitution language recognition which he could not achieve in any other way because at this stage it is unacceptable to quite a number of the provinces, including the province of Quebec.

Again I would emphasize that in my own personal view the question of educational and language rights is fundamental. It relates directly to the freedom of the individual and should be recognized in any constitution of this country. At the same time, it cannot be forced down the throats of the provinces without grave danger to national unity. We are discovering it in this debate, we are discovering it in the editorials of the leading newspapers throughout the country, including all of them in the province of Quebec.

Some hon. Members: Oh, oh!

Mr. Nielsen: If the hon. lady wishes to ask a question, I would be very happy to respond. No? I would point out, sir, that the constitution of 1867 provided certain recognition by the Fathers of Confederation, who were signatories of that document as well as of those thereafter, of language and educational rights in the provinces.

As pointed out recently by Premier Buchanan, the Prime Minister and his government have no mandate to make changes in the constitution over the objections of the provinces.

To make changes, as Mr. St. Laurent did in 1949, following consultation and consensus is one thing. To attempt to do so over the objections of the majority of provincial premiers, nullifies, of course, the Prime Minister's own amending formula and, in effect, strikes at the fabric of Canada.

If the Prime Minister has abrogated his sense of responsibility in an unreasoning insistence on creating a place in history for himself regardless of the consequences to Canada, surely there must be some people on the government side who recognize and realize what Canada is all about.

This nation was built on compromise, not revolution; on mutual agreement, not constitutional activism; on consensus, not the arbitrary imposition of one person's ideas. It is time for the Prime Minister and the government to stop treating the constitution as a scrap of paper. Over and over we have heard it referred to as a British document. In fact it is a Canadian document, created by Canadians and drafted by Canadians long before it went to London.

We have all agreed that there must be change. As far as the Prime Minister is concerned, the necessity to consult and the need for unanimity or near unanimity simply represents what he calls a strait-jacket. It is understandable that he would feel that way, but this is the kind of federal-provincial balance the Canadian people want. At one time or another, the rule of consultation and consensus, which has never insisted on unanimity, has been called forth by every premier, of Quebec as well as of the other provinces. In fact, no province today is complaining more loudly than Quebec, from all political quarters in that province.

An hon. Member: Do you want Lévesque?

Mr. Nielsen: I do not know the hon. member's riding but he asks whether I want Lévesque. I will not join issue with him.

Even the material made available by the Prime Minister's office to Liberal party members—and I have it all—outlining and commenting on the highlights of the proposed resolution makes it clear that what we are talking about is more than simple patriation. What we are talking about, in effect, deals with far-reaching and major constitutional amendments smuggled in under the guise of patriation. That material says in part:

In addition to patriation, the resolution contains several important constitutional provisions:

Then it goes on to list them. We have already heard from members on this side with respect to our objections to section 42, one of the most invidious sections in the whole of the constitutional proposal.

I repeat, sir, that there is no quarrel whatever with simple patriation. There is no quarrel, so far as I and members on this side are concerned, with recognizing equal language rights from coast to coast. But what we have before us is infinitely more than that. This is a hastily thrown together attempt to produce what is now in effect a new and revised constitution, using the device of patriation. It is an unprincipled attempt, I suggest, to use the British Parliament to bring about amendments which the government does not have the constitutional authority or the moral fortitude to bring about by itself. Furthermore, it has all been brought about in the context of an almost unanimous rejection by the premiers of the provinces of the pretension of this government to go it alone in major and substantial constitutional changes.

We have the right to ask whether the government's emissaries, those extraordinary envoys who have apprised the British parliament of these facts, the Secretary of State for External Affairs (Mr. MacGuigan) and the minister for government propaganda—I cannot remember the proper name of his portfolio—

An hon. Member: The Minister of Communications.

Mr. Nielsen: That is it, that is the nice term. They went over there to see the Queen. One is irresistibly reminded of the nursery rhyme:

Pussy cat, pussy cat, where have you been?
I have been to London to see the Queen.
Pussy cat, pussy cat, what did you do there?
I caught a little mouse under the chair.

Mr. Speaker, methinks it was a rat they caught under the chair. That is what is hidden in this document. If the Prime Minister and the government are permitted to carry this resolution through to a conclusion, we will be dealing with a new and different constitution imposed hastily and against the wishes of the majority of the provinces. All the checks and balances which have grown up over 100 years will be destroyed.

Coming to the performance of the Minister of Justice (Mr. Chrétien)—who was here earlier tonight and I am sorry is not here now—I want to make as many allowances for him as possible because, through the years, he has been a good friend of mine. We all understand his commitment to constitutional revision, which is second only to that of the Prime Minister. He has talked about promises made during the referendum campaign. We have no way of knowing, of course, what promises the minister may have made within the purlieus of his own riding. For all we know, he may have promised the moon. But he cannot expect Parliament to make good on all the promises he may have made in the referendum campaign. He may have been guilty of overselling, but that is between himself and his electors. We are dealing with an attempt by the government to do away in one fell swoop with a system we have enjoyed for over 100 years. We are dealing with an attempt to replace a system we have enjoyed for over a century with one devised by the Prime Minister. We are faced with a situation which is absolutely unique in our history when the Government of Canada decides to revise and amend, in effect to rewrite, the Canadian Constitution through the instrumentality of the British parliament, in spite of the fact that the majority of the provinces are against it.

● (2110)

What are the principles embodied in the Prime Minister's amending formula? How easily he and his government toss them aside when it is a question of replacing the constitution with one that they want. How easily we can understand the socialist government of Saskatchewan and the position of the socialist party in this House. They believe in the absolute right of the state to control everything. That is their overriding principle and the mere matter of the constitution does not change that position, despite the remarks of the critic for the NDP. There have been criticisms, too, from the government side, of the proposal, by the premiers to take the government to court to block the proposed action. I can see nothing wrong with that. An implication that this action is undemocratic or indefensible is not quite understandable when that party themselves referred Bill 60 to the Supreme Court.

I put it this way, sir. If it is not unconstitutional for the federal government to rewrite and revise the Constitution of Canada unilaterally, then what could possibly be unconstitutional? I do not see how any of these proposals can have any effect at the provincial level unless the provincial legislatures ratify and agree with them. Certainly the proposed bill of rights, which falls squarely within the property and civil rights section of provincial jurisdiction, can end any legal standing in any province until and unless adopted by the legislature of that province.

It made me sick to hear the Minister of Justice (Mr. Chrétien) and others opposite refer to the Right Hon. John Diefenbaker's proposals. Mr. Diefenbaker would not be pursuing the course that is being pursued here today. He would have sent his Bill of Rights to London and he would have had it incorporated into the constitution. He would not have gone even that far without the consensus of the provincial premiers, because if any man in this country knew what the constitutional bounds rested upon, it was that right hon. gentleman who is no longer with us. The first ones to cry loudly to Heaven against such an action would have been those who sit opposite. Mr. Diefenbaker was too good a Canadian and too good a constitutionalist to engage in this kind of constitutional sleight of hand.

I say to the Liberal majority over there—those who won an election by telling the people of Canada that they would not increase the price of oil and who are now riding roughshod over provincial rights—that there is a great deal more to the constitutional arrangement than a scrap of paper, which is how they seem to regard it. The constitution can only be honoured if it is respected by those it is intended to serve. It cannot be imposed and forced upon people by a government majority in Parliament. I repeat, we are for patriation; bring it back and we will support it. But bring it back unchanged. When it is in Canadian hands then we will go about amending the constitution in a constitutional way, in Canada.

What the government is doing is illegal by the criteria of their own formula. We want language rights; we will put them in the constitution when each province ratifies that proposal within its own jurisdiction. That is what Quebec wants and that is what the majority of the provinces want. This, sir, is an amendment by force, an amendment by compulsion. This is nothing more or less than the rape of the constitution by the Liberal party. Speaker after speaker over there has risen to say agreement cannot be reached. That is their excuse for going this route. They say the provinces are too slow in consenting, that they do not move quickly enough for this Liberal majority. It used to be the socialists who were Liberals in a hurry and now it is the Liberals who are republicans in a hurry. They cannot wait for the exercise of provincial rights so they wipe them out, wipe them right out of the book. If you can do this you can do anything.

The Prime Minister has already promised to make further changes satisfactory and appealing to his friends, allies and bedmates in the NDP. Apparently that has happened tonight. I do not know what the details are, but it is all part and parcel of their tactics. The Prime Minister's attitude is that the constitution belongs to him and to the Liberal party. He will make the changes. He will write in whatever they want. He has absolute power. What is a constitution worth under those circumstances? It is simply a Liberal document put together in the back rooms of the Liberal party and shoved down the throats of an unwilling nation. Can anyone blame the premiers for going to court? Perhaps in the courts of this country they

will find some last vestige of constitutional consciousness, some recognition that the constitution is not the personal property of the Liberal party and the Prime Minister. How often have we heard the cry: "They are moving too slowly for us, so we will shove it down their throats; they are impeding our course, so out they must go"? We have heard it over and over again in the procedural arguments, particularly after the House leader spoke the other day. All of a sudden the clamps came down; everybody was supposed to stop talking, stop debating and away we go, in the face of the Prime Minister's assurance that every single member of this House, from all parts of the country, would have freedom to express his views.

When this matter goes to committee, sir, that committee rule of the guillotine after five minutes is going to be imposed by the Liberal majority. Make no mistake about it, there will be no opportunity for any meaningful participation in debate. Even if it were possible somehow to avoid the tricky process which the government has adopted in putting this matter before the House, we cannot touch the substance of the matter at all. All we can debate is the resolution, as was pointed out by the opposition House leader. We dare to oppose so down we go. We are dead. We are emasculated by the process which has been designed by the government in Machiavellian terms to bring this about. We cannot even ask for time to make suggestions. Not even that. The new absolutism does not tolerate criticism. The new might, the manipulation of the public mind to suit the policies to be shaped by the government in power, does not tolerate criticism. It crushes it beneath the boots of the hobnailed Liberal majority just as it crushed the life out any attempt by Canadians who live above the 60th parallel to be heard at that table. We were not important enough. The hon. member for Ottawa Centre (Mr. Evans) says we only number 25,000 people. But we have 15,000 voters, which is more than the combined total of Manitoba, Saskatchewan, Alberta and British Columbia when they came into confederation, and we have been fighting for 25 years—a quarter of a century—to get into confederation on the basis of contributing to the constitutional and federated fabric of this country. But as long as that party sits over there, sir, we will never realize our legitimate aspiration, the aspiration of Canadians who are just as equal as any Canadian in southern Canada.

Some hon. Members: Hear, hear!

• (2120)

Mr. Knowles: Mr. Speaker, I rise briefly on a point of order, as we sometimes say, to set the record straight. During the course of his speech, the hon. member for Yukon (Mr. Nielsen) said that in the old days the tabling of minority reports by committees was always the practice. I questioned this comment and he challenged by memory when I said that in the years that I have been here I have never known a committee of the House to be permitted to table a minority report.

It would take a great deal of time if I sought to read everything that is written on the issue, but I draw the attention of my hon. friend to Beauchesne, fifth edition, citations 640, 641 and so on. If the hon. member thinks that the fifth edition is a recent edition published since certain rule changes were made, I would refer him back to the fourth edition of Beauchesne which was published in 1958 and draw to his attention citations 318 and 319. In both these volumes it is made clear that the only report that can be tabled by a committee is the report passed by the majority. The citations even go so far as to say that the chairman of the committee must sign that report even if he was against it. Beauchesne clearly says that no minority report can be tabled. If that is not enough, I would refer the hon. member to May's, nineteenth edition, pages 658 and 659 where the same practice is outlined.

I am not rising at this point to enter into any discussion on the procedural admissibility of the hon. member's motion; I am merely confirming my memory and questioning his. He really cannot get away with the statement that in the old days minority reports were tabled. They were released outside the House, but not in the House.

Mr. Deputy Speaker: Order, please. The Chair thanks the hon. member for Winnipeg North Centre (Mr. Knowles) for his intervention and reserves judgment on the admissibility of the proposed amendment. If any hon. members would care to offer argument at this point concerning admissibility of the amendment, the Chair would entertain them.

Mr. Nielsen: Mr. Speaker, I do not intend to delay debate on the motion.

Some hon. Members: Oh, oh!

Mr. Nielsen: Why are members opposite laughing? They have been jeering throughout this whole debate, so I guess it is not surprising. I do not want to delay the House by speaking to the admissibility of the motion, but I do want to say that there is a difference between what I am saying and what the hon. member for Winnipeg North Centre (Mr. Knowles) is saying. Minority reports were not accepted as separate reports at the table, nor were they accepted as reports coming from the committee, but in those days there was the kind of approach to procedure in committee by which, if there were numbers favouring a minority view—and I forget the numbers—or even a sense by the committee chairman and members on the committee that there was a minority point of view, then that point of view came forward under the signature of the chairman.

I am not trying to sell the House the idea that there used to be a right to table minority reports, not at all.

Mr. Knowles: That is not what you said earlier.

Mr. Nielsen: The hon. member may have misunderstood what I was saying. He knows as well as I do that minority viewpoints were included in the report when it came back before the House and they were debated. That, in essence, is what is being proposed by this motion—a right, because of changes in the practices here, for the minority voice in that committee to go forward with the report notwithstanding any rules and practices that may exist now.

If that amendment is not accepted we know what will happen. I appeal to the hon. member for Winnipeg North Centre who has been around through the changes, because a minority report will not see the light of day in any report which comes back to this House. My sole objective in moving this amendment is to ensure that if there is a minority voice which emerges in our committee considerations it will be heard and debated in this House.

[*Translation*]

Mr. Pinard: Mr. Speaker, you invited hon. members to comment, if they wish, on whether or not the amendment is receivable. I should like to say a few words in that regard. My colleagues spoke of the good old days. I can go back no further than 1972 for obvious reasons, but I could perhaps draw your attention to the *Journals* for March 16, 1972, page 194, where it is stipulated that:

> Though, in its report, a committee can mention the opinion of those of its members who do not share the views of the majority of their colleagues, it may not table a minority report in the House.

Obviously, it is pointless for me to add anything more. That, then, is the extent of my participation to the debate in answer to your invitation to comment on whether or not the amendment is receivable; once again, that amendment is nothing but another dilatory measure proposed by a Progressive Conservative member.

Mr. Deputy Speaker: I thank the minister.

[*English*]

Mr. Taylor: Mr. Speaker, on the point of order, I would like to say that the proposal we are debating is, as members opposite tell us, concerned with the protection of minorities. Perhaps we should start protecting the minorities of this House. This House is its own master, irrespective of what it says in Beauchesne. The Alberta legislature, which is more democratic, has been accepting minority reports—

Some hon. Members: Oh, oh!

Mr. Taylor: If you throw a stone at a bunch of dogs and three or four of them start howling, you know what happens. I myself have signed a minority report on a legislative committee in Alberta. Surely this House will not deny the rights of the minority when the whole matter about which we are talking is for the protection of those rights.

Mr. Nielsen: Mr. Speaker, may I suggest with respect to our process tonight that the Chair take the amendment under advisement and hear argument tomorrow as to its admissibility or inadmissibility so that we may proceed with the debate tonight. I understand that the hon. parliamentary secretary opposite intends to follow me in the debate.

Mr. Deputy Speaker: Order, please. The Chair has indicated its reservations concerning the admissibility of the amendment and has invited comments at this stage. If there is no further comment, the Chair will recognize speakers in the debate.

Mr. McCain: Mr. Speaker, with respect to the admissibility of the amendment proposed by the hon. member for Yukon (Mr. Nielsen), it seems to me that it is not only a matter for your consideration but also for the consideration of the government. If it does in fact wish to present this matter in good faith as good Canadians, I submit that it should support the presentation of this amendment by the hon. member for Yukon. If, on the other hand, they wish and intend to frustrate the process which has been practised in this House and in this nation since 1867, then they will certainly impose their influence upon you to rule this motion out of order. You, sir, as the Speaker, have acknowledged your responsibility. I hope that the native responsibilities which are incumbent upon a broad-minded government will cause it to pursue a favourable consideration of this motion.

Mr. Deputy Speaker: The Chair would call to the attention of the hon. member for Carleton-Charlotte (Mr. McCain) that it will rule within its own capacity on the admissibility of the amendment. If there are any further comments on the admissibility of the proposed amendment, the Chair would like to hear them now and, if not, the Chair will defer its decision until tomorrow.

Mr. Nielsen: Mr. Speaker, I will be very brief because I have suggested in a spirit of reasonableness that we suspend the argument on the amendment until tomorrow rather than interrupting the progress of the debate tonight. If I am going to be precluded from speaking to the matter tomorrow, I would point out—

Mr. Knowles: Thursday, tomorrow, is an opposition day.

Mr. Nielsen: I am sorry, it is Thursday. The hon. member has correctly pointed out that tomorrow is an opposition day. The intervention by the President of the Privy Council (Mr. Pinard), who is very skilful at throwing sand in these debates on procedural matters, has nothing to do with the existing rules simply because of the opening words of the motion. There may have been a flaw and, indeed, one must go along with the Chair's ruling pursuant to the practices of this House with respect to the amendment presented by the opposition House leader the other day. That amendment was not prefaced by the words "notwithstanding the Standing Orders and practices of either House", as those words prefaced the amendment we are discussing now.

• (2130)

What this amendment is requesting the House to do is to suspend the very Standing Order which the government House leader asks the Chair to invoke against it. It is asking the House to suspend the Standing Orders and practices of the House for the purpose of ensuring that a gag will not be placed on the voice of the minority on that committee. Any member who has been around here for any time at all, knows what happens in committee. We are gagged by a five-minute rule.

We are gagged by a Liberal majority which, if it does not stay there, walks out when something happens that does not please it. This amendment ensures that there will be carried into practice the very thing that the government is asking us to enshrine in its bill of rights in this constitution amendment, namely, the voice of the minority.

That is what this amendment is asking the government to do. They can adopt the course of trying to stonewall it by procedural argument—asking the Chair to rule it out of order on procedural grounds, but if they did the right thing and were not afraid of the minority voice they would allow it to be heard when that report comes back to the House.

Mr. Deputy Speaker: Order, please. The Chair has heard the hon. member for Yukon (Mr. Nielsen) three times on the point of order. One aspect, however, has not been touched on by anyone who has spoken to date and that is the references to the practices of either House. The Chair has some concern about a resolution of this House apparently giving an instruction concerning the practices of the other place. That is a matter which, I am sure, the Chair will take under advisement.

As I indicated earlier, at this stage the Chair would like to reserve judgment. The Chair will recognize the hon. member for Portage-Marquette (Mr. Mayer).

Mr. Mayer: Mr. Speaker, I have a very brief observation to make. It seems to me that in the democratic system that is embodied in this chamber, one of the most difficult and most delicate things a democratic system has to deal with is the treatment of minorities once the majority has assumed power. If we, by definition are the minority in this House—

Mr. Deputy Speaker: Order, please. The Chair has asked hon. members to defer comment on the point of order unless they have something fundamental to contribute. The Chair would like to recognize speakers in the general debate with the concurrence of the House. This was the suggestion made by hon. members, including the mover of the amendment. With the concurrence of the House the Chair would like to proceed in this way.

Are there other hon. members who wish to speak on the motion before the House?

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, like the hon. member for Yukon (Mr. Nielsen)—

An hon. Member: Three in a row.

An hon. Member: Filibuster!

An hon. Member: Why don't you people on the government side speak?

Mr. Deputy Speaker: Order, please. The hon. member for Carleton-Charlotte has the floor.

Mr. McCain: Mr. Speaker, if we on this side of the House had not seen a member detained or discouraged from rising to speak on this subject, I would not have the pleasure of being on my feet now.

I submit to you, as I think will become evident from many of the speeches in this debate, that those who are so avidly following the course of self-destruction of this nation proposed by this government have rightly and properly shown by their interjections—as they have just now—that perhaps there was some excuse after all for the Prime Minister (Mr. Trudeau) when, in a petulant mood, he stated that backbenchers are nobodies. If they want to prove that they are somebodies, this would be a great time to do it.

As has been pointed out by my colleagues on many occasions, this is indeed an historic debate and one in which, in a way, I find no great pleasure in participating. I think it implies that we either recognize the concept on which this nation was founded or we may be laying the foundation of its destruction. This is a debate on a resolution that has the potential to alter the face of this country like no other before it. I believe that if this resolution is accepted in its present form it will change the shape of federalism as it has existed historically and that it may not be accepted as a favourable change.

I think it would be valuable to spend some time examining the force of federalism over the last century, because if this is to be called an historic debate, then, I say, history should play a part in the determination of its climax. The precedents set by the wise men of the past, and the examination of those precedents, should not be overlooked yet I submit that this motion could not have been presented had those precedents been given consideration by the government.

The good of the proposed nation as a whole was the primary objective of those who gave this nation their earliest consideration. Although these men had differences, they put those differences behind them and proposed a union that would be mutually beneficial to all parties concerned. This sense of co-operation can perhaps be best summed up in a report carried in the Saint John *Morning Telegraph* on September 9, 1864, which read as follows:

> The leading argument advanced by the Canadian delegation may be expressed in a few words—there are three elements requisite to national prosperity—territory, population and commerce. We have the first two . . . we want . . . your commercial advantage. We have territory, we have population—we offer them to you. We ask in return an outlet to the ocean—your maritime facilities. Two of the essentials in a country's prosperity are ours, one is yours. Isolated and apart our progress must only be slow at best. United and combined we have all the elements within ourselves of commercial, social and political progress.

What could be more applicable to Canada than that latter statement, Mr. Speaker? There was a deep understanding of the spirit of co-operation. I repeat the words "isolated and apart our progress must only be slow at best." Together we have all the elements of progress. Continuance of isolation in those days, that is, preservation of regional jealousies and unwillingness to compromise, would have meant that Canada as we know it today would never have existed. Jose Howe, a chief opponent of Confederation realized the need for agreement and a sense of fair play when he said:

> If an honest, practicable scheme of union can be arranged, let it be printed—and when it has been aired in all the provinces . . . They will sincerely support the

union. If tricked or bullied out of what they highly value, they will never be content.

I suggest that hon. members opposite look at the words of Mr. Howe whom history books identify as one of theirs. If tricked or bullied—I emphasize especially that word "bullied", they will never be content. It seems obvious to me that the government has found itself unable to arrange an honest practicable scheme for bringing home the constitution and has chosen to bully the provinces into accepting those things which they oppose. They will also have the opportunity, some day in the future, by way of their proposed referendum in section 42, to trick the provinces out of what is rightly theirs. To them, I say Joseph Howe was absolutely right when he said that this sort of policy would create incurable dissension.

So we see that compromise was the theme of the day and eventually it led to confederation. But the compromise did not stop there, for if it had we would never have survived as a country to see this day. No, this sense of co-operation and willingness to make certain concessions on behalf of many people is the underlying principle that has allowed Canada to become what it is today—the largest country in the world operating within the structures of co-operative federalism. This has come about because leaders of government have, over the last 100 years, chosen to pursue the ideals set out in that original agreement, those of co-operation, concession, reconciliation of differences and a spirit of unity in working toward a common goal—a Canada they love.

I think it might be wise to spend a few minutes examining some of the examples that have occurred over the past 100 years to illustrate the points I have just set forth. Many amendments to the British North America Act have been brought about over the years. I will come to those shortly. First, though, let us examine some of the lines of thought developed over a period of years with respect toward the union of the British North American provinces. In 1888 in an editorial in the Toronto *Globe*, the following philosophy was extended:

> The provinces party to the bargain, were, at the time of the compact, independent nations in the sense that they enjoyed self-government subject to the Imperial veto upon their legislation, to the Imperial appointment of the Governor General and to the Queen's command of the forces. The dominion was the creation of the provinces, or in other words, was created by the British parliament at the request of the provinces. The dominion, being non-existent at the time the bargain was made, was plainly not a party to the bargain. It cannot then be a party to the revision of the bargain.

● (2140)

Bear in mind this was in 1880 when already there were some pressures for changes in the bargaining procedures. Although this idea may be somewhat extreme in its exclusion of the central government from the amending process, it does bear out a valuable thesis, that the provinces were the creators of the federal government and therefore must play a vital role in any revision of the original pact. I submit that that is certainly not the case today. One year later a former prime minister, the Right Hon. Wilfrid Laurier, recognized the vital sense of agreement that must pervade any discussion on the topic of federalism when he said:

> The only means of maintaining confederation is to recognize that, within its sphere assigned to it by the constitution, each province is as independent of control by the federal Parliament as the latter is from control by the provincial legislatures.

This perhaps may be the best assessment of that tenuous fine line that defines our system of government. Each of the 11 governments is independent of the other within the framework of the original agreement. What actually lies at the very heart of Mr. Laurier's statement and is most important in any interpretation of that statement, is that no government should act unilaterally to overrule the other. Once again, the spirit of co-operation is emphasized as being essential in this assessment of confederation. Mr. Laurier was much more forceful in his comment on the distribution of powers when he wrote to Lomer Gouin, a member of the Quebec legislative assembly in 1918. In that letter he said:

> To give to the central government, which is drawn from the majority race and the majority religion, the authority to interfere in the jurisdiction assigned to the provinces, is to destroy the legislative independence of the provinces and to make of it a snare and a mockery.

Just what is the hon. gentleman saying? He is asserting that any attempt by the central government to move into provincial jurisdiction such as is proposed to this House presently is to make the authority of the provinces a mockery and essentially to destroy them as a voice of government as originally set out in the British North America Act. It would seem to me that there is no better appraisal of the outcome of the passage of this proposed resolution than that delivered by Mr. Laurier over 60 years ago. Let me quote from another authority:

> Federalism is by its very essence a compromise and a pact. It is a compromise in the sense that when national consensus on all things is not desirable or cannot readily obtain, the area of consensus is reduced in order that consensus on some things may be reached. It is a pact or quasi-treaty, in the sense that the terms of that compromise cannot be changed unilaterally. This is not to say that the terms are fixed forever, but only that in changing them, every effort must be made not to destroy the consensus on which the federated nation rests.

That was a quote from the great man himself, the Prime Minister. This of course was his philosophy prior to his rise to power and his attempts to lead Canada down the garden path to a unitary state. It was back in 1964 that the right hon. gentleman delivered a paper to a conference of Canadian law teachers and political scientists whom he was no doubt trying to impress with his wise assessment of the Canadian governmental system.

I must say there are very few times that I find myself in agreement with the Prime Minister, but I find it very easy to agree with him on that statement. I believe, though, that every effort has not been made by the present government to preserve the vital consensus upon which the federated nation rests, if I may borrow the words of the right hon. gentleman. It is fine to say all of these things, but unless such sentiments as they convey are put into practice they are of little value.

For the next few minutes, I would like to examine some of the actions of various men throughout history which do, in fact, embody the philosophies I have just cited. First let us look at the example of 1907 when an amendment was proposed with regard to the federal subsidies paid to the provinces. It is of little relevance to this debate to spend any time on the

amounts proposed or the amounts that had been paid in the past. It is sufficient to realize that all parties acknowledged the need to update the system under which such subsidies were administered. The issue had been discussed at a federal-provincial conference convened solely for the purpose of that discussion. It was there, with a provincial premier as the chairman of the conference, I might add, that agreement was reached between the federal government and all provinces save British Columbia as to how the provisions for subsidies should be changed. British Columbia's opposition was later taken into consideration and some changes were made to accommodate that province. It was Wilfrid Laurier, who was prime minister of the day, and his wisdom, which I noted earlier, which prevailed. He again reiterated his philosophy in the House of Commons in 1907 by saying:

> Confederation is a compact, made originally by four provinces but adhered to by all the nine provinces who have entered it, and I submit to the judgment of this House and to the best consideration of its members, that this compact should not be lightly altered.

That is so true. The compact should not be lightly altered and it was not altered by Mr. Laurier. He managed to reach a consensus with the parties concerned and then and only then did he submit the proposed change to the British Parliament for approval. However, as I mentioned earlier, the government of British Columbia was not completely satisfied with the deal which was proposed so it petitioned the British government asking them to change the wording of the amendment. This was done because, as Winston Churchill put it in a speech to the British Parliament, "I would be very sorry if it were thought that the action which His Majesty's government had decided to take meant that they had decided to establish as a precedent that whenever there is a difference on a constitutional question between the federal government and the provinces, the Imperial government would always be prepared to accept the federal point of view as against the provincial." He did not want it understood in Canada that the Imperial government would let the child of the provinces, the federal government, be the dominant master of the government of the United Kingdom. That was his position. The provinces should prevail, consensus should be reached.

That is an opinion to be highly regarded and a precedent to be taken seriously. And it is in no way one that is buried deep in the volumes of history. The *Daily Telegraph* of London just a couple of weeks ago made the assertion that Mr. Churchill's view of such a situation should still apply, that is, that the British Parliament is under no obligation to accept the federal view as the final word regardless of threatening statements made by the Secretary of State for External Affairs (Mr. MacGuigan) and the Minister of State for Science and Technology (Mr. Roberts). On the other hand, it is well within their rights to heed the voices of the provincial governments in this current struggle. Also I might add that they are well aware of the differences between the federal and provincial governments as evidenced by statements in the press such as the one I have just noted and the comments made by some members of the British parliament. These men seem to be in no way intimidated by the threats of the dynamic duo.

● (2150)

The second example which I feel deserves mention took place in 1940. It is one that I believe establishes a rather valuable precedent with regard to the matter currently before this House. In 1935 the government of the then prime minister, the Right Hon. R. B. Bennett, enacted legislation to establish unemployment insurance in Canada. The government of the day believed it to be within its jurisdiction to enact such legislation and they had been advised by their counsel to that effect. The opposition, under Mr. Mackenzie King, had demanded a referral to the Supreme Court for its opinion on the validity of such legislation. However, an election was called before such action could be taken. When the new Parliament took office—and I ask members on the other side to note this—under Mr. Mackenzie King the legislation was indeed referred to the Supreme Court which ruled that it was ultra vires of Parliament. An appeal was then launched before the Privy Council, at that time the highest authority on such matters. The Privy Council handed down its decision in 1936 which read in part as follows:

> —Dominion legislation, even though it deals with dominion property—

I ask hon. members to take note of the next phrase—

> —may yet be so framed as to invade civil rights within the province, or encroach upon the classes of subjects which are reserved to provincial competence. If on the true view of the legislation it is found that in reality in pith and substance the legislation invades civil rights within the province, or in respect of other classes or subjects otherwise encroaches upon the provincial field, the legislation will be invalid. To hold otherwise would afford the dominion an easy passage into the provincial domain.

This is precisely what is going on. In the manipulative fashion in which this matter has been presented to us, we may have no access to the courts. There may be no recourse for provinces or individuals, and I submit that we are, at least in a democratic country, entitled to access to the courts. If this is denied to provinces and individuals of this country, what value is any entrenched bill of rights for any citizen, any province, any yet unborn Canadian? There is no confidence in this.

Some hon. Members: Hear, hear!

Mr. McCain: This ruling obviously left the Mackenzie King administration only one course if it wished to enact legislation on unemployment insurance. It had to amend the constitution. This was the route that was followed over a period of three years. Beginning in 1937 Mr. King communicated with the provinces to determine their feeling on the proposed amendment to the constitution. In doing so he discovered that not all provinces were in accord with the federal position. Alberta, under a Social Credit government, New Brunswick, under a Liberal government and Quebec, under a Union Nationale government, all declined to agree to the proposal. It was at this point that Mr. Mackenzie King could have adopted the attitude of the present government, but he was a wiser man. He could have gone ahead with the amendment without full provincial consent. However, he chose to wait until he had full provincial approval before proceeding. He elaborated on this attitude in the House on more than one occasion. At one point in 1938 he was asked when the legislation providing for the

amendment would be brought before the House. He answered that it would be done as soon as there was consent—the sooner the better. He had an element of impatience which seems to prevail today but, on the other hand, he had the patience to see it through. He went on to say:

If it cannot be brought in as a result of co-operative effort between the provinces and the dominion, I fail to see how else it can be done. That is the one and only method.

Later in the year, the Right Hon. Mackenzie King commented thus:

We do not want to appear, let alone in reality, to seek in any way to coerce any province of the dominion.

Here was a Liberal prime minister seeking to amend the constitution but clearly unwilling to pursue such an amendment without unanimous support of the provinces.

Eventually, in 1940, full support of the proposed amendment was achieved and a resolution calling on the King to lay before the British parliament the bill containing the proposed amendment was passed by both Houses of Parliament in Canada. The justice minister of the day, Ernest Lapointe, made special note of the support for the resolution which he introduced. He said, "Always we have tried to get the approval of the provinces to an amendment of this kind". Mackenzie King himself said, "The difficult but most necessary part of the whole business was to get the consent of the provinces." I think the words "most necessary" are certainly the important ones in that passage. The right hon. gentleman realized that constitutional amendments required consent of the provinces, that the federal government is in fact the child of the provinces, that the provinces are not the serfs of the central government.

Where is the wisdom of such a man as he today? Besides Mr. Mackenzie King and Mr. Laurier there was also Mr. St. Laurent, Mr. Diefenbaker and Mr. Pearson, all of whom sought constitutional change only after a consensus had been reached with the provinces. Mackenzie King also realized that consent could not be achieved on a broad range of issues. He stated that success had rested on the fact that the provinces had only been asked to agree to an amendment confined to one topic. Again, to quote:

—the circumstances which enabled us to get the approval of all the provinces was the fact that we were asking for only one amendment. May I say that if we had ventured to go beyond we would probably have met with further objections on the part of some, if not all the provinces.

This idea also seemed to prevail with Mr. Laurier in 1907. Only an amendment on subsidies was sought. In 1951, with Mr. St. Laurent, only an amendment on old age pension was sought. In 1960, with Mr. Diefenbaker, only an amendment with regard to the tenure of judges was sought. In 1964, with Mr. Pearson, further amendment was sought to the Old Age Pension Act, once again a single issue amendment with a single subject. In each instance, consensus was achieved. The nation retained its friendly relations, one province with another, and each province with the central government. Here are five clearcut examples, even precedents, of governments seeking constitutional change with, and only with, consent of the provinces.

The present government might ask how it was done. It might also ask a further question of itself: why can we not do it? I believe two elements provide the key: first, the spirit of co-operation, of compromise, and, second, single issue amendment which means going after only one amendment at a time. I think it is safe to say that if the government had attempted patriation with an amending formula it might not have got into the struggle with the provinces in which it now finds itself. But the sheer enormity of the goal, that is, to reach a unanimous decision on 12 issues, made it impossible to achieve. That is what happened at the last meeting of the first ministers.

What did the government do when this route failed? Did it see the light and try to come to terms on just one issue? No, the government chose to throw aside 100 years of history, history laden with that spirit of compromise and consensus. It chose to throw that aside and act unilaterally, bringing in those amendments which the government most desired. In doing so, it has tried to wrap those elements of the amendment which it knows would be most objectionable to the people in an "academic gloss on real life", if I may be so bold as to borrow the words of the Secretary of State for External Affairs that is what he calls the British right to listen to the provinces; their right not to accept immediately the position or demands of the federal government. Those are the things he calls the academic gloss on real life, things which in the past have proven crucial to the process of constitutional change. Those are the things that he and his government choose to slough off as mere technicalities.

It is obvious that the government also wishes to avoid the technicalities of this proposed resolution and prefers to wrap them up in the appealing sugar-coated gloss of generalized advertising campaigns and motherhood issues.

I for one, and I believe this is a position much supported on this side of the House, find this whole matter repugnant. It shows a high level of contempt for the lessons of history from which we are supposed to draw our knowledge and on which our basic government and system of justice have long survived to the benefit of all Canadians. It would be unfair, however, to accuse the present administration of being totally ignorant of history. Rather it is aware only of that portion of the past which facilitates its needs.

Mr. Deputy Speaker: Order, please.

Mr. McCain: May I call it ten o'clock?

• (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

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

Adjournment Debate

CANADIAN PACIFIC RAILWAY—ABANDONMENT OF CERTAIN DAILY SUPPLEMENTARY SERVICE

Mr. Marcel Roy (Laval): Mr. Speaker, on September 22 last, CP Rail advised passengers on the Farnham-Montreal, Sainte-Thérèse, Laval and Montreal line that it will abandon its commuter train service—which has been operated for generations—due to an increased deficit during the past years.

Mr. Speaker, as a result of the decision taken by the board of directors, some people and passengers advised me that CP Rail was going to give up its commuter train service. On October 17 last. I pointed out to the Minister of Transport (Mr. Pepin) the importance of that service and especially that decision which seemed to be quite unexpected, considering that they gave only a month's notice before dropping that service. I mentioned that I was aware of the fact that it was a commuter train service and that it also rests with the province of Quebec and the municipalities involved to provide service to commuters.

The minister replied that he had met his provincial colleague and as a result of negotiations with a view to assisting in the upgrading of Montreal's rail transport equipment they had come to an agreement in principle. And the minister concluded:

—this agreement should be finalized in the days ahead. However, there is one important thing to remember, although the agreement will provide for a substantial federal contribution to this upgrading program—

It therefore seems quite obvious to me, Mr. Speaker, that the Canadian government is prepared to share the cost of overhauling the equipment, that this is a provincial decision and that, according to the press release issued September 22, CP Rail will abandon two lines, Sainte-Thérèse, Laval and Montreal, Farnham and Montreal, without this affecting the Lakeshore service between Montreal and Rigaud. Also, at the end of 1979, the Quebec government made public a general plan to merge this service with the metropolitan urban transport system rearranged by the Montreal Urban Community Transit Commision. So as far as the Lakeshore service is concerned, the province agreed to intervene immediately and CP Rail agreed to continue its service. Why is there a double standard? My question is the following: Does CP Rail not have a moral obligation towards the users of these commuter trains, is it possible to abandon in this way a service with less than a month's notice, and if the service is abandoned, does this not mean a lenghty delay before the service is provided again probably by the provincial authorities? But if service is abandoned on October 26, then there is nothing much we can do and nobody knows how long that can last.

In conclusion, Mr. Speaker, I am of the opinion that CP Rail should maintain this service in operation and extend the October 26 deadline until such time as the province would agree to integrate this transportation network in the greater Montreal urban network, as it did for the Rigaud-Lakeshore service.

Mr. Speaker, it seems to me that, as the minister said in reply to my question last Friday, October 17, a substantial amount will be provided to the province to renew commuter train services equipment. If CP Rail still has an accumulated deficit during the integration period of this service, I ask the Minister of Transport (Mr. Pepin) to hold back the amount which will be provided to the province to pay the deficit accumulated by CP Rail so that the users of the Sainte-Thérèse, Laval and Montreal, and of the Farnham and Montreal services may continue to use this public service in view of the high cost of energy and the need to reduce the number of cars in the Montreal area. Therefore, Mr. Speaker, as a last resort, I urge the minister to examine these two possibilities, that is, to extend the service after October 26 until the agreement has been signed and implemented by the province of Quebec, or else, to hold back the amounts which will be provided to CP Rail for the deficit accumulated during the period of extension of this service. We cannot accept a double standard in this case, Mr. Speaker. Since the province of Quebec agreed in 1979 to maintain commuter trains to Rigaud and Lakeshore, the same policies and the same principles must apply to the service I have mentioned. I therefore ask the minister to consider these two possibilities, and I believe that the parliamentary secretary has already been informed of my representations in this regard. It is not the first time that I have raised the issue of urban transportation in the Montreal area. There is an integrated transportation network, and this is a concern for me and a priority for the users.

• (2205)

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the hon. member has raised a problem which was discussed a month ago by the federal and provincial transport ministers, that of the daily commuter train services. First of all, it should be noted that passenger service is considered as coming under federal jurisdiction, while commuter trains come under provincial jurisdiction. In the case of Sainte-Thérèse, the service has never been designated as a passenger service by the Canadian Transport Commission, whose responsibility it is to make such a ruling. In the case of Farnham, the hon. member is certainly aware of the recent decision of the CTC to the effect that the service could no longer be considered a passenger service. As the jurisdiction in this regard is well defined, it is up to the province and the urban municipality to determine the level of daily services in the area. In September, Mr. Speaker, the provinces notified CP Rail that its two services would not be included in the comprehensive regional commuter train network. Because of its substantial losses and the very small number of passengers, CP Rail decided to abandon both services.

To conclude, I must say that the federal-provincial agreement mentioned by the minister in his reply last Friday concerns a contribution to the modernization of the equipment in the over-all federal aid program to urban transport. The

minister hopes to make the details of this agreement public within the next few days.

Personally, I really sympathize with the people who still depend on that service. I agree that a four-week notice of the permanent interrruption of a service given for many years is too short.

I take note of the request of the hon. member for an extension, or the temporary continuation of that service as suggested by the hon. member for Laval (Mr. Roy), and shall inform the minister accordingly without delay.

[*English*]

AIR SAFETY—ENFORCEMENT OF REGULATIONS RESPECTING AIRCRAFT AND PILOTS

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, I am speaking tonight about the daily horror stories we are hearing from the Judge Dubin case inquiry. It would appear that flying in Canada today is like playing Russian roulette, and I hope the parliamentary secretary who answers tonight on behalf of the Minister of Transport (Mr. Pepin) will give a firm commitment on the updating of equipment in control towers at airports across Canada. I also want to hear about a timetable and the amount allotted.

It is very interesting to observe that the President of the Treasury Board (Mr. Johnston) is sitting in the House tonight. I hope we are not having any difficulty obtaining funds from him for updating all the ancient equipment in our control towers across Canada. The public is entitled to a firm commitment from the minister, not a bureaucratic answer. I hope the parliamentary secretary has not brought one with him tonight, prepared by officials in the department that is under investigation.

● (2210)

When I read some of the stories which have been coming out of the Dubin inquiry, Mr. Speaker, it makes my hair stand on end. Here are some of the latest statements:

Inaccurate weather forecasting and stringent landing clearances make it tougher to fly planes in Canada than in the United States, an Air Canada captain said Monday.

Charles Burbank told the Dubin inquiry into aviation safety that weather forecasting in Canada "has gone downhill the last few years," and this has added to the frustration of private and commercial pilots.

Here is a further statement from the Dubin inquiry, as reported in *The Citizen* on January 15, 1980, under the heading "Air safety setup in 'shambles,' inspectors say." It states:

Canada's air safety monitoring system is "loose, arbitrary, hobbled by precedents and badly needs overhaul," according to Transport Canada's civil aviation inspectors.

The inspectors, whose job it is to enforce air safety, made the comments in a brief presented today to the federal aviation safety inquiry headed by Justice Charles Dubin.

The system is in such a shambles, the brief maintains, that Transport Canada is unable to determine even whether Canadian aircraft are airworthy.

Those are very damaging statements. A further story emanating from the Dubin inquiry, this time coming out of Edmonton, says:

The federal government is to blame for most safety problems at airports without air traffic controllers because it won't spend money on modern equipment—

It is unbelievable that we are not maintaining a proper standard of safety in our control towers in Canada.

In a brief to the inquiry the Canadian Air Line Pilots Association said:

—many problems at small, uncontrolled airports are caused by outdated and unserviceable equipment.

"—the infrastructure required for the efficient, effective and safe operations of commercial aircraft in Canada has not kept pace with the rapid increase in aircraft numbers and aircraft performance," said the association.

I hope the association will keep up their pressure. They will certainly receive my support here in the House of Commons.

Here is a further statement out of Edmonton under the heading "Inquiry told pilots short on training". It says:

New commercial pilots don't get enough training in Canada to be considered safe, a federal inquiry into aviation safety in Canada was told Wednesday.

The Northern Air Transport Association, which represents about 90 per cent of the commercial carriers in the Northwest Territories and the Yukon, told the Dubin inquiry major airlines often refuse to hire new pilots.

"It is therefore left to the rest of the commercial aviation industry to hire these new pilots, train them and employ them as they gain experience," the association said.

I wish to point out that the Dubin inquiry has not completed its investigation. It is to be wrapped up very shortly. But there is no way we can wait for it to finish its hearings and for the report to be published and for the minister, months down the road, to take a look at the results. He has to give a commitment now, tonight, that some firm action is forthcoming to update the equipment in the control towers and that moneys will be allotted to update that equipment. We are not looking for general statements and the big happy smile we usually get from the Minister of Transport when we raise these issues in the House of Commons.

Another report, this time from Calgary, said:

Aviation spokesmen have called for better training of private pilots in the face of an increasing number of aircraft accidents in Alberta.

There were 48 aircraft accidents in the province to the end of May—five of them involving fatalities—compared with 42 in the first five months of last year.

This is a disaster situation, Mr. Speaker. Another report today, from the *The Globe and Mail*, entitled "Downed-aircraft locators called $4.25 million gaffe"—and I hope the department that caused this goof has not prepared the answer which the parliamentary secretary is going to read out here tonight—said:

Six years after being told to do so, and after spending $4.25 million, Canada's general aviation community is using an emergency life-saving device that is nearly useless.

● (2215)

I want a political answer tonight, not a bureaucratic answer prepared by a civil servant. We want a firm commitment from the Minister of Transport (Mr. Pepin) and the government.

An article in the Ottawa *Citizen* of July 17, 1980, headed "Airlines Ordered to Probe Possible Jet Engine Flaws" reads in part:

> Major Canadian airlines are being advised to look for defects in Pratt and Whitney engines in their DC-9, Boeing 727, and Boeing 737 passenger jets after an engine on a Hawaiian Airline plane broke apart on take-off last month.

The situation in Canada is deteriorating. We are far below American standards. I have here a recent letter written by a private pilot to the editor which was published in *The Globe and Mail* on October 13, 1980. In it he discusses the antiquated equipment used in the control towers. He does not blame the air traffic controllers because it has nothing to do with them. The matter has to do with the Minister of Transport and his department, not his employees. He went into great detail to explain about the outdated equipment in our control towers. He says in part:

> The term 'inefficiency' does not refer directly to the air traffic controllers, but to the rules, regulations and equipment they (ATC) have to work with. I can sympathize with a controller who has to work with antiquated equipment, just as I, as a pilot, might have to fly an aircraft without such sophisticated instrumentation—

I hope we will receive a firm commitment from the parliamentary secretary tonight because the Canadian public is entitled to such a statement.

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the hon. member's interest and concern in aviation safety is most welcome. The subject of aviation safety is one that has been prominent in the public's mind during the hearings held by the Dubin commission across the country.

Perhaps I could take this opportunity to mention the progress of these hearings. The commission has completed five of the six phases of its inquiry, namely, airworthiness, accident investigation and reporting, enforcement, navigational aids and uncontrolled airports. The final phase, now in progress, concerns personnel.

The hearings, as members know, have taken place in many cities and have listened to testimony from a large number of groups and individuals. So great was the interest in this inquiry that the minister recently granted Mr. Dubin an extension to his mandate which would otherwise have expired this month.

This raises the question of a report on the commission's findings. It is now our understanding that Mr. Dubin intends to release a series of reports beginning early in 1981, rather than a single final report. This will allow public discussion on each aspect of the inquiry as the findings appear. I am confident, Mr. Speaker, that it will also allow the department to undertake prompt action on Mr. Dubin's recommendations.

The hon. member raises several specific issues on which evidence has been presented to the commission. The minister has stated several times, and I would emphasize again, that it would not be prudent to take hasty action on the basis of separate pieces of evidence alone. It is only reasonable to hear the counter-evidence and the conclusions of the inquiry itself after it has weighed consideration of all the testimony. It is our hope that the findings of the commission will lead to a safer environment for air travel.

Mr. McKenzie: Are you taking the train home this weekend, Bob?

Mr. Bockstael: I take the airplane just as you do.

HUMAN RIGHTS—INQUIRY AS TO DATE OF IMPLEMENTATION OF COMMISSION'S RECOMMENDATIONS

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I rise this evening to follow up a question which I asked in this House on May 9, 1980. The question was directed to the Right Hon. Prime Minister (Mr. Trudeau) in the absence of the Minister of Justice (Mr. Chrétien). I asked when the government intended to implement the recommendations of the Canadian Human Rights Commission including, specifically, the recommendations regarding the adding of prescribed grounds of discrimination. I outlined the various recommendations of the Human Rights Commission which were made in its most recent annual report, that was tabled in March, 1980.

● (2220)

At that time the Prime Minister indicated that while he had not had an opportunity to examine the report himself, he hoped that the Minister of Justice would reply some time the following week. He also indicated that the government was seriously considering establishing a special committee of the House which would have a mandate to consider the various recommendations of the Canadian Human Rights Commission in its most recent annual report.

As we know, to date the Minister of Justice has not indicated in this House what action he intends to take on the recommendations of the Human Rights Commission. Of course, the government has not yet tabled any recommendations for a special committee as I proposed, and as did the hon. member for Winnipeg North Centre (Mr. Knowles), to consider these important recommendations of the Canadian Human Rights Commission.

I would like briefly to summarize the present mandate of the Canadian Human Rights Commission so that we might be aware of it. I am sure most Canadians recognize the importance of the job it is doing on behalf of all Canadian citizens, particularly minority groups within Canada.

As of December 31, 1979, the Canadian Human Rights Commission had had some two years of experience in administering a very new federal Human Rights Act. Under the terms of that act they have a mandate to investigate alleged discrimination pursuant to various proscribed forms of discrimination. Those proscribed forms of discrimination are outlined in section 2 of the act as follows, and I should just like to cite these for the House. They are on grounds of race, national or ethnic origin, colour, religion, age, sex, marital status, conviction for which a pardon has been granted and, in matters related to employment, physical handicap.

In the spring of this year, the annual report of the Canadian Human Rights Commission recommended that these grounds of prohibited discrimination should be extended. They did this after careful research and study and after discussing the subject with many people—witnesses, academic experts and others in Canada. They recommended that the presently proscribed grounds of discrimination be expanded to include the following: previous history of mental illness and previous history of dependence on alcohol and/or all other drugs; mental illness; mental handicap or retardation; sexual orientation and political belief. In addition, they recommended the extension of the presently limited protection for the physically handicapped to include all grounds presently covered in the Human Rights Act. At this point the prohibition of discrimination against the physically handicapped relates merely to employment. As I say, after studying this matter, it was recommended that this be extended.

We fully support this recommendation and urge the government to implement it at the earliest possible time and end these insidious forms of discrimination. We would go further and urge that if the government is serious about its commitment to human rights in 1980, these grounds of discrimination which are presently proscribed in the Canadian Human Rights Act should be included within the proposed charter of rights. Not only the nine grounds which are presently proscribed by the Human Rights Act, but in addition, those grounds which have been recommended after careful study and deliberation by the Canadian Human Rights Commission. In other words, section 15 of the proposed charter of rights would be expanded to include the grounds presently proscribed as well as the grounds I outlined earlier which were proposed as additions.

In other words, Mr. Speaker, I hope the federal government will ensure that, at last, all Canadians at all levels of government, whether federal, provincial or municipal, will not be discriminated against on the bases outlined not only in the existing Canadian Human Rights Act but the proposed bases which would be added to it.

I should like to dwell for a moment on the question of discrimination on the grounds of sexual orientation. As members of this House know, for far too long Canadian men and women have been discriminated against on the basis of their sexual orientation. This discrimination has resulted in too many "gay" persons silently suffering humiliation and harassment. As the Canadian Human Rights Commission stated in the most recent report as follows:

> Although moral or religious convictions about homosexuality are relevant to the private lives of individuals, when it comes to job performance or access to services sexual orientation is irrelevant. Whatever one's views are on the propriety of certain forms of sexual preference, therefore, it must still be acknowledged that persons who are denied quality of opportunity on the basis of their sexual orientation are being discriminated against.

Surely it is time Canadians recognized that this form of discrimination must come to an end wherever it occurs in Canadian society. It is for this reason that we welcome the recommendation of the Canadian Human Rights Commission in this respect and urge the government not only to amend the Canadian Human Rights Act to prohibit discrimination on the basis of sexual orientation but to change other federal laws which presently discriminate on this basis. I would point out that the Quebec government has recently done this.

• (2225)

In conclusion, I urge that the government give serious consideration to the recommendations of the Canadian Human Rights Commission for expanding the proposed grounds of discrimination. I urge also that it establish a special committee, as suggested, as I said earlier, by the hon. member for Winnipeg North Centre and myself. If members of the government are serious in their commitment to human rights in this country—and I hope that they are and I hope that the expressions in the charter of rights are indicative of that, although we have some concerns about the present form of the charter—not only will they implement their recommendations but they will augment the resources which have been presently granted to the Canadian Human Rights Commission in order to educate the Canadian public and carry out the mandate which was given to them by the Parliament of Canada.

Mr. Ron Irwin (Parliamentary Secretary to Minister of Justice and Minister of State for Social Development): Mr. Speaker, I thank the hon. member for Burnaby (Mr. Robinson) for his very cogent remarks. It is a reminder to this House that all too often we think the only direction in which this country should go is the direction which the government sets. It is a reminder that there are many directions in which a country can go, all of which are reasonable.

The role of the government vis-à-vis human rights in many forms is to step in and even out the odds to prevent those who cannot help themselves, or who have difficulty helping themselves, from being oppressed by others and by society as a whole. I often hear the question in this House, "Are you serious?", as though the one who asks the quesion is the only one who is serious. I assure the hon. member for Burnaby that we on this side of the House have been serious for many years. We have spent many years protecting individuals who could not help themselves. We have a proud history of protecting individuals who could not help themselves.

In 1940 we brought in unemployment insurance. In the fifties we brought in laws protecting workers from exploitation. In 1961, we brought in schemes for adult occupational training and, in 1945, family allowances, all designed to help people who could not help themselves. In 1966 we brought in the guaranteed income supplement, in 1957 hospital insurance, in 1965 the Canada Pension Plan and, in 1966, medicare.

We have helped the senior citizens and in most cases received no credit. The provinces said that they did it all. We helped those who could not afford their own housing. All these people are handicapped in an economic sense. But for this we receive little credit. I am pleased to say, Mr. Speaker, that we have a history of bringing in social legislation and bringing it in with a sense of reasonableness.

My good friend has brought in four or five different items as though they were one recommendation. I think the report is

divided into separate categories. That is the way they should be dealt with. I find it ironic that sexual orientation should always be lumped in with the physically handicapped. I often wonder what they think about being in the same category. The report quite properly deals with different problems under different categories.

The physically handicapped are under 1.1.1, sexual orientation under 1.2.1 and political belief under 1.2.2 dealing with the physically handicapped. I assure my hon. friend that the government is serious. I will jog his memory a bit. The Speech from the Throne said, "There will be amendments to protect the rights of the handicapped". I will rephrase that. It said, "Amendments to protect the right of the handicapped will be made to the Human Rights Act". That is fairly unequivocal.

Mr. Deputy Speaker: Order. I regret to interrupt the hon. member, but his time has expired.

Motion agreed to and the House adjourned at 10.30 p.m.

HOUSE OF COMMONS

Wednesday, October 22, 1980

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

COMMUNICATIONS

RIGHT OF NORTHERN RESIDENTS TO TELEVISION PROGRAMMING—MOTION UNDER S.O. 43

Mr. Dave Nickerson (Western Arctic): Madam Speaker, whereas the Minister of Communications (Mr. Fox), in an address to a meeting of the Broadcast Executive Society yesterday, is reported to have said that he would be taking immediate action to put a halt to the unauthorized earth stations used to pirate television signals and that unauthorized operators would be charged by the Department of Justice and their equipment seized, I move, seconded by the hon. member for Prince George-Peace River (Mr. Oberle):

That no action be taken which would revoke the rights of residents in northern and remote areas of Canada to enjoy television programming to which they have become accustomed, thereby sending them back to the dark ages of CBC monopoly.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

SUPPLY AND SERVICES

LISTS OF BUSINESSES PERMITTED TO TENDER ON CONTRACTS—MOTION UNDER S.O. 43

Mr. Bill Domm (Peterborough): Madam Speaker, since political patronage lists of businesses permitted to tender on government contracts are now available to Liberal members of Parliament but not to others, under the provisions of Standing Order 43 I move, seconded by the hon. member for Leeds-Grenville (Mr. Cossitt):

That these political patronage lists held by the Department of Supply and Services be made available immediately to all members of Parliament and to the Canadian Federation of Independent Business in order that we might determine if small businesses are receiving their fair share of this government's patronage pork-barrel.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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FISHERIES

CANADA-U.S. WEST COAST SALMON TREATY—CALL FOR PARLIAMENTARY DEBATE—MOTION UNDER S.O. 43

Mr. Ted Miller (Nanaimo-Alberni): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of pressing and urgent necessity. Yesterday U.S. Senator Claiborne Pell of Rhode Island reaffirmed the U.S. Senate position that it will never pass the Canada-U.S. east coast fisheries treaty in its present form. In view of the experience Canada has gained in dealing with the U.S. on joint management procedures for east coast fisheries and in view of the importance of negotiations presently occurring in Seattle, Washington, to achieve a treaty on Pacific salmon, I move, seconded by the hon. member for Skeena (Mr. Fulton):

That this House requests the government to provide an opportunity for parliamentary debate before Canada ratifies a west coast salmon treaty; and, furthermore, before any ratification or final agreement is made on the west coast salmon treaty Canada wait until final U.S. Senate approval has been obtained, thus assuring west coast fishermen that Canada's final position will not be further weakened by the U.S. Senate's second bite at the fish which has occurred in the east coast fishing treaty.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

AGRICULTURE

SALES OF BARLEY BY WESTERN FARMERS—MOTION UNDER S.O. 43

Mr. Vince Dantzer (Okanagan North): Madam Speaker, I rise under the provisions of Standing Order 43 on a motion of urgent and pressing necessity. Whereas it is the policy of this government to force western Canadian farmers to sell barley to eastern farmers at $40 per tonne less than the foreign market price while simultaneously allowing Ontario farmers to sell 30,000 tonnes of barley at the full price to foreign markets, and in view of the fact that this has resulted in the loss to

western farmers of some $1,200,000, thus further demonstrating this government's complete disregard for western Canada, I move, seconded by the hon. member for Calgary North (Mr. Wright):

That this House take steps to prevent further discrimination to western farmers and instruct the minister responsible to allow the free flow of barley to world markets from western Canada.

● (1410)

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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SUPPLY AND SERVICES

GRAPHIC ARTS MATERIAL FOR CANADIAN FORCES BASES—MOTION UNDER S.O. 43

Mr. Ron Stewart (Simcoe South): Madam Speaker, I too rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the fact that the printing industry is the fourth largest employer in Canada and that a personnel and services directory for Canadian Forces Base Borden is printed by the National Publishing Company of Scottsdale, Arizona, and Canadian dollars are going to the United States, I move, seconded by the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty):

That in the future all printing of such directories and any other graphic arts material for Canadian Forces bases be provided by Canadian companies.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

PENITENTIARIES

DORCHESTER, N.B.—REQUEST INCIDENTS OF ALLEGED BEATINGS BE INVESTIGATED—MOTION UNDER S.O. 43

Hon. Warren Allmand (Notre-Dame-de-Grâce): Madam Speaker, I wish to move a motion under Standing Order 43 on a matter of urgent and pressing necessity. In view of the letter signed by 38 inmates from Dorchester penitentiary and read last night on CBC radio, alleging beatings, cruelty and harassment prior to the recent tragic hostage incident at that penitentiary, I move, seconded by the hon. member for Davenport (Mr. Caccia):

That the Solicitor General include those allegations in the investigation which he has ordered and that he add more non-departmental personnel to the investigating team, including some members of Parliament, in order to ensure a more complete objective assessment.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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INCOME TAX

CALL FOR REMOVAL OF CAPITAL GAINS TAX ON FARMS AND SMALL BUSINESS—MOTION UNDER S.O. 43

Mr. Len. Gustafson (Assiniboia): Madam Speaker, I rise under Standing Order 43 on an urgent and pressing matter. In view of the pressure on farms and small business, problems relating to production and the importance of the continuation of the same, I move, seconded by the hon. member for Bow River (Mr. Taylor):

That this House remove the capital gains tax on farms and small business.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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CULTURAL AFFAIRS

ADEQUATE FUNDING FOR MUSEUMS AND GALLERIES—MOTION UNDER S.O. 43

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. The 1979-80 annual report of the National Museums of Canada has once again emphasized the deteriorating conditions of our national, regional and community museums and galleries. Considering the importance of building a strong cultural foundation for Canada, I move, seconded by the hon. member for Beaches (Mr. Young):

That this House instruct the Secretary of State to take the necessary steps to ensure our irreplaceable collections are adequately accommodated, preserved and displayed in such a way that all Canadians may have the opportunity to appreciate our culture and our heritage.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ENERGY

CALL FOR RESIGNATION OF MINISTER—MOTION UNDER S.O. 43

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, I rise to present a motion of urgent and pressing importance under the provisions of Standing Order 43. In view of the fact that the hon. Liberal member for Rosemont (Mr. Lachance), who is also the Parliamentary Secretary to the Minister of State for Trade (Mr. Lumley), has condemned the government's proposal to impose a federal excise tax on the export of natural gas and hydroelectric power from Canada, and has also, in a recent statement, given his full support to many aspects of the sensible energy policy which was put forward by the Progressive Conservative government in the ill-fated budget of December, 1979, I move, seconded by the hon. member for Joliette (Mr. La Salle):

That the present Minister of Energy, Mines and Resources be directed to resign immediately so that he might be replaced by the hon. member for Rosemont who has proposed wise, Conservative ideas which would put Canada on the road to energy self-sufficiency.

Some hon. Members: Hear, hear!

Madam Speaker: For presentation, such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1415)

PENSIONS

CALL FOR LEGISLATION TO PROVIDE PENSIONS TO HOMEMAKER SPOUSES—MOTION UNDER S.O. 43

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, under the provisions of Standing Order 43, and seconded by the hon. member for Vancouver East (Mrs. Mitchell), I move:

That this House urges the government, in view of its stated recognition of the role of spouses working in the home, to bring before the House legislation to provide pensions for all homemaker spouses, in their own right, equivalent to those earned by contributors to the Canada Pension Plan, thus recognizing in full, for pension purposes, the contribution to our society made by those who work in the home.

Madam Speaker: Presentation of such a motion for debate requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

SMALL BUSINESS

CALL FOR LEGISLATION RESPECTING DEVELOPMENT BONDS—MOTION UNDER S.O. 43

Mr. Don Blenkarn (Mississauga South): Madam Speaker, I rise under the provisions of Standing Order 43 to point out to the House that a great number of small businessmen have been applying to banks and lending institutions to take advantage of small business development bonds. The bonds were confirmed in the "Crosbie" budget and in the mini budget of April, but the legislation has never been introduced and the lending institutions will not make loans without the legislation being introduced and passed. Therefore I move, seconded by the hon. member for Waterloo (Mr. McLean):

That this House directs the Minister of Finance to introduce forthwith the legislation allowing small business development bonds; that the legislation be segregated from other tax legislation; that this House do pass the legislation through all readings without debate; in view of the delay in producing the legislation, that the legislation provide that the program be extended until December 31, 1981.

Madam Speaker: Presentation of such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE CONSTITUTION

REQUEST DRAFT AMENDMENTS TO PROPOSED RESOLUTION BE TABLED

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, in the absence of the Prime Minister my question is directed to the Minister of Justice. It concerns the indication last night that the government is prepared to entertain certain amendments to the draft constitutional resolution presently before the House. So that Parliament will know exactly what we are dealing with, will the minister undertake to have tabled in the House today or tomorrow any draft amendments to the draft resolution on the constitution?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, I would be willing to table the exchange of letters between the Prime Minister and the Leader of the New Democratic Party. Of course, we have not yet reached committee stage; I hope we will get there very quickly. I know the Leader of the NDP will present an amendment, and we said that if it is in conformity with the exchange of letters we will accept it. In fact, it is entrenching in the constitution the proposition we made to the provinces last summer.

Some hon. Members: Hear, hear!

Mr. Clark: Madam Speaker, it is precisely because we have had some experience of dealing with the differences which can occur between letters and the language of resolutions and amendments that we are asking the "Liberal democratic government" to table it now—

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Clark: —so that the House will understand exactly what is being proposed and not be misled by letters or any draft amendments.

But let me turn to another matter. In the Prime Minister's letter to the leader of the New Democratic Party, he specifically failed to deal with a number of issues which are controversial. For example, there was no reference to section 42 respecting a federal referendum. The hon. member for Yorkton-Melville, speaking as the federal-provincial spokesman for his party, described section 42 as "dangerous", "repugnant" and "highly unacceptable", and these views were shared by the Premier of Saskatchewan who stated that this section "would threaten to undermine the federal-provincial partnership upon which Canada rests". Given those strongly-held views, can the Minister of Justice tell the House whether section 42 will be removed?

Mr. Chrétien: Madam Speaker, we said many times that the intention of the resolution was very clear. We wanted to make it very clear that section 41 will have to be used before we use section 42. We wanted the deadlock-breaking mechanism to apply only after the formula under section 41 had been followed.

If the language of the resolution is not clear, I will be willing to discuss it with members in committee. What amazes me the most is the fact that the opposition does not want to discuss it in committee where we can have exchanges, and if there is some room for improvements, we will accept them.

• (1420)

At the same time, we said very clearly that we need that deadlock-breaking mechanism. In a speech made by the hon. member for Winnipeg North Centre, he said the policy of his party is to have a constitution in Canada and that to have a deadlock-breaking mechanism is an absolute necessity.

Mr. Clark: I remind the Minister of Justice that so far in the debate on the motion more Liberals have spoken than members of the official opposition.

Some hon. Members: Hear, hear!

Mr. Clark: I take it that, despite any deals which may have been made, the government intends to keep the essential nature of section 42, which the member for Yorkton-Melville has described as "dangerous", "repugnant" and "highly unacceptable".

My supplementary is directed again to the Minister of Justice and concerns another matter which was not raised in yesterday's letter from the Prime Minister to the Leader of the NDP, namely, the question of provincial concurrent jurisdiction over international trade. When speaking on behalf of the NDP, the hon. member for Yorkton-Melville, their spokesman on federal-provincial relations, stated that it was absolutely necessary to achieve provincial concurrence with federal paramountcy when it comes to international resource trade. Given that in the case of Saskatchewan, for example, such trade accounts for 95 per cent of potash sales and 50 per cent of heavy oil sales—

Some hon. Members: Question!

Mr. Clark: I understand this is embarrassing to members of the "Liberal democratic party", but I would like to ask the minister whether he or one of his seatmates—or soulmates—can tell the House whether, as part of yesterday's agreement, the government is prepared to accept concurrent provincial jurisdiction relating to international resource trade?

[*Translation*]

Mr. Chrétien: Madam Speaker, the letters exchanged between the Leader of the New Democratic Party and the Prime Minister of Canada are very clear, and we do not intend now any more than we did this summer to entrench into the constitution transfer of the federal jurisdiction in international trade. We believe this matter must remain under federal jurisdiction, if we really have a country. However, if problems occur in the administration, of course we could always find the administrative solutions required.

[*English*]

PROVINCIAL OWNERSHIP OF RESOURCES

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my question is also to the Minister of Justice and I speak in part as a member of Parliament from Ontario, which is the second largest mineral producer in this country. I ask the Minister of Justice to refer to item 1 in the Prime Minister's letter to the Leader of the New Democratic Party, which states that an amendment would be considered which would confirm the jurisdiction of the provinces with respect to exploration, development, conservation and management of non-renewable natural resources.

Would the Minister of Justice indicate if that section or reference, if passed, limits the present ownership that Ontario has in its own resources, as are so clearly set out in section 109 of the BNA Act, which states that all lands, mines, minerals and royalties shall belong to the several provinces of Ontario, Quebec, Nova Scotia and New Brunswick? Has the minister a legal opinion which would indicate that he has not, in fact, narrowed our rights in Ontario to our own resources, including the right to sell those resources?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, he is asking for a legal opinion and I am not willing to give one at this time. I would like to tell the House we are very eager on this

side to go into committee, which would give us the opportunity to reply to those kinds of questions. I have listened to the debate and the opposition is running around looking for someone to make a speech and passing around the same speech to each member who gets up. It would be more convenient for all members of the House and for the level of debate if we were to go into committee and reply to that point. Of course, it is provided in the Canadian constitution that resources belong to the provinces and we intend to respect that. I hope that we can get the matter into committee so that we may define and solve the problems in the resolution and do what the Leader of the Opposition will be asking for later this afternoon, that we unilaterally patriate the constitution.

● (1425)

Mr. Stevens: Madam Speaker, again to the Minister of Justice. If in fact it is the government's desire to ensure that the ownership of natural resources remain with the provinces, why did it not simply state that in the letter which the Prime Minister wrote to the Leader of the NDP?

[*Translation*]

Mr. Chrétien: Madam Speaker, we shall have answers to all those questions whenever the opposition will allow us to discuss them in committee.

* * *

[*English*]

INDUSTRY

MASSEY-FERGUSON—REQUEST FOR EXPLANATION OF REFINANCING PROPOSAL

Mr. Edward Broadbent (Oshawa): Madam Speaker, my question is addressed to the ever ready Minister of Industry, Trade and Commerce, and I see that he is getting prepared. Last night in the Standing Committee on Finance, Trade and Economic Affairs the minister refused to confirm any plans to refinance Massey-Ferguson. As the minister spoke in committee, a member of my party actually revealed to the minister the details of such a plan. Would the minister confirm that there is a proposal whereby the federal government will guarantee some $200 million worth of investment shares and, if so, will he now tell the House whether the government has agreed to the refinancing package announced by Massey-Ferguson yesterday? Is the minister willing to make a statement in the House explaining in clear terms the details of this proposal?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, I will not be able to confirm that the amount the hon. member mentioned is the amount which the government of Ontario and the Government of Canada are willing to guarantee as part of an equity refinancing program for Massey-Ferguson. We have not yet agreed to the proposal set out by Massey-Ferguson in its statement of late yesterday afternoon. Our participation will depend on the working out of satisfactory terms and conditions, such as the terms and conditions from lenders involving the postponement of repayment of principal and interest and maintenance of lines of credit, as well as the agreement by Massey-Ferguson on conditions involving the maintenance of jobs and an increase in production, investment and research and development.

What I said in my press release on Monday is that the government of Ontario and the Government of Canada are:

—prepared to guarantee the capital risk of a portion of the new equity investment in Massey-Ferguson, providing various conditions are met, including a satisfactory degree of co-operation from the existing lenders.

I think that is pretty clear.

Mr. Broadbent: Madam Speaker, indeed it is very clear. The minister has just said that he will guarantee the new investors. I would like him to clarify the point even further, because the principal investors or largest shareholders in Massey-Ferguson are in fact the employees through their pension fund. Is the minister telling the House, then, that the Government of Canada will provide guarantees to the new free enterprise investors on their money so that they will not be taking any risk, but that the workers at Massey-Ferguson who have their pension funds tied up will not get any backing at all from the Government of Canada?

Mr. Baker (Nepean-Carleton): Watch out, he's going to jump out of bed, Herb!

Mr. Gray: Madam Speaker, if Massey-Ferguson does not survive, the shares of the employees held in the pension fund will not be worth anything. Our objective is to attract new equity investment to Massey-Ferguson to enable its equity refinancing, so that the company will not only survive but be strengthened. In this way the workers will not only retain their jobs but the value of their shares will be preserved. This is our objective. I am surprised that my hon. friend does not agree with this because the UAW, representing the workers, issued a statement yesterday indicating support for that approach.

● (1430)

Mr. Broadbent: A supplementary question, Madam Speaker. When they are more fully aware of the government's intentions, they may have some qualified opinions following on what the minister says they said yesterday. Will the minister confirm two things to the House. First, with this massive new investment that is going to take place, the inevitable result will be that the shares that are already held by the workers will decline very substantially in value. That is the inevitable result of this infusion of new capital. Therefore, they are not being guaranteed their investment to start with, as the minister is prepared to guarantee to new investors, and their current investment is going to go down in value. Second, if the Government of Canada is going to put up money for this enterprise, does the minister not think it is time that the Canadian public, which will be taking the risk, got some equity in the company?

Mr. Gray: Madam Speaker, the governments of Ontario and Canada have not said that they will be putting money into the company. They have said they are willing to guarantee the

value of a portion of new equity refinancing. It is my view that one of the terms and conditions to be attached to such a guarantee should be a way of enabling the governments to participate in the success of the company. I think this is something that should be very much pursued.

With respect to the possible value of shares of existing shareholders, this will depend on the degree of success of the company. If the refinancing is successful and the results are a strengthened and more successful Massey, certainly there will not be, as my hon. friend seems to want to see come about, an ultimate lowering of the value of shares held by existing shareholders. My hon. friend would seem to prefer the absolute failure of the company so that the shares held by the workers would be worth nothing and there would be no jobs for them. No wonder the UAW takes quite a different position from the NDP.

* * *

THE CONSTITUTION

PROPOSALS RESPECTING OWNERSHIP OF RESOURCES

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, my question is for the Minister of Justice and it relates to the cozy deal worked out by the Prime Minister and the leader of the New Democratic Party to achieve an organic understanding between their two parties. With respect to part of the statement made in the Prime Minister's letter to the hon. member for Oshawa—who is understandably leaving the chamber in embarrassment—could the minister comment on the point made by the Prime Minister that the resource issue is conditional upon and "acceptable to us only on the condition that agreement be reached to entrench in the constitution certain basic principles of the economic union".

In view of the fact that Premier Blakeney for one has rejected the proposals arrived at between his national leader and the Prime Minister, can the minister tell the House whether that is a negotiable item with respect to the committee hearing which the Minister of Justice referred to today, and whether he is prepared to compromise with respect to that aspect of the Prime Minister's letter in committee?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, I think when we are in committee we will debate that. In the letter of the Prime Minister yesterday to the Leader of the New Democratic Party he said we are willing to accept an amendment on resources, on indirect taxation and on interprovincial trade and federal paramountcy. This would be the amendment we would accept.

In terms of economic union, as the people know, the mobility of people has been incorporated in the charter of rights and, of course, we have the movement of goods in section 121. In future rounds of negotiations we will want to strengthen the economic union of Canada even more. For the time being, we have the resolution before the House and the only amendment will be this one.

To reply to the question of the hon. member's leader, of course the resources were already confirmed in the constitution and it is a clarification for renewable resources.

Mr. Hnatyshyn: Madam Speaker, I think it is fair to say that the proposal by the Prime Minister is a sellout and a fraud with respect to ownership of resources of this country, and it will be seen to be so when the people have had a chance to examine it.

I want to ask the minister, in relation to his policy with respect to constitutional amendment, whether yesterday in Edmonton the Minister of the Environment, who has special responsibilities for constitutional matters and who stated that federal-provincial conferences are pernicious and a harmful way to make government policy, and further indicated his support for a constitutional provision abolishing federal-provincial conferences, was speaking on behalf of the government.

[*Translation*]

Mr. Chrétien: Madam Speaker, I did not read the statement by the hon. minister. I can say that, obviously, the experience we went through this summer when we made an enormous effort to come to an agreement, was very disappointing for us. However, in his speech the Right Hon. Prime Minister already stated that once the constitution is repatriated, we intend to resume our discussions with the provinces on federal institutions and on the sharing of jurisdiction. This is the commitment we made and we intend to fulfil. The mechanism we shall use will be, of course, federal-provincial conferences. If there is a deadlock, the amending formula provided for in the project will be in place.

[*English*]

PROPOSALS RESPECTING OFFSHORE RESOURCES

Hon. James A. McGrath (St. John's East): Madam Speaker, my question is directed to the Minister of Justice. Can the minister tell the House whether in the course of discussions between the government and the NDP, the question of the rights of provinces to offshore jurisdiction over oil and gas came up? Can the minister also tell the House why this was not included in the package which was announced yesterday in the exchange of letters between the Prime Minister and the leader of the NDP?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, during the summer we made a very generous offer to the maritime provinces in relation to the offshore but it was rejected by the maritime provinces—by the Atlantic provinces. We were offering 100 per cent of the revenues. I think the offer made was a very good one. We are not willing to give away the jurisdiction—

Mr. Clark: You did try.

Mr. Chrétien: —of the federal government in the matter of offshore resources. We want to make sure that the benefit of those resources accrues to the people of the provinces who could benefit from them.

Mr. McGrath: A supplementary question, Madam Speaker. In selling their soul for a little potash, the NDP sold what few friends they had left in the Atlantic provinces and that is a sad day. I should like to ask the minister why the question of renewable resources was not included in the—

An hon. Member: You did a great job.

Some hon. Members: Oh, oh!

Mr. McGrath: Madam Speaker, the truth obviously hurts.

Some hon. Members: Hear, hear!

Mr. McGrath: I should like to ask the minister why the question of renewable resources was not included in the government's package, knowing full well the importance, for example, of the development and transmission of hydroelectricity to the Atlantic provinces.

Mr. Chrétien: Madam Speaker, I should like to reply to the first part of the question of the hon. member and tell him that our position on offshore resources was well explained to the people of Newfoundland and they gave up one more seat in the last general election.

Some hon. Members: Hear, hear!

Mr. Chrétien: In our negotiations during the summer with Premier Peckford we said that we have some powers in interprovincial trade that could be used if need be. I am amazed to see Premier Peckford always giving us all sorts of problems, but when he needs the federal government he always calls on us to help him get his electricity across Quebec.

Mr. McGrath: That is a constitutional right and you know it.

Mr. Chrétien: In order to get that, we need a strong federal government. If he wants us to help, I think he should stop making the kind of statement that he made yesterday.

Mr. Clark: Roger Simmons just walked out.

Mr. McGrath: That is a constitutional right and you know it.

Some hon. Members: Oh, oh!

An hon. Member: Sit down.

Mr. Chrétien: Madam Speaker—

Madam Speaker: Order. Order, please. I have to remind both hon. members that when the Speaker rises in her chair they must resume their seats. We were listening to the hon. Minister of Justice.

An hon. Member: He is finished.

Some hon. Members: Hear, hear!

Mr. Chrétien: Madam Speaker, in the resolution it is clearly stated that there would be no possibility of changing the borders of any province without the approval of the province. It was demagogy on the part of the premier to try to create the impression to the contrary.

Mr. Crombie: This is a deadlock.

Mr. Chrétien: The same thing applies to the right to have religious education in the provinces.

Mr. McGrath: Madam Speaker, is the Minister of Justice of Canada now telling this House that Newfoundland does not have, under section 95 of the BNA Act, the right to transmit its power through the province of Quebec to Ontario and elsewhere? Is that the position he is taking as Minister of Justice? We are not looking for help; we are just looking for this government to get—

• (1440)

Madam Speaker: Order, please.

Mr. Chrétien: Madam Speaker, whenever there is a market for electricity, we will be willing to help the province of Newfoundland—

Some hon. Members: Oh, oh!

Mr. Chrétien: —with the federal powers that we have. If we were to listen to the opposition and weaken the federal government with a type of community of communities, it would be impossible for us to help Newfoundland under those circumstances.

* * *

COMMUNICATIONS

PAY TV—SUGGESTED CHANGE IN POLICY BY CRTC

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, following this sort of general hubbub and acrimony, I have a very gentle question for the Minister of Communications.

An hon. Member: A very gentle minister.

Mr. Rose: In view of the simultaneous CRTC and ministerial announcements yesterday that pay TV in Canada is to proceed forthwith, despite the fact that the CRTC's own Therrien report issued in July stated on page 59 that "there is no evidence of widespread demands" and further that "the only people who demand the instant introduction of pay TV are those who expect to make profits out of it", can the minister assure the House that the CRTC, which is an autonomous regulatory body, arrived at this policy U-turn independently and without outside pressure from the minister or his department? Since the minister supports an early introduction of pay TV with no indication of how the objectives of enhanced opportunities for creative people in Canada are to be

fulfilled, could the minister also tell Canadians what caused him to push for this premature major change in policy?

An hon. Member: More money.

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam Speaker, as far as I am concerned it is not a major change in policy. The hon. member referred to the Therrien committee report. The Therrien committee is just that, Madam Speaker, it is a committee of the CRTC and it reports to the full CRTC. The announcement which was made yesterday by that body indicated that the CRTC as a whole endorsed the idea and agreed that it is urgent to have a pay TV system in this country. As I have indicated before, it is not a question of whether we will or will not have a pay TV system in this country; it is a question of whether we will have a pay TV system over which Canadians have some influence and control.

As to the hon. member's remark to the effect that no one in this country, except the people who would make a buck from it, want pay TV, I am pleased to inform him that a lot of people in the Canadian production industry, the Canadian arts and cultural community are interested in the significant financial benefits which will accrue to the Canadian program industry and the Canadian cultural industry in general, because a good part of the profits from pay TV would accrue to them.

Mr. Rose: Madam Speaker, I was quoting from the Therrien report when I mentioned that the only people who are interested were those who would make a profit. Since it is not a major change in policy, according to the minister, it means that there is no communications policy.

In view of the strong arguments against pay TV as a pipeline for just more U.S. programming and the opposition to it by the creative people who are expected to benefit—as the minister has just explained to me—since they oppose it at this time, can the minister tell us who is directing this change in policy at this time? In addition, I would like to know why major policy changes are announced months in advance of a new comprehensive bill for a Canadian telecommunications policy?

Mr. Fox: Madam Speaker, I would like to reiterate what I said initially, that the Therrien committee was just that, a committee of the CRTC. It did not represent the views of the whole of the CRTC. The CRTC in its initial press release two weeks ago indicated that it would be looking at the Therrien committee report, and on the basis of a number of recommendations in it, that it would be issuing positions it would take. Yesterday the CRTC decided to issue its position on pay television in Canada and recognized the urgency of introducing that type of system in this country.

TELEVISION SERVICE TO NORTHERN AND CENTRAL RESIDENTS

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, my supplementary question is also addressed to the Minister of Communications. The Therrien committee clearly stated that the priority must be to produce a balanced television and communications diet for people in the northern and central part of the provinces and the far north. Is the minister saying now that this is not his priority? Would he also clarify his statement which he made yesterday in Toronto, when he mentioned that something must be done about the proliferation of pirate signals in the urban centres? Is it his intention to develop a policy which will permit stations that have been established in the north to operate legally and under a licence, or will the minister close them all down? Can the minister ease this fear?

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam Speaker, I want to thank the hon. member for his question. He quite rightly reflected the CRTC's Therrien report to the effect that extension of services and provision for an adequate range of television services to remote and northern communities should be a priority. The full committee of the CRTC has endorsed the Therrien committee report in this regard. I indicated in my speech yesterday in Toronto that I was in full agreement with the CRTC in this connection. As a matter of fact, the CRTC has decided to hold hearings on extension of services to the north in February before any hearings will be held on pay TV. I think that issue is clear both in the Department of Communications and in the CRTC.

As to the question of pirating signals from U.S. satellites, I indicated clearly yesterday that we would pursue the present policy as far as northern communities were concerned. With regard to urban centres in Canada along the southern part of this country, where there is already a wide range of choice of TV signals, we have indicated that we would not tolerate proliferation of dishes to receive illegally U.S. satellite signals because such proliferation would clearly endanger the continued existence and viability of the Canadian broadcasting system, which we believe to be essential to the continued development of this country.

* * *

CANADIAN BROADCASTING CORPORATION

SERVICE TO RESIDENTS OF NEW BRUNSWICK

Mr. Maurice Harquail (Parliamentary Secretary to Regional Economic Expansion): Madam Speaker, my question is to the same minister, the Secretary of State, who is responsible to this House for the Canadian Broadcasting Corporation.

While the previous points raised this afternoon are important, I would like to go back to something fundamental to Canadians. Specifically, it concerns New Brunswick's CBC television studio facilities as well as CBC radio production and broadcasting in northern New Brunswick. I invite the minister to indicate his readiness to take personal action in this matter with the CBC to ensure that after these many years New Brunswickers will catch up to the 1980s and have adequate

facilities installed in television and radio, both from Radio-Canada and the CBC, in New Brunswick.

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam Speaker, I know that the hon. member is very concerned about the level of CBC coverage in New Brunswick. It is a concern that I have brought to the attention of the CBC authorities. The hon. member will have the opportunity next week to talk directly about this issue with the president of the CBC, who I understand is being called before the Standing Committee on Communications and Culture.

Perhaps I could indicate to the hon. member in the meantime that the CBC is at present engaged in building three new transmitters to serve the Campbellton area and radio transmitters and one TV transmitter. I will give a quick breakdown. It includes an FM transmitter carrying the French language service of CBAF Moncton, which is expected to be ready for operation by next December or January of next year; an FM transmitter carrying the English language program of CBA Moncton, which is scheduled to be ready for operation late in 1981.

Some hon. Members: Order.

Mr. Fox: I believe this is an important question, Madam Speaker; it was raised at the federal-provincial conference. Perhaps hon. members will allow me to conclude. There is a television transmitter carrying French language from CBAF Moncton which is also expected to be in operation in late 1981. It is a continuing concern of my department to see to it that the CBC does indeed give adequate coverage right across the country.

* * *

GOVERNMENT ADVERTISING

ENERGY CONSERVATION—ALLEGATIONS OF FALSE AND MISLEADING ADVERTISING

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, I have a question for the Minister of Consumer and Corporate Affairs. He will be aware that at least two private sector groups, Friends of the Earth and the Canadian Arctic Resources Committee have lodged complaints with his department concerning the government's massive $5,850,000 energy advertising campaign on the grounds that that campaign includes false and misleading information. The director of the marketing practices branch of his department has written to one of these groups to indicate that he does not have jurisdiction, because no commercial product was being sold and because "there have been some cases in law which appear to have established that agents of the Crown, which would include most government departments, cannot be prosecuted."

● (1450)

May I ask the minister how he can justify this double standard of exempting the government from provisions regarding false and misleading advertising where false and misleading advertising by the private sector would result in criminal charges being laid by the government?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, I categorically deny the allegations of the hon. member. There is absolutely no misleading advertising.

[*English*]

SUGGESTED STANDARDS CODE FOR ADVERTISEMENTS

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Clearly, Madam Speaker, the minister is not concerned about the fact that there is a double standard in the law here.

I wish to pose my supplementary to the Minister of State for Multiculturalism, who has the responsibility for government propaganda. In view of the fact that the federal government is the single largest advertiser in Canada and must maintain standards of propriety and accuracy at least equal to those it demands of the private sector, is the minister prepared to draw up and make public a code of advertising standards for federal government advertising? Also, is he prepared to create an independent board to which private sector groups and private individuals can go to lay complaints against the government, where they believe the government has been guilty of false and misleading advertising?

Hon. Jim Fleming (Minister of State, Multiculturalism): Madam Speaker, the radio and television networks themselves have a policy of rejecting ads if they are dishonest or improper. I believe the federal government has acted responsibly in its use of advertising. Over the course of several weeks, we have seen the opposition continuously attempt to throw up a red herring with the advertising issue because they do not want to face the constitutional issue. Clearly it is not the view of the Canadian public that those ads are wrong. It is certainly my view that those ads responsibly bring to the attention of the Canadian public the energy program of the Government of Canada.

* * *

[*Translation*]

ENERGY

INQUIRY WHETHER GOVERNMENT WILL TAX EXPORTS OF NATURAL GAS AND HYDROELECTRICITY

Hon. Roch La Salle (Joliette): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources. I imagine the Minister of Energy has received the letter his colleague, the hon. member for Rosemont, published in the newspapers. I wonder if it is part of the new policy on informing the public. That letter challenges the decision which seems to have been made by the minister to levy a tax on exports of natural gas and electricity for the reasons the

minister entertains. In view of the circumstances, and of the fact that his colleague is opposed to it and has sent a letter confirming it to all his colleagues on the government side, can the minister first tell us today that he has indeed decided to levy a tax on natural gas and electricity exports?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): It is perfectly obvious that the hon. member for Joliette would like me to reveal to the House, today, what next Tuesday's budget will bring. I would simply invite him to wait till Tuesday night next at which time the Minister of Finance will bring down the budget.

Mr. La Salle: Madam Speaker, on a supplementary. I should have liked the minister to tell the House, first of all, if he agrees on the contents of that letter. In any event, I would remind him of the following excerpt, which I quote:

> In any case, and since Canadians assume responsibility for our own irresponsibility, let us subsidize the price of Canadian oil, at least for a time . . . but let us see to it that all Canadians pay for that folly and not only the producing areas.

Does the minister intend to reply in the affirmative to the invitation his colleague for Rosemont is extending to him?

Mr. Lalonde: There again my hon. colleague will have to wait till next Tuesday when the global energy policy of the government will be made public. I trust that, when he has acquainted himself with it, he will realize that it is an excellent policy for Canada as a whole.

* * *

[*English*]

EMPLOYMENT

JOB-CREATION PROGRAM FOR NATIVE PEOPLE—INQUIRY RESPECTING INCREASED FUNDING

Mr. David Orlikow (Winnipeg North): Madam Speaker, my question is directed to the Minister of Employment and Immigration. In a submission made to a task force on native employment established by the minister's department, the National Indian Brotherhood complained that the job-creation programs being developed by his department were being planned without consultation with the national, provincial or local native organization. They also complained very bitterly about the fact that the funds available for native job-creation programs this year through the community development program and LEAP are substantially less than they were two years ago when the former Liberal government was in office. Has the minister given serious consideration to increasing the amount of money available for native job-creation programs this year?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): As the hon. member knows, Madam Speaker, the whole area of job creation, employment and training is presently under review by a parliamentary committee headed by the hon. member for Notre-Dame-de-Grâce. There is also a review taking place within our department to look at the internal financing of these areas. It certainly is my intention to combine those reports, when they are available, to develop some new initiatives in this area. We are consulting with native organizations. Last week I met with several groups of them out west. We will certainly bring them into any full consultation before any new programs are introduced.

Mr. Orlikow: Madam Speaker, the minister's reply to my question indicates there will be no more money this year while the matter is being considered. In the same submission, the National Indian Brotherhood urged the establishment of a joint committee from the minister's department, the Department of Indian Affairs and the Department of Regional Economic Expansion so that for natives there can be one economic development package instead of the completely separate programs which they now have from various departments. Is the minister consulting his colleagues about the possibility of such a joint approach?

Mr. Axworthy: Madam Speaker, there have been a number of discussions between the departments concerning how we can better co-ordinate and combine the different initiatives to assist native Canadians in employment and training programs, in fact in the whole area of economic development and assistance. As well, I assure the hon. member that in the development of plans we are looking at the initiatives we can take in western Canada where a large proportion of native people reside. We are also looking at ways in which we can develop special initiatives in terms of development funds for them in that area. I can tell the hon. member that the concerns he raises are ones that we also share and there are very extensive discussions taking place.

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[*Translation*]

AIR SAFETY

MIRABEL—SIMULATED CRASH OF DC-8 AIRCRAFT

Mr. Robert Gourd (Argenteuil): Madam Speaker, my question is directed to the Minister of Transport. Following the safety exercise held at Mirabel yesterday with the simulated crash of a DC-8 aircraft the toll of which would have been 34 dead, 25 seriously injured, 31 passengers with minor injuries and 25 other passengers in a state of shock, can the minister tell the House, first if he is satisfied with the results and, second if the persons in charge of staging this event will be asked to develop a safer and faster rescue system?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I guess the answer to the first question is no and the answer to the second is yes. However, this morning, around eleven o'clock, I asked my department for a detailed report on this situation because not knowing the criteria used for this exercise, I cannot pass judgment on what happened.

I have been told that such simulations take place on a routine basis and I can only rejoice that these dead and injured are just simulated and not real casualties. However, I will seriously further this inquiry and provide the hon. member with the opinions expressed by the experts. Anyway I can assure him that all efforts are being made to improve airport safety in Canada.

* * *

[*English*]

COMMUNICATIONS

EARTH STATIONS IN NORTHERN AREAS—GOVERNMENT POSITION

Miss Pat Carney (Vancouver Centre): Madam Speaker, I wish to direct my question to the Minister of Communications and ask him to clarify his earlier remark that his department was going to follow current policy with regard to the operation of illegal earth stations. As the minister is aware, the operation of the earth stations involved in the north is illegal. Is he suggesting that he is going to condone this illegal action, go for an interim licence arrangement or have the RCMP look into closing them down?

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam Speaker, I refer to the fact that I answered this type of question a number of times in previous months, particularly in the spring and late summer. We do not intend at the moment to close down the operations in the north. We intend to address the problem, first of all, by trying to provide northern and remote communities with an adequate package of Canadian television services. When that is done, we would expect operators in those areas who are licensees, people who would be licensed by the CRTC at that time, to reorient their dishes toward Canadian satellites.

FRENCH PROGRAM TRANSMISSION IN NORTHERN AREAS

Hon. Erik Nielsen (Yukon): Madam Speaker, I have a supplementary question for the Minister of Communications. In view of the fact that one of these operations in Whitehorse, Yukon, has been required to cease and desist day-long transmission entirely in French transmitted from the city of Montreal, and cannot renew transmission until cleared by the CRTC, will the minister explain whether he knows of this requirement? If so, will he perhaps hasten the approval of the transmission of French programming in the Yukon so that we in that part of the country can share in a very worth-while bilingual program?

● (1500)

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam Speaker, I am not sure if I understood the hon. member quite clearly. In any event, I am not aware of the specific instance he has brought to my attention. I will look into it and see what can be done as soon as possible.

Point of Order—Mr. W. Baker

AGRICULTURE

ACCESS OF CANADIAN FARMERS TO UCO ELEVATOR

Mr. Robert Daudlin (Essex-Kent): Madam Speaker, my question is addressed to the Minister of Agriculture. Given the substantial sums of money which were expended by the federal government for construction of the UCO elevator in the Essex area, given the nature of the direction behind the expenditure, namely that the farmers of Essex would have first access to that elevator, and the fact that they are now being refused access to the elevator because it is full, would the minister advise whether he is aware of the problem, whether in fact, as stated, the elevator is full of American product, and whether in fact it is still the intention of his ministry to ensure Canadians that they will have access to those elevators first?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, we have received some representations about the inadequacy of the whole system and about its not being able to handle soybeans in particular. One of the main reasons is the abundant crop in southwestern Ontario this year. All facilities are plugged to the top, and we are thankful that we have so much. Much of it is in the position of being exported and it is moving. We hope that this will alleviate the situation. According to what I was told last week, this situation is not brought about because of imported beans either at the Windsor elevator or at the Port Colborne elevator. It was practically all domestic produce which was there.

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POINTS OF ORDER

MR. BAKER (NEPEAN-CARLETON)—POSTPONEMENT OF SPEAKER'S RULING

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I understand that you are prepared today to rule on the questions of privilege standing in the names of the Leader of the Opposition (Mr. Clark) and the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty). This is an allotted day, and a short day at that. I have spoken to both hon. members and, in view of the circumstances, I wonder if you would be prepared to defer your ruling until tomorrow in order to save some time.

Some hon. Members: No.

Madam Speaker: Yes, I am prepared to defer the ruling until tomorrow—

Mr. Baker (Nepean-Carleton): Thank you very much Madam Speaker.

Madam Speaker: —because having looked at the arguments of the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty), I decided that I would hear the hon. member for Yukon (Mr. Nielsen), so therefore I shall defer until tomorrow.

Order Paper Questions

[*Translation*]

MR. BLAIS—MOTION UNDER S.O. 43

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, I rise on a point of order. If I understand the procedure concerning motions under S.O. 43 introduced before the oral questions period, the mover must convince the Chair about the urgency and necessity of those motions. To do so, the allegations must be well founded.

[*English*]

I therefore must take exception to the unfounded allegations which were made by the hon. member for Peterborough (Mr. Domm) in his presentation of his motion under Standing Order 43.

Mr. Baker (Nepean-Carleton): Madam Speaker, if my hon. friend was rising on a question of privilege, I think all of us in this Hose know that the point was neither a question of privilege nor a point of order.

Madam Speaker: For the information of the hon. member, the minister was rising on a point of order.

Mr. Nielsen: It was still not a point of order.

ROUTINE PROCEEDINGS

[*Translation*]

BUSINESS OF THE HOUSE

NOTICE OF MOTION PURSUANT TO S.O. 33

Mr. Pinard: Madam Speaker, at the next sitting of the House, immediately before the order of the day for resuming debate on motion No. 18 introduced by the Minister of Justice and Social Development (Mr. Chrétien), namely, government orders, I will move that the debate not be further adjourned, this notice being given to the House under Standing Order 33.

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 872, 993, 996, 997, 999 and 1,206.

I ask that the remaining questions be allowed to stand.

[*Text*]

COUNCIL OF FISHERIES MINISTERS—ATLANTIC PROVINCES, QUEBEC

Question No. 872—**Mr. Gass:**

Will the council of fisheries ministers of the Atlantic provinces, Quebec and the government meet this year and, if so (a) in what location and on what date (b) what will be the agenda for the meeting?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): No meeting of fisheries ministers of the Atlantic provinces, Quebec and the government has taken place since the change in government. The current constitutional talks, however, afford the opportunity for provincial and federal representatives to share and exchange ideas and recommendations on the future of the fishery in this country.

MR. RICHARD ASSELIN

Question No. 993—**Mr. Cossitt:**

What is the public service employment history of Mr. Richard Asselin, vice-president of finance and administration of the Crown Assets Disposal Corporation?

Hon. J.-J. Blais (Minister of Supply and Services): We are informed by Crown Assets Disposal Corporation as follows: None. Mr. R. Asselin, B.Com., M.A.Sc., C.A., vice-president of finance and administration has never been employed in the public service.

MR. LEO LABELLE

Question No. 996—**Mr. Cossitt:**

1. Is Mr. Leo Labelle employed as regional director of the national capital office of the Crown Assets Disposal Corporation and, if not, on what date and for what reason did he leave?

2. Has he at any time brought a legal action, or given notice of his intention to bring a legal action, against Crown Assets Disposal Corporation and, if so, what are all the details involved, including an exact description of the action and the circumstances leading to such action?

Hon. J.-J. Blais (Minister of Supply and Services): I am informed by Crown Assets Disposal Corporation as follows:

1. No. He resigned on March 23, 1978.

2. Yes. This matter is sub judice.

CROWN ASSETS DISPOSAL CORPORATION—TURNOVER IN STAFF

Question No. 997—**Mr. Cossitt:**

1. What was the percentage of turnover in staff for the Crown Assets Disposal Corporation during each of the past three years?

2. Is the figure higher than might ordinarily be expected and, if so, what are all the reasons?

Hon. J.-J. Blais (Minister of Supply and Services): I am informed by Crown Assets Disposal Corporation as follows:

1. 1977: 42 per cent, including staff on probation
   1978: 42 per cent, including staff on probation
   1979: 24 per cent, including staff on probation.

2. No, because 75 per cent of the turnover in 1977, 72 per cent in 1978 and 95 per cent in 1979, of the figures presented in part one, is represented by clerical positions where mobility is much higher than the administrative and sales positions. This is further compounded by the fact that the corporation is a small organization with very few promotion opportunities, consequently, employees often have to look outside for more senior positions. The above should be compared with a turnover of 19.3 per cent (1979) in the administrative support category of the public service where promotion opportunities are far greater.

ROYAL CANADIAN MINT—CROWN ASSETS DISPOSAL CORPORATION—APPOINTEES

Question No. 999—**Mr. Cossitt:**

1. Was Mr. Yvon Gariépy appointed master of the Royal Canadian Mint and, if so (a) on what date (b) who was the Minister of Supply and Services at the time?

2. Was Madam Claudette Nadeau appointed as head of the Crown Assets Disposal Corporation and, if so (a) on what date (b) who was the Minister of Supply and Services at the time?

3. Was Mrs. Anne Asselin, wife of the vice-president of finance and administration of Crown Assets Disposal Corporation, a member of the public service and, if so, was she employed in the office of the Hon. Jean-Pierre Goyer at any time?

Hon. J.-J. Blais (Minister of Supply and Services): I am informed by the Royal Canadian Mint as follows:

1. Yes.

(a) June 16, 1975.

(b) Hon. Jean-Pierre Goyer.

I am informed by Crown Assets Disposal Corporation as follows:

2. Yes.

(a) August 11, 1975.

(b) Hon. Jean-Pierre Goyer.

3. No. However, Mrs. Anne Asselin was employed in the office of the Hon. Jean-Pierre Goyer from January 26, 1976, to April 20, 1976. Mrs. Asselin's salary was paid by the minister's exempt staff budget.

FIRM OF POULIOT, MERCURE, LeBEL, DESROCHERS, LEGAULT AND DANCOSSE OF MONTREAL

Question No. 1,206—**Mr. Cossitt:**

1. What was the total cost for the legal services rendered by the firm of Pouliot, Mercure, LeBel, Desrochers, Legault and Dancosse of Montreal, to the Crown Assets Disposal Corporation during the past five years and (a) what is the breakdown for each year (b) how many cases were handled?

2. What is the description of the work done in each case and what was the cost?

3. (a) How many times has the firm been paid a retainer (b) on what dates and what was the amount in each case?

Hon. J.-J. Blais (Minister of Supply and Services): I am informed by Crown Assets Disposal Corporation as follows:

1. $25,993

Motion for Papers

(a) 1975/76 — nil
1976/77 — nil
1977/78 — nil
1978/79 — $1,732
1979/80 — $14,139
1980/81 — to date — $10,122

(b) 10.

2. Labour relations matter $1,732
Labour relations matter 1,511
Employee termination 1,043
Labour relations matter 1,794
Labour relations advice 1,807
Submission to the Canada Labour Relations Board (CLRB) 3,762
Appeal to the Federal Court of Appeal of decision rendered by the CLRB on May 17, 1979 4,222
Labour relations advice 619
Appeal to Supreme Court of Canada 8,778
Labour relations matter 725

3. (a) None

(b) Not applicable.

MOTION FOR PAPERS

[*Translation*]

Madam Speaker: The questions enumerated by the hon. parliamentary secretary have been answered.

[*English*]

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, notice of motion for the production of papers No. 17 is acceptable to the government subject to the usual reservations concerning confidential documents and internal working papers.

I ask that the other notice of motions for the production of papers be allowed to stand.

[*Translation*]

Madam Speaker: Subject to the ordinary reservations mentioned by the parliamentary secretary, is it the pleasure of the House that notice of motion No. 17 be deemed to have been adopted?

Some hon. Members: Agreed.

TRANSFER OF RESPONSIBILITY FOR STATISTICS CANADA TO TREASURY BOARD

Motion No. 17—**Mr. Nystrom:**

That an order of the House do issue for copies of all correspondence, memoranda, notes, minutes of meetings and other communications, concerning the transfer of responsibility for Statistics Canada in June, 1979 from the Department of Industry, Trade and Commerce to the Treasury Board.

Motion agreed to.

Madam Speaker: Shall the remaining notices of motions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—NON-CONFIDENCE MOTION—PATRIATION OF CONSTITUTION

Right Hon. Joe Clark (Leader of the Opposition) moved:

That this House supports the immediate patriation of the Constitution of Canada, incorporating only the generally agreed upon amending formula known as the Vancouver consensus, so that all other constitutional changes shall be made in Canada by Canadians.

He said: Madam Speaker, I regret that I must rise today to introduce a motion which, I believe, could move Canada from a bitter impasse over constitutional questions in the shadow of the announcement by the government House leader that the Government of Canada intends to invoke the rules of closure to stop the Parliament of Canada from debating the Constitution of Canada.

Some hon. Members: Shame!

Mr. Clark: I regret indeed that hon. members opposite invoke closure when there have been more speakers on the motion from the government side than there have been from the ranks of the official opposition.

This matter will be discussed at greater length in the country and in the House of Commons, as indeed it was discussed during the pipeline debate when closure was used to stop the right of Parliament to debate a matter—

Mr. Cousineau: And to filibuster.

Mr. Clark: —which would have struck at the heart of the nation. We will discuss it more, but I want to make two points. One is that this is not the normal kind of stoppage of debate we have had. This is the closure of C. D. Howe. This is not the modified Standing Order 75C, so-called. This is pipeline closure. This is the kind of closure which was used, unhappily, in 1957 to try to ride roughshod over the rights of this House of Commons. That is what is being done again today by this government.

Some hon. Members: Shame!

Mr. Clark: It is interesting to note that the last time this kind of C. D. Howe closure was used, it was used to force upon Parliament changes in the rules of Parliament. It was used then for the first time in the history of the British parliamentary tradition anywhere in the world to change the rules of parliament. Now again that extreme and extraordinary measure of closure—that full force C. D. Howe kind of closure—is being used, to stop debate which has not been excessive, because government speakers have spoken more than hon. members in this party have, it is being used not on a minor matter but on the fundamental law of the land. Hon. members opposite do not want our constitution debated. They want to cut off debate. They want to stop the right of Canadians in Canada's Parliament to discuss the constitution of this country. That is unacceptable.

Mr. Collenette: Rubbish!

Mr. Clark: Because we respect both this institution and this nation, for which disrespect has been shown by the actions of this government, and because we respect the constitution of this nation, what we are proposing, by contrast, is a means by which Canadians can act today to bring the constitution of Canada home today so that Canadians can change it here in Canada.

Some hon. Members: Hear, hear!

• (1510)

Mr. Clark: The motion that we have introduced provides:

[*Translation*]

That this House supports the immediate patriation of the Constitution of Canada, incorporating only the generally agreed upon amending formula known as the Vancouver consensus, so that all other constitutional changes shall be made in Canada by Canadians.

[*English*]

This motion calls for the Parliament and the people of Canada to act quickly on the one constitutional question with which virtually every Canadian agrees, that is, to have the constitution of Canada here at home in Canada.

Some hon. Members: Hear, hear!

Mr. Clark: Mr. Speaker, the Prime Minister (Mr. Trudeau) has consistently said he wants our constitution home, I have consistently said I want our constitution home, so has the Leader of the NDP and so has every other member of the House of Commons. What this motion offers is an opportunity to stop talking and to start acting to bring the Canadian Constitution home to Canada in a way that respects the rules and traditions of this House and respects the rules and the nature of this country.

Some hon. Members: Hear, hear!

Mr. Clark: More than that, this motion today provides a way to ensure that we can work with our constitution once we get it here. It allows the whole Parliament of Canada to approve an amending formula which was accepted in principle by the committee of officials working on constitutional reform through the summer and, even more than that, which was accepted in principle by all the provincial premiers when they met in Ottawa in September, and which was accepted in principle by the Minister of Justice (Mr. Chrétien).

Some hon. Members: Hear, hear!

Mr. Chrétien: Not true.

Mr. Clark: Those are matters of Canadian agreement, agreement on having our constitution home, agreement on the Vancouver formula as the way to work with that constitution once we have it home.

Unfortunately, in recent days the focus of attention in the nation has been on the disagreements which exist on constitutional questions, disagreements which are deep and which are in danger of becoming even deeper. But we should not let those serious disagreements obscure the fact that very real progress was made this summer, and that Canada is, for the first time in at least a decade, in a position where agreement exists as to both the necessity and the means of bringing our Canadian constitution home.

We in this party want Canada to act on that agreement, and our motion provides the instrument to let Parliament start the action to get the Constitution of Canada home so that Canadians can work with it.

Some hon. Members: Hear, hear!

Mr. Clark: We are all aware in this House and throughout the country that discord and disagreement in Canada on how we should renew our federation grow worse with every passing day. We know that, with budget and energy policy coming, other deeply wounding controversies may well lie ahead of this Parliament and of this country. For the sake of our country, all Canadians must come together on common, solid ground. We must do it free of partisan recriminations, and we must do it free of any kind of narrow perspective.

On September 13 the first ministers' conference broke down. Now is not the time to assess blame for that; we have had enough blaming. It is time in this country for some building, building for Canada. To that September conference all the participants came with packages of reforms which they wanted. Obviously, it would have been the best thing for our country if a balanced, comprehensive compromise package of reforms and improvements in the constitution had been agreed on. But that did not happen, as the House knows. What did happen, however, was the emergence of the Vancouver consensus as a formula accepted in principle by virtually all of the participants in the closed session in September.

That formula allows amendments to the constitution, and allows them now, Mr. Speaker, not two years hence. It does not freeze the Constitution of Canada for two years, so that the people of Quebec, who might want more changes, are told, "No, you cannot have them for two years." It does not freeze our constitution for two years so that the people of western Canada who might want changes are told, "No, you cannot have them for two years; it is frozen." Instead, it gives us a means and an instrument by which we in this country can use and change our constitution right now. It is a device we can use today. It is not a device we must wait for two years to use.

Some hon. Members: Hear, hear!

Mr. Clark: And as the House will know, that formula also protects the provinces of Canada, because it provides the fundamental guarantee that no province can be affected by an amendment unless it chooses to be affected. Thus does it reflect the essential partnership of Canada. Thus does it respect the essential nature of a federal system.

[*Translation*]

There is no ideal formula but that one has the decided advantage of having been approved, in the present context, by all the partners in federation. Given this approval in principle, it is time all partners set aside, for the time being, all the constitutional amendments they propose. It is time they join in bringing the constitution back to Canada so that the required changes can be effected afterwards by Canadians, in Canada. Let us ask the British Parliament merely to give us back our constitution with the generally accepted Vancouver formula. Let us make that happen quickly and let us then, without the intervention of another country, promptly update our federative agreement.

[*English*]

I cannot understand, Mr. Speaker, why the government insists on a procedure that would have Britain pass amendments to the Constitution of Canada instead of letting Canada pass amendments to the Constitution of Canada.

Some hon. Members: Hear, hear!

Mr. Clark: Surely, Mr. Speaker, our constitution is our business. We should be dealing with our constitution here in Canada and we should not be waiting two years, we should be doing it now. What is so tragic about the way we are proceeding is that the Government of Canada not only wants the British to change our constitution but wants us to be prevented from working with our constitution for at least two years. Neither of those is acceptable to me. I am a Canadian, I want to have my constitution here.

Some hon. Members: Hear, hear!

Mr. Clark: I see no reason to wait. I see no reason to put in an unnecessary two-year delay, because we can have our constitution home quickly, we can have an amendment formula agreed to quickly, and we can do it quickly. If this motion is accepted, the will of Parliament will be clear. The will of the premiers is already clear; they accepted in principle the Vancouver consensus when they met in September.

Mr. Chrétien: Not true.

Mr. Clark: The Minister of Justice says that is not true. But he knows that is true.

Mr. Chrétien: Ask Bill Davis.

Mr. Clark: He suggests that we ask the Premier of Ontario. The Premier of Ontario indicated, in the last 15 to 20 days, that he is prepared to accept the Vancouver amending formula.

Some hon. Members: Hear, hear!

Mr. Clark: That is why we have a basis of agreement here.

If I could speak of the one provincial government of the party which in this House agrees with the Minister of Justice, the Premier of Saskatchewan, he has indicated that he too would find the Vancouver amending formula acceptable. Those are the facts, and the Minister of Justice, if he has any respect for the truth or the federal system, should accept that fact and act on it.

Some hon. Members: Hear, hear!

Mr. Clark: Then, with the will of Parliament clear, as it could be if members rise above party and vote to support this amendment, and with the will of the premiers clear, we can work quickly on the details of the Vancouver formula, to which I will come later. Then we can work on amendments which will allow us to begin work immediately to change our constitution here in this country. If that happens, if the House of Commons is prepared to rise above party matters and is prepared to accept this motion which allows the House of Commons to bring our constitution home today with an acceptable amending formula, I believe we can then start immediately, we can start this week. Instead of bringing in closure which will divide this country, we could start this week to have officials sit down and discuss the wide range of amendments Canadians might want.

● (1520)

The chairman of the premiers, Mr. Lyon, has suggested that it would be useful to meet again, that we should not write off all the work done this summer, that we should not let the failure of the September conference mean the failure of constitutional reform. He said that there should be more meetings, there should be more discussions. How much more fruitful it would be if those new meetings and new discussions occur in the context of agreement, not only on having our constitution here, but on the formula by which we can have it here? That agreement exists; that agreement exists.

Mr. Chrétien: Not true.

Mr. Clark: It was accepted in principle by all of the first ministers. The Minister of Justice says that it is not true. Perhaps his boss, perhaps the Prime Minister does not agree with it, but every premier does. Every premier is prepared to accept that formula and to use it to bring the Constitution of Canada home.

Mr. Chrétien: No, no; it is not true.

Some hon. Members: Hear, hear!

Mr. Clark: If the atmosphere is positive we can get agreement on constitutional change. If the atmosphere is negative in this country, and it shows that there is a real risk of it becoming deeply negative on this question, on energy questions and other questions, then we will not get agreement on even the simplest kind of changes. That would set back deeply and dangerously the process and the promise of constitutional change in this country. If this motion is accepted, if we bring our constitution home with the Vancouver formula, then we will have both the momentum and the means to achieve Canadian amendments to the Canadian Constitution right here in Canada.

Some hon. Members: Hear, hear!

Mr. Clark: Ever since the end of the first ministers' conference we have been calling for precisely that approach—patriate with the Vancouver consensus amending formula and then make changes in the Canadian Constitution in Canada by Canadians. In our view it is undeniably the way to make constitutional change a source of bringing Canadians together rather than driving them apart, because they will be driven apart, and they are being driven apart by the current proposed constitutional resolution of the government.

Our views on the dangers for federalism in the proposed resolution are well known, and we intend to keep on making them as forcefully as we can. If we are gagged in Parliament by the use of closure, we will carry our case to the country. A majority of provinces are now testing the constitutionality of this proposal in the courts. It is not just a few provinces but a majority of the provinces of Canada. Premiers are attacking premiers. Federalists in the province of Quebec are disastrously divided, to the joy and to the benefit only of the separatists of the province of Quebec. Western Canadians and Atlantic Canadians justly resent the second-class status and the third-class status of their provinces inherent in the Prime Minister's redesigned Victoria amending formula.

All provinces have just cause to fear the dangers to the basic federal character of Canada in the proposed section 42 where a federally-written, federally-timed referendum could allow Ottawa to go around the other order of government entirely. Plans for provincial referenda multiply. What kind of a situation will we have with different levels of government asking different questions on the same subject of the same people, and getting different answers? What will that lead us to here in this country? It will lead us to chaos in this country, constitutional chaos in this country.

Some hon. Members: Hear, hear!

Mr. Clark: We have no need for that chaos because we have the means here for agreement. There is a Canadian will to have our constitution at home. There is a Canadian way to have our constitution at home in the Vancouver amending formula. What is needed is a willingness on the part of the Liberal party to rise above narrow partisanship and to support this principle which will let Canadians have their constitution home. Why does the Liberal party oppose having Canada's constitution home this week? Why does the Liberal party oppose the amending formula which is accepted by all the first ministers? Why is the Liberal party standing in the way of the people of Canada having the constitution of Canada here at home so we can amend it, live with it and work with it in

Canada? Why is there that kind of opposition? There should not be. What we need, instead, is a determination to move forward now, immediately, to bring our constitution to Canada in a way that we can work with it in Canada.

Some hon. Members: Hear, hear!

Mr. Clark: The government can introduce closure if they will. They intend to do that with the respect for Parliament that was shown by the late C. D. Howe. That is their intention.

An hon. Member: What respect do you have when you filibuster?

Mr. Clark: They talk about a filibuster. This must be the first time in the history of Canada or in the history of the British parliamentary system that anyone has talked about filibuster when the government has spoken more than the official opposition.

Some hon. Members: Hear, hear!

Mr. Collenette: Not true.

Mr. Clark: I will admit that the speakers of the official opposition have made more sense than the speakers of the government party. There have been 19 Liberal spokesmen and only 18 Progressive Conservative spokesmen, and they call it a filibuster.

Mr. Collenette: What about the NDP? They are part of the opposition.

Mr. Clark: The Parliamentary Secretary to the President of the Privy Council (Mr. Collenette) suggests that the NDP should be considered part of my party. I am not exchanging letters with the hon. Leader of the NDP (Mr. Broadbent).

Some hon. Members: Hear, hear!

Mr. Clark: But I say to members like the hon. member for Yorkton-Melville (Mr. Nystrom), the hon. member for Prince Albert (Mr. Hovdebo), members who, I know, are concerned about the substance of the resolution brought forward by the government, and to members such as the hon. member for Winnipeg North Centre (Mr. Knowles) who, I believe, would be opposed to closure on a constitutional question, that I hope when the time comes for them to cast their votes at a quarter to six this afternoon they will consider whether they want to invite deep rancour and deep division in this country by proceeding both with closure and with a constitutional package they know is divisive, or whether they would prefer to adopt the motion before the House now which would let the Parliament of Canada act today to bring the constitution home immediately in the way that Canadians want.

There are a number of merits to the constitutional amending formula which has been agreed to by the premiers. Of course one merit is the single fact that it has been agreed to. When all of the conditions that were uttered at the first ministers' conference are set aside, when all connections to any packages are put aside, the House must ask the question: why was that formula given virtually unanimous approval in September? Why did it emerge as the only focus of ministerial consideration this summer? Why was the Victoria formula of 1971 not that focus? Why did Premier Davis just the other day acknowledge that he understood the Victoria formula was no longer acceptable? What other generally agreed on formula has ever emerged over all the last several years of debate? The Vancouver consensus is the inescapable amending formula in 1980 for this country. It is the only formula that seeks harmony in the federalism of Canada and allows unity in the national life of this country.

[*Translation*]

The Vancouver formula applies to the realities of the day and will allow us to build the Canada of tomorrow. At present, it provides that constitutional changes may be made with the consent of Parliament and of two thirds of the provinces comprising at least 50 per cent of the population. However, if the amendment approved by the required majority concerns, first the powers of a provincial legislature to make laws, second the rights and privileges granted or guaranteed by the constitution to the legislature or the government of a province, third the assets or property of a province or, fourth, the natural resources of a province, dissenting provinces may dissociate themselves from the amendment, which would not apply in their case.

• (1530)

[*English*]

I want to emphasize that among those advantages of the Vancouver formula—I draw this to the attention of my colleagues in the New Democratic Party—there is a clear guarantee of natural resource jurisdiction. It is not a guarantee which can be overriden by a referendum triggered unilaterally without any other cause than the will of the Prime Minister. It is a guarantee that will endure. It is a guarantee that provinces can count on unless they choose themselves to surrender or to modify that situation.

The words which I have just used to describe that proposal are drawn from the report to the first ministers by the continuing committee of ministers on the constitution, a committee which I must say was ably co-chaired by the hon. Minister of Justice and by the attorney general of Saskatchewan. There remained some details to work out, especially concerning how to deal with amendments of universal applicability, which cannot be subjected to opting out, whether constitutional provision should be made for the financial implications of opting out of amendments. Those are details. Those are details which can be dealt with.

The Minister of Finance (Mr. MacEachen) and the Minister of Justice propose to use closure to stop Parliament from debating a matter when the government spokesmen have outnumbered the spokesmen of the official opposition. The Minister of Justice is skeptical that we can work out those details. I

have faith in Canada. I have faith in the capacity of Canadians to work out those details.

Some hon. Members: Hear, hear!

Mr. Clark: What is more, I believe Canadians should be given the chance. Why leave the decisions to the British? We are an independent, sovereign country. I want us to act like Canadians, not like colonials. This provision would allow us to do that.

Some hon. Members: Hear, hear!

Mr. Clark: Various proposals were suggested in the continuing committee's report, and it seems clear that final agreement was clearly within reach with no fundamental issue of principle threatening to polarize or divide opinion. In our view those final stages of negotiation could be completed in short order. No participant in the September conference has suggested otherwise. Perhaps the Minister of Justice will today, but it will be the first time because he has not suggested otherwise before, nor have the representatives of the premiers.

We do know that the Prime Minister himself was prepared to accept the Vancouver consensus if—and he applied a condition—he got agreement for his package of constitutional changes. And I cannot believe that he would have taken that position concerning an amending formula that was neither sensible nor workable. He was bargaining with it. He was bargaining with the Vancouver formula but, by being prepared to bargain with it, he knew that if his bluff was called, if there was agreement with this price, then he would have to deliver on the package. So clearly on the question of principle, on the question of the merits, the Prime Minister of Canada himself accepts the Vancouver amending formula, as did every other first minister at that table in September.

Some hon. Members: Hear, hear!

Mr. Clark: Indeed, the government's leaked memo is at pains to list several advantages to the formula, advantages to Canada, and to minimize the disadvantages. One disadvantage, which the Prime Minister has talked about since that time, is that the opting-out formula might lead to what he calls a checkerboard effect. On page 28 of that leaked memo it said:

> No amendment could be made without the consent of Parliament. So there would be a federal check on any checkerboard effect that might be brought about by "opting out": that is Parliament or the government could decline to proceed with an amendment where the provinces did not all agree.

Finally, the government's advisers from the Department of Justice contend that—and again I read from page 29 of the document:

> —if the provincial consensus (on the Vancouver formula) . . . holds, the federal government could consider joining the majority position.

That was the secret advice, the secret decision of the Government of Canada prior to the first ministers' conference. Why will they not accept in public what they accepted in secrecy? Why will they not let Parliament act today on a formula which they were prepared to accept in September? What has changed? Why do they want to stop Parliament from acting now to have our constitution here in Canada where we, in Canada, can work on it? The secret document went on to suggest appropriate arrangements on the side of details referred to earlier.

We know now that the provincial consensus on the Vancouver formula did hold. But the Prime Minister would not agree to join that clear consensus without agreement on his package. It was then the Prime Minister who stopped agreement. As I said earlier, no partner in our federation should now hold all of Canada up to ransom for their own hidden agenda items. The way lay open in September to patriation with the Vancouver formula. It lies open now. And beyond that achievement, which could be finalized in all stages in a matter of weeks, lies the prospect of having the means here in Canada for Canadians to amend our constitution, free from hidden agenda, free from veto, free from referenda, which could override the provinces and destroy the nature of the federal system, and free from blockage.

I believe we have a great opportunity here today to make the most out of unusual circumstances. There is great hope among the people of Canada that we can get an agreement on constitutional change. I remember going into the province of Quebec during the referendum campaign and speaking sincerely about the need for constitutional renewal. I know the attitude in western Canada, the region of Canada from which I come. I know there is a deep sense there that change is needed. I know that in every corner of this land there is a determination to end the colonial system that leaves our constitution in another country and that permits decisions affecting us to be taken by another government. There is a desire to have Canadians act, not only to bring our constitution home but to have it here where we can work with it.

The Prime Minister has amendments that he wants. The Leader of the NDP has amendments that he wants and I have amendments that I want. Premiers have amendments that they want. They can all be dealt with here in Canada and they can be dealt with in accordance with the Vancouver formula. I know I am approaching the end of my allotted time, and so I will conclude by saying that everyone in Canada wants to have constitutional change. Everyone in Canada wants to have our constitution here at home. The reason there is opposition to the government proposal is that they want to have Britain make changes which we believe should only be made here in Canada. They want to continue a colonial status which we want to end. But instead of holding up the House of Commons in debate, our party is today proposing a means by which the Parliament of Canada can act to bring the Constitution of Canada home, to be amended in Canada. It can be done if there is a will in the House of Commons to do it. I pray that there is that will, so that Canadians can change our own constitution here in our own country.

Some hon. Members: Hear, hear!

Mr. Edward Broadbent (Oshawa): Madam Speaker, I rise to participate in this—

Mr. Knowles: You mean "Mr. Speaker."

Mr. Broadbent: We have changed Speakers, I see. I am corrected by the sage of the House, who has just pointed out to me we have changed Speakers.

Mr. Speaker, I rise to participate with pleasure in this very important debate, which is really a continuation of the debate which has been going on for a number of days on the future of this country. I would like to pick up on one suggestion made by the Leader of the Opposition (Mr. Clark), that the approach to constitutional change be made in a non-partisan fashion as much as possible. Shortly after the referendum the Leader of the Opposition expressed sentiments of the kind expressed by the Prime Minister (Mr. Trudeau).

• (1540)

Mr. Andre: How do you know that? We did not participate?

Mr. Broadbent: I listened to my colleagues on my right, and I would appreciate their indulgence for a few minutes. They may disagree with what I have to say, but I would have thought that it would have pleased even the member of the Conservative party most immediately to my right.

When the country's constitution is changed it should be done through consensus here in the House of Commons, outside the House, amongst the provinces, the premiers and the ordinary people of our land wherever they may live. Without criticizing the Leader of the Opposition, but simply to illustrate the point, so far, in the discussion on the proposed resolution introduced by the Govenrment of Canada, there has been some partisan reaction. I will not pass judgment on the decision-making process which led to that reaction.

Two Conservative premiers, one from New Brunswick and one from Ontario, have indicated their support for the resolution. Then there are other Conservative premiers who, with equal good will—I am not presupposing that difference of attitude—have indicated their opposition to the government's proposal. The Premier of Saskatchewan, as members of this House well know, has not made up his mind finally on the measure. He sees certain matters which he likes and other which he does not like. The point I am making is that in some quarters there is a feeling of give and take which is appropriate when a nation experiences the kind of severe change which is inevitably involved in constitutional change.

I would like to see that kind of spirit in this debate and the pre-supposition that good will will prevail amongst those with whom we differ. I have no higher regard for the Premier of New Brunswick because he happens to be closer to my position on this issue than I have for the Premier of British Columbia. They are two different Canadians expressing their judgments, and I merely happen to be more in agreement with one than with the other. Nor am I questioning motives.

When the Leader of the Opposition says rhetorically, and he means it substantively, that we should stop being colonials and bring the constitution back to Canada before we make the changes, to a certain real extent he is game-playing.

Some hon. Members: Oh, oh!

Mr. Broadbent: I would like to make my argument. What we have before us in the government resolution are topics which have been debated in Canada and upon which judgment has been passed by the people in the provinces and the House of Commons. In fact it is a Canadian decision, and the British parliament will not act unless they get a recommendation from the people of Canada. We all know that.

I suggest that there is some weakness—and I will not put it any stronger than that—in the argument that by opting for the approach put forth by the Leader of the Opposition over the approach initiated by the Government of Canada, we would somehow be more Canadian. Both involve a decision-making process, the outcome of which will be determined by Canadians. One may be more preferable than the other, but the fundamental, intellectual truth of the situation, surely, is that both decisions, whether we adopt the Conservative party approach or the approach proposed by the Government of Canada, will result in a decision made by Canadians, and no one else, in the final analysis.

There are some very serious implications in the approach proposed by the Leader of the Opposition. There are some things in the government proposal in which my party profoundly believe, such as the entrenchment of rights and the establishment of language rights for the two official languages which exist in our land. At this historical point in our history I believe that these subjects ought to be entrenched, because I fear that the opportunity may not arise again. There is the principle of equalization. This principle can be improved upon, and we will deal with that in committee. It is a principle in which I believe.

There is also the commitment, although it is very fundamental now because the government has made a commitment, that the provinces of Canada will have the right to control and manage the development of their resources. I say to the Leader of the Opposition as a member from western Canada that that is very important at this point in our history. Premier Blakeney said the very same thing at a press conference held today in Regina.

I would also say to the Leader of the Opposition that if we reject the government's approach and accept his approach—and I will come to the concerns which I have over his approach—we will lose the points I have just mentioned.

Some hon. Members: Oh, oh!

Mr. Broadbent: I see that the opposition leader is shaking his head, and I will come back to that point in a minute. We will lose those things. It has been suggested by an hon. member from Newfoundland, a former cabinet minister who ought to have known better, that the proposal of the New Democratic Party on the question of resources was aimed at the province of Saskatchewan. I say to that member as a man who grew up in Ontario, nothing could be further from the truth, and I mean that.

If I thought, for example, that we could have obtained the right for Newfoundland to have control of their offshore resources, he can be sure that that would have been a principal

part of the bargaining instrument because that is the position of our party. We believe that the offshore provinces should be put on the same basis as the inshore provinces. That is our belief, but we were not in a position to do anything, and I state it frankly because it is no secret. We have our strength in western Canada and the Liberal party is weak in western Canada.

One can see these moves within the political process in two ways. One can look at it and say, "Ah, somehow that is cynical wheeling and dealing". That is the essence of democratic politics that it be conducted openly. If we believe in the consensual approach to constitutional change, and if there are in a proposal many things in which we believe, as my party saw in the constitutional proposal, such as fundamental rights, language rights and equalization, and you also saw something which was missing in terms of resource control which was important to western Canadians as well as others, and you saw the means of negotiating because of your strength, then I think it is appropriate in a democratic system to negotiate toughly and get it, and we got it.

Some hon. Members: Hear, hear!

An hon. Member: You sold out.

Mr. Broadbent: Someone has said that we sold out. I would say to the Conservatives, "What have you obtained for the people of Canada?" Not a thing. The people of Newfoundland should pay attention with some care to what Mr. Peckford is saying because, as a result of constitutional entrenchment which will amount to two full pages of constitutional text, over resources all the provinces will have substantial power. As a result of its inclusion in the constitution, Mr. Peckford, if he is still premier at the time, will have the clear authority to manage and control the right of, for example, development of hydroelectric power in Labrador and Newfoundland itself. No longer will private corporations be able to challenge the right in the courts or his participation in interprovincial trade, as is the case today. The victory which we have won in this debate is for the people of Newfoundland not just the people of the prairies. Similarly,—

[*Translation*]

—in Quebec, Mr. Lévesque wants control over asbestos. With those rights entrenched in the constitution, the Quebec government, presently that of Mr. Lévesque or perhaps in the future that of Mr. Ryan or someone else, could also have control over those natural resources. It could decide what it wants as far as asbestos is concerned. It would be its right, which is not the case at present, because the Supreme Court has made certain decisions in the past which have changed the present constitutional reality of Canada.

● (1550)

[*English*]

So I say to our friend in the Conservative party, not only for Newfoundland but for the people of the province of Quebec, this constitutional amendment, giving them a right to control the management of their resources, is of profound importance, and I am proud to play a role in that.

Some hon. Members: Hear, hear!

Mr. Broadbent: In Alberta and Saskatchewan the same right holds for the development of taxing powers over their gas, over their oil and, indeed, over their potash.

I should like a member of the Conservative party to put on record, sometime, how many millions of dollars the right to indirect taxation on oil and gas is going to mean to Mr. Lougheed. We have done some preliminary calculations and even for Alberta, Mr. Speaker, "it ain't hay". So the prairie provinces are going to benefit as well.

British Columbia, a province that has gas, a province that has lumber resources but which wants to set up planning mechanisms and that wants to set up a pro-rationing method of development, under the constitutional change that we have proposed and that the government has accepted, the government of British Columbia—whether led by Mr. Bennett, or before long, we anticipate, Mr. Barrett—will be able to do so.

Some hon. Members: Hear, hear!

Mr. Broadbent: The point is that the resource amendment that the government has decided to accept is not without significance; it is something of real importance to every region and province in our land.

Mr. Clark: Ask Allen Blakeney.

Mr. Broadbent: The Leader of the Opposition tells me to ask Allen Blakeney. Mr. Blakeney spoke for himself a couple of hours ago and said the same thing.

Mr. Clark: Check the record.

Mr. Broadbent: Mr. Speaker, I say that if we moved in the Conservative party's direction today, if we supported the motion before the House, then language rights, fundamental rights, equalization and provincial control of resources would all go out the window.

Mr. Clark: That is not true.

Mr. Broadbent: The Leader of the Opposition says that is not true. But they would go out the window in the precise sense that if the motion presented by the government and so amended in the future is accepted, we would have those things; under the Conservative proposal we would have nothing but a constitution back here.

In this context, I want to ask about our native people.

Mr. Crombie: They are not protected here.

Mr. Broadbent: A former minister says the native people are not protected here. I correct his in one minor respect only: there is a clause referring to existing rights. I say to the House that this party intends to work very hard to improve what is in the existing resolution presented by the government, and to

ensure that the rights of native people are not only as stated in the bill but are extended well beyond that to include treaty obligations as well. So we will be fighting for that.

In the Tory position—and I do not say this pejoratively as I am trying to understand it—if we got the constitution back, all it would mean is we would have it back without any reference to a clause at all—without any understanding that there would be anything in it for our Indian and Inuit population or any of our other native people. At least in the present resolution there is something that we can amend and improve.

The same point could be made with reference to women's rights. There is an affirmative action clause that we like but that can be improved. There is also, in our judgment, a need to deal with the constitution in such a way that it would reverse a number of Supreme Court decisions made in the past decade the effect of which has not been to establish equality between men and women, but just the opposite. In the resolution that the government has offered, we have grounds on which to make improvements on the matter of women's rights, and we intend to do that.

I want to come now, Mr. Speaker, to what in our view is basically wrong with the Vancouver formula. The former prime minister, the Leader of the Opposition, says that in his proposal we would have a "work" something—I do not have the precise words from his press release of this morning but the gist of it was that it would be a formula that would enable us to get speedy and concrete change right away. With all due respect, I say to him that in my judgment he is wrong, and I want to tell the House why I think so.

The essence of the Vancouver formula is that all the provinces would particpate in the decision but that any province would have the right to veto its application to its own province. That is what is in the Vancouver formula. Of course, the provinces agreed to that; why would they not? They would each retain a veto over things that affect them; they would have everything to gain and nothing to lose, but I say to the Leader of the Opposition, we are a federal party and we have national responsibilities that go beyond provincial premiers.

An hon. Member: Right on.

Some hon. Members: Hear, hear!

Mr. Broadbent: If we accepted a formula like that, would we have medicare in Canada?

Some hon. Members: No!

Mr. Broadbent: Would we have hospitalization in Canada?

Some hon. Members: No!

An hon. Member: No thanks to the Tories.

Mr. Broadbent: I say, Mr. Speaker, if we had accepted a formula such as that proposed in the Vancouver amendment we would not have a Canada with a common set of rights—of fundamental decencies, if you like—from coast to coast. We would have a hodge-podge Canada with a highly differentiated set of rights and principles. We will have nothing to do with that kind of Canada.

Mr. Malone: The option is no Canada.

Mr. Broadbent: Not only is that a fundamental flaw, it is a serious flaw, and I am disturbed that the Conservative party, as a federal party, could put that forward as a serious option at this time. I mean that, because I think it could lead to the dismemberment—it could lead to a highly differentiated set of rights in every region of our land. There could be family law of one kind in Manitoba, for example, and an entirely different kind in another province. Some provinces would have medicare and others would not. What we stand for in this party is a common sense of Canadian citizenship. That is fundamentally important, Mr. Speaker.

The other point I want to make is less significant but surely must cause the Leader of the Opposition some concern. Some amendments simply cannot be subject to an opting-out formula. I ask the Leader of the Opposition what he would do with proposed amendments that would change the Senate of Canada? What would he do with amendments that would change the Supreme Court of Canada? Will some provinces be able to opt out? In other words, Mr. Speaker, it would be inoperative to take the formula with that kind of requirement—an opting-out process for each of the provinces—in dealing with an idea that we favour, for example, such as provincial participation in the Supreme Court. That would be completely inoperative in a federal state.

Mr. Clark: That is not true.

Mr. Broadbent: I stand to be corrected by the Leader of the Opposition later on, but that is certainly my understanding of the way it would work.

I understand that my time is just about up, Mr. Speaker, but I wanted to say to the House that there are many things in the government bill that we profoundly believe in because they have been established New Democratic Party policies. Of course, there are other areas of very serious concern, as my colleagues have expressed. In committee we will deal with the amending formula, women's rights, and native rights. We plan to fight for improvements in those areas.

As a Canadian, I want the deadlock broken; as a Canadian I want a reasonable package that has something that is favourable to Atlantic Canadians, to people in Ontario and in Quebec. We have that in equalization and we have it in language rights, and now we have it in resources. I want action now so that, to use the phrase of the Leader of the Opposition, we do not need to continue to be colonials.

If we bring the constitution home along the lines indicated, we will indeed have a constitution in Canada, and we will have embedded in it a number of just principles that all Canadians could defend.

Some hon. Members: Hear, hear!

[*Translation*]

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Mr. Speaker, we witnessed this afternoon what I would call a rather spectacular about-face by the Leader of the Official Opposition (Mr. Clark). What does he propose today? He is proposing this afternoon immediate patriation of the constitution, something we have been urging in this House for months and something all Canadians call for. He proposes an amending formula that at this point does not meet with unanimous approval from the provinces. I attended the constitutional conference and I spent the whole summer, Mr. Speaker, trying to get a consensus.

We worked on that formula. We considered the implications. It was first called the Alberta formula and later the Vancouver formula, because it was considered in Vancouver. It was clear to all participants that it was probably the most rigid one that could be included in the constitution, because even though the provinces might or might not accept some changes, it was clear to all participants that the federal government, with an absolute veto in these matters, would very soon be forced never to accept any constitutional amendment because we would eventually evolve into a kind of Canada where there would be certain rights for some Canadians and other rights for other Canadians. And this is basically unacceptable to those who believe that Canada must be able to guarantee its citizens equal rights across the land.

We did consider that formula, but we did so in the following spirit: We believed at some point that we were going to enshrine in the constitution the basic rights of Canadians, that we were going to guarantee Canadians mobility rights; that we were to guarantee minorities education rights in their first language wherever they may be in Canada; that we were going to guarantee Canadians basic liberties, democratic freedoms, non-discrimination rights, mobility rights and so forth. Since these rights were to be guaranteed, we could then consider the formula. But this was only further to agreement on the 12 items or a majority of the items that were under consideration. And anyway, we were telling participants that aspects of that formula were not clear. And this was obvious. During the discussion, the hon. Leader of the Official Opposition referred to certain difficulties.

For example, what were we to do should any province use the opting-out clause to withdraw its support of the constitutional amendment, should there be costs incurred by the people, should this matter not be settled? What were we to do should any part of the constitution not be amendable under the Vancouver or Alberta formula? Suppose, for example, that Canada—that is nine provinces out of ten plus the federal government—decides to have an upper chamber different from the one we now have. There is no way to settle this matter because any one province could have stayed outside this institution by using this formula. If we had another formula—the Vancouver formula is incomplete. There were several other problems of this nature. The Supreme Court, as was mentioned by the Leader of the New Democratic Party (Mr. Broadbent) and all that. And I know—

● (1600)

[*English*]

I know that today it was because of a possible consensus, but it was not an agreement. It has never been presented as an agreement by the first ministers. At no time. Never. I defy the hon. Leader of the Opposition to prove that the ten premiers were in agreement with that formula.

Some hon. Members: Hear, hear!

Mr. Chrétien: We agreed to study the formula. But the more we looked into the formula, the more flaws we found, and until the last moment we agreed to keep looking into it.

If we patriate the constitution today with that formula, it is to hell with the rights of Canadians because we can never enshrine them in the constitution. It would be impossible to have a charter of rights which would apply to all Canadians. Hon. members only have to listen to the speech of Premier Lyon, who said that he will always oppose any entrenchment of a bill of rights in the constitution. He said that time and time again. So I ask: what will the result be? There will be rights for certain Canadians but not for others. As long as I am a parliamentarian, I want to have rights for all Canadians across this land.

Some hon. Members: Hear, hear!

Mr. Chrétien: For instance, take the situation today about the mobility of manpower.

Mr. Crombie: What about the Indians?

Mr. Chrétien: I will come to the rights of Indians. I am not embarrassed by that because I worked for a long time on that problem.

An hon. Member: He was the best minister, too.

Mr. Chrétien: We put a provision in the act that all their rights would be protected, and the incorporation of the charter of rights will not affect the treaty rights of Indians. It is clear in the constitution. If the hon. member has the guts to come to the committee one day and deal with that, we will be able to cope with that problem. But hon. members are refusing to come to the committee. The committee will start next week and we will deal with all of those problems.

Some hon. Members: Hear, hear!

Mr. Chrétien: However, there are a lot of other rights. There were hon. members who made speeches in Quebec who said they did not want to impose education rights. If the Fathers of Confederation had had the wisdom to put education rights in the constitution in 1867, the Canada of today would have far fewer problems than it has now.

Mr. Clark: They were stupid, too?

Mr. Chrétien: No, I do not say that. They were not perfect, neither are we. Nor is the Leader of the Opposition perfect.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Chrétien: I am telling hon. members that those rights have not been protected in the constitution as they should have been. This is an historical debate—a once in a lifetime chance and we shall not miss it. But it will be impossible with the amending formula which the Leader of the Opposition is suggesting today.

I dealt with ministers all summer. We came close. There was a lot of good will, but certainly the old problem of trying to bargain the patriation against something else again was the flaw which prevented an agreement.

Mr. Clark: It is a shame to have a federation, is it not?

Mr. Chrétien: I say that we want to have the mobility rights and the non-discriminatory rights protected. What is wrong with that?

The freedoms we have in Canada have been gained over the years. This land has known discrimination in the past, but we are mature enough to have overcome a lot of it. The progress that we have made has to be protected forever in the constitution.

Mr. Clark: Tell us about the War Measures Act.

Mr. Chrétien: This is just like what John Diefenbaker wanted to have. I tell hon. members to read the records of 1960 when he was debating the Canadian Bill of Rights. Mr. Diefenbaker was complaining about the provinces which would not agree at that time to have rights protected in the Canadian constitution. We are just finishing the work for Mr. Diefenbaker today.

Some hon. Members: Hear, hear!

Mr. Chrétien: I am appalled to know that the Leader of the Opposition who comes from western Canada does not feel strongly about the rights of Canadians.

There are many people in this land who do things and whose rights seem to be well protected in normal society, but these rights can disappear very rapidly. Just take a look at other countries around the world. Some of the most stable societies have seen the ugly head of racism rising to the surface. That shall not happen in Canada because rights will be protected in the constitution.

It is very easy for the majority to have views of minorities. It is the role of this Parliament to make sure that this land of ours, it is a land of minorities of all kinds, will see the rights they have acquired over the last 113 years protected forever in the Canadian constitution. This is the Canada we are going to have.

Some hon. Members: Hear, hear!

• (1610)

[*Translation*]

Mr. Chrétien: Mr. Speaker, I think that today the right hon. Leader of the Opposition is trying to find his way out of the mess he got himself into.

An hon. Member: As usual.

Mr. Chrétien: Today he is proposing the unilateral patriation of the constitution. We did not get any agreement on the Vancouver formula. There was no such agreement. Show me the agreement if it does exist. The fact is it does not exist. We have talked about it and it was always under the condition that such and such a thing be accepted. They were not accepted. There was no agreement. Several premiers, several ministers who attended the conference constantly expressed reservations regarding this formula. This is why, Mr. Speaker, we prepared this resolution.

Mr. La Salle: Have there been any agreements on your resolutions?

Mr. Chrétien: I am pleased the member for Joliette (Mr. La Salle) raises this issue because we are being accused of not having gone far enough, of not having forced Ontario, for instance, to accept section 133, of not having forced the provinces to accept it. We are being criticized for refraining from systematically invading the provincial jurisdiction concerning bilingualism in the legislatures and as concerns provincial statutes. Some would have liked us to impose—

An hon. Member: Courts of justice!

Mr. Chrétien: —certain things to the provinces. We would have liked to do so, but we have respected the rights of provinces.

Mr. Clark: This is what we are asking you to continue doing!

Mr. Chrétien: And that is what we are doing. However, I do not like people who have a double standard, such as the hon. member for Joliette, who says: "Impose what I want, but do not touch what I do not want." Either we have neutral patriation—and in the patriation formula that we are now proposing, we have basically tried not to effect the balance of powers between the federal government and the provinces. We have respected this balance of power and the only change we have suggested in this regard is the one we accepted today at the request of the Leader of the New Democratic Party, we have agreed to change the powers of the provinces so as to guarantee their control, which is already granted by the constitution, over their own resources by giving them the right to tax resources indirectly and to legislate in the area of interprovin-

cial trade subject to the paramountcy of the federal government. We have accepted this concept. We had not included it from the outset for a very simple reason, namely, that we had decided that we could in no way amend the powers of the federal government or the provinces. What we wanted to do was to provide Canadians with the means to prevent the Canadian government and the provincial legislatures from infringing on the rights of individuals—

Mr. Clark: As in the case of the war measures!

Mr. Chrétien: Exactly, in the case of the war measures, Mr. Speaker. I hope that the Leader of the Opposition will recognize that when we have a charter of rights in the constitution—

An hon. Member: There will be a referendum which could—

Mr. Chrétien: While the War Measures Act may have led to abuses in 1970, if we had had at that time a charter of rights we would not have witnessed all those abuses, because any person arrested would have appeared immediately before the courts. The charter of rights will have fundamental effects and we will discuss that in committee when the official opposition will no longer be afraid to go—

An hon. Member: They are afraid.

Mr. Chrétien: Instead of showing those ugly scarecrows, I urge the Leader of the Opposition to come and ask those questions in committee, because those questions will be answered and we will say to him that the War Measures Act will be much more moderated by the entrenchment of a charter of rights in the constitution.

Mr. Speaker, in order to accept the formula they suggest it would require first that the fundamental rights of Canadians be entrenched in the constitution; otherwise, if we wanted a charter of rights for all Canadians some provinces might opt out. As a result some Canadian citizens would have more rights than others and that is why the proposed formula could be accepted if we had a charter of rights, if the power sharing had already been definitely determined in the minds of participants, but now we are putting the cart before the horse. We do not have the agreement of provinces. We therefore have a very rigid formula because there can be no responsible federal government. Unless the vision of the Prime Minister at the time is that of a kind of community of communities where the provinces will always get a yes, where the federal government will be the flunkey, the messenger who will deliver to the provinces anything they want, or unless we have a Prime Minister, a leader of the Canadian government who is anxious to ensure the equality of Canadian citizens, who is anxious to share Canada's wealth. I noticed this afternoon that the Leader of the Opposition never mentioned equalization. Is it not important any more? Does it not count?

Let us suppose now that equalization were not enshrined in the constitution, that we want to include it and that rich provinces opt out. We shall have to collect money from the poor to give to the poor. This is the amending formula of the opposition leader?

If the rights are already enshrined in the constitution there is no problem, but this formula should be extremely rigid in its nature as, in such circumstances, a federal government would not proceed through constitutional amendment if it were to realize that some provinces want to withdraw from the constitutional amendment. And then that right of veto would turn into the same strait-jacket we have been wearing for 53 years, the patriation of the constitution.

So I am pleased to say that today the Leader of the Opposition tries to jump in with us and that he now supports the patriation of the constitution. Under the cover of a supposed agreement he has put forth an amending formula which was never agreed to by the provinces.

Mr. La Salle: It is the majority. We have always supported the government; we simply disagree about methods.

Mr. Chrétien: I am happy to hear that! It is unilateral, hurrah! I am happy to hear that the hon. member for Joliette is for unilateral patriation of the constitution. In addition, what the Leader of the Opposition is suggesting is that we should impose an amending formula right now; on the other hand, we on this side of the House already have a provisional amending formula allowing the provinces to agree; if they find a good formula, we can then incorporate it in the constitution, here, in Canada. That is because we do not want to impose a formula upon the provinces. We say we will give the provinces another two years to agree. If they can come to an agreement in two weeks, so much the better. And if the amending formula is not acceptable to the federal government—

Mr. La Salle: I have never said anything of the kind.

[*English*]

Mr. Chrétien: If the amending formula proposed by the provinces is seen by this House as not acceptable—

Mr. Clark: No, by a government using closure.

Mr. Chrétien: I will come back to that if I have the time. I do not understand the Leader of the Opposition. I am anxious to go to the committee to respond to all of their questions, but they do not want to see me. The committee need not only sit in the afternoon and evening. It can sit in the morning, afternoon, and all evening.

Mr. Clark: Will it travel?

Mr. Chrétien: We are the Parliament. We do not want a road show. We want the people of Canada to talk through their elected representatives.

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Ethier): Order, please. The usual courtesy was extended to the Leader of the Opposition (Mr. Clark) and the Leader of the New Democratic Party (Mr. Broadbent). It should now be granted to the Minister of Justice (Mr. Chrétien).

Mr. Chrétien: If the Vancouver formula is so good, what about all the flaws which the Leader of the NDP spoke about earlier? It is a kind of checkerboard formula for a constitution in Canada. If it is so good, let us have the premiers agree to it and make their recommendations to us. If the federal Parliament does not like it, who will decide? It will be the people of Canada who will decide.

● (1620)

Some hon. Members: Hear, hear!

Mr. Chrétien: I am not embarrassed by that. I do think that sometimes our priorities as national politicians cannot and should not be the priorities of the premiers, because we have different jurisdictions. If you are a premier it is natural that you defend what you think are your local interests, but we national politicians sometimes have to become the arbitrators of the different aspirations to make sure that the wealth of Canada will be shared, and to make sure that the citizens of Canada will have the same rights.

Mr. Clark: Except the right to speak in Parliament.

Mr. Chrétien: That is our national responsibility, and if we have a fundamental disagreement about the amending formula, the people of Canada will decide what is wrong with it. I have confidence in the people of Canada. We are going into committee. We have tried to make our resolution the best possible.

Mr. Clark: Ha!

Mr. Chrétien: Yes. I have been listening to the speeches of hon. members opposite for weeks. None of the hon. members opposite has spoken about the charter of rights.

Mr. Crombie: Oh!

Mr. Chrétien: Yes, the hon. member asked a question about it. I told him to come to the committee. I did not listen to the hon. member's speech. I am sorry, but we are going to the committee, and we will reply to those questions. The hon. member raised a question about the possibility of not having affirmative actions, and in our charter of rights there is the possibility of affirmative actions, so this problem does not exist. It is good that the hon. member raised the question. It was a valid question, but it is in committee that we can deal with it, so let us go to committee. That is the whole point.

Why do we have this diversion today? Now hon. members opposite will get up and say that we did not debate the constitution today. We have debated it for days and days. In order to waste time there was question of privilege after question of privilege. Some took a whole day, rather than debate. Those subjects were not created by us. They were just raised to gain time. We are going to the committee. We will listen to hon. members there.

Mr. Clark: Then you will cut it off by closure there too.

Mr. Chrétien: Mr. Speaker, the people of Canada want us to make up our minds. They are absolutely fed up with debate.

Some hon. Members: Hear, hear!

Mr. Chrétien: The people of Canada want to know where hon. members opposite stand.

Mr. Clark: I stand for having the constitution home today.

Mr. Chrétien: They do not want the double-barrelled type of standing that we are for and against at the same time. Hon. members opposite should make up their minds.

Some hon. Members: Hear, hear!

Mr. Chrétien: We know where we are going. I think that this tactic of diversion this afternoon will be voted down.

Mr. Clark: You are going to Westminster to hide out.

Mr. Chrétien: We will vote to go to committee. We hope to have a decision by the end of the year, and by some time next year we will have a Canadian constitution which at last will have broken the deadlock forever.

Mr. Clark: You won't have a country next year.

Mr. Chrétien: We will have a Canadian constitution which will be amended in Canada, with a bill of rights which gives a guarantee to all Canadians that the rights they have acquired—

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Chrétien: —will be those of all Canadians, that Canada is a country which could become mature and endow itself with the institutions it needs, a country which would be able to amend its constitution in Canada—

Mr. Clark: For amendments, it is necessary to go to London!

Mr. Chrétien: Since we must go there anyway, we might as well go. We want a charter of rights. Because it is the only legal way we can get one just now, that is the way we will proceed, Mr. Speaker. We have committed ourselves to changes, decided that we wanted a Canadian constitution, that we needed to enshrine the linguistic rights of Canadians in the constitution, as well as both official languages—

Mr. Clark: In England?

Mr. Chrétien: —that we needed to protect in the constitution the rights of Canadians to mobility, non-discrimination and other basic rights, and we will do it now.

An hon. Member: Who is we?

Mr. Chrétien: The Canadian Parliament. That is the promise we have made, Mr. Speaker, and that is the promise we will keep. After 53 years, we will settle the problem once and for all.

[*English*]

Mr. Clark: That was a disgrace to Parliament, to Quebec and to Canada.

Mr. Rossi: You are a disgrace.

Mr. Malone: You don't know your country. You do not know anything.

Some hon. Members: Oh, oh!

Mr. Rossi: Go Back to the farm where you belong.

Mr. Malone: Shut up. You don't know anything.

Mr. Rossi: Go back to the farm.

The Acting Speaker (Mr. Ethier): Order, please. The hon. member for Provencher (Mr. Epp).

Hon. Jake Epp (Provencher): Mr. Speaker, in speaking in support of the resolution before us, and after the speech of the Minister of Justice (Mr. Chrétien), I would like to get back to the realities. I think at times the minister went well beyond the scope of reality and was also caught up by his own rhetoric and histrionics.

An hon. Member: A fanatic, a Hitler.

Mr. Epp: I think it is important that we take a look at the elements of the resolution as well as what has brought this Parliament and Canadians to this position.

I want to spend just a little time on the speech of the Minister of Justice. The minister put into question whether there was agreement between the premiers on the Vancouver consensus. He knows very well, as he co-chaired a committee, that a consensus developed during the summer on the Vancouver consensus. Neither the minister nor the Leader of the NDP (Mr. Broadbent) has attacked the Vancouver consensus per se. What they have really said is that there are flaws in that consensus or formula. I think the minister wants to be fair and objective about this, so if he takes a look at his package and his proposed resolution, he should agree that the same criticism can be made.

There are members of the minister's own caucus who object seriously to clause 41. There are members of the New Democratic Party who object to clause 41. There are premiers who object to clause 41, but we have not even mentioned, to this point, the abhorrence of clause 42. If the minister is a fair-minded person, surely he does not want to say today in this House that his formula suddenly has more support or more strength because one government supports it, his, and that is the only government which supports it in that sense because the premier of Ontario, for instance, as recently as the Tuesday on which the premiers met in Toronto, said that while Ontario had traditionally supported either the Victoria or Victoria-modified, he could now see the validity of the Vancouver consensus. Why? It is very simple.

It is because he has realized, as a person who is looking at the country and the need to make it work, that he was seeing that the Vancouver consensus fundamentally retained the principle that the provinces are equal entities and that we do not have class A provinces, class B provinces and class C provinces. My hon. colleague, the hon. member for Malpeque (Mr. Gass), asked where Prince Edward Island is in our formula. Is Prince Edward Island written off? Does Prince Edward Island not exist? Does the minister not care?

The minister says today that we should not accept the formula the premiers agreed to. He is saying that his is better. Why? His actually eliminates Canadians totally. That is what the minister is saying to us.

I know the Minister of Justice quite well. He said that he has faith in the Canadian people. So do I. If that is the case, no matter what the minister's objections have been throughout the summer of negotiations—or today for that matter—why does he object to the people of Canada, through their elected representatives here in Parliament and their premiers who are elected in their respective provinces, making all future amendments to the constitution? Why does the minister insist it be done in Britain rather than in Canada? Why does the minister have more faith in Westminster than he has in this House, the legislatures and the premiers? That is the question he must answer, because under the government's package there is no question that the British parliament is being asked to amend the constitution under an amending formula to which all or no other amendments can ever be brought to bear again. The government wants to bootleg through Britain an amendment in a formula which will never be used again or cannot be used by anyone else. That is what the government is asking Canadians and this Parliament to do.

The Minister of Justice also says he is interested in fair play. So am I, and I sincerely believe that he is that kind of person, but if that is the case, if we look at language rights in the package he has introduced, the proposed resolution, what he is doing for all time is making immigrants who move to the province of Quebec second-class citizens in terms of education and minority language rights. What they are doing is entrenching sections of Bill 101. He said today on the floor of the House that he is in favour of fair play. That is exactly what they are doing in that package. He mentioned, for example, that the War Measures Act cannot be used again under the bill of rights which is included in the proposed resolution. What about the emergency power? Can they not invoke the emergency powers and then come in with the War Measures Act?

• (1630)

An hon. Member: The truth would be helpful.

Mr. Epp: You see, Mr. Speaker, these are the realities. I know why the Minister of Justice holds his views firmly, and I do not object to that, but it is important for the people of Canada, looking at this debate at this period of time, that we also look at the facts. I think the Minister of Justice will admit that what I am putting on the floor of the House is, in fact, the matter of the way in which the constitution will operate.

Additionally, we are facing this day a closure motion at a period of time when the government has had more speakers in this debate than the official opposition.

An hon. Member: That is not an argument.

Mr. Epp: I hear that that is not an argument. In other words, what the member, I suppose, is saying is that you could just have government members speaking. Let me convince members opposite of the accuracy of my contention. I shall quote from 3732 of *Hansard* of October 16.

On that occasion the Prime Minister said:

"The Speaker has asked that Parliament return on Monday to begin debate on that resolution. Every member of Parliament from every corner of this land is asked to participate in this historic act."

Now, Mr. Speaker, the Prime Minister (Mr. Trudeau), in his television address of that Thursday, wanted every member to participate. And yet we face closure today. At present there have been 21 Conservative speakers who took part in the debate. Those are the facts. I ask members of the government: are you sincere when you say that closure is justified at this stage when you yourselves have had more speakers?

The only conclusion to which I can come is that the Prime Minister has no use for federal-provincial conferences, for the premiers or for the provincial legislatures. The Minister of the Environment (Mr. Roberts) says that federal-provincial conferences are a bother and should be done away with. And now it is the parliamentary debate which is being curtailed. How many members have said that this House should debate this resolution? Yet now we face closure. We face closure even before we go to committee, and the committee is faced with closure on December 9.

Some hon. Members: Shame.

Mr. Epp: The very memos talk about closure and the negative effect it would have on the House and in the country. The recommendation is in there provisionally at this time, closure of this debate on the Constitution of Canada and the fundamental laws of Canada cannot and should not be used. Putting it in another way, we can see this government, because of its past actions and its negative attitudes toward Parliament, bringing in closure. We have the NDP, those great defenders of democracy! Did you hear so much as a peep today that they object to closure?

An hon. Member: Not a word.

Mr. Epp: Not a word. The hon. member for Winnipeg North Centre (Mr. Knowles) sits mute. He will prostrate himself in front of the Liberals, his present colleagues, and will accept closure in the House and closure in committee.

We have had ten days of debate, and they say closure. I can hardly fathom that the NDP would accept the mess of potage or, as somebody has described it, the mess of potash, that they have received. One thing which I thought I would never see is notice given immediately after a closure motion, that the Leader of the NDP would rise. We heard him give a speech and never object to closure. That is what we saw today. My good friend from Saskatchewan says, "wait". I know they feel uneasy because of the sweetheart deal and because the premier of Saskatchewan today rejected it. He kept it open, but he certainly does not like the deal.

The point is that what we have before us here today is simply a *fait accompli* by the government using its majority and applying closure, and total acquiescence by the NDP.

For example, there is the matter of resources. The NDP and the Liberals now say there is a guarantee. If you look at the first clause in the Prime Minister's letter, why do you need a guarantee on resources? This right is guaranteed in the constitution. Section 109 guarantees non-renewable resources, and section 92.5 guarantees it for the provinces, and the British North America Act amendments of 1930 guarantee it for the three prairie provinces. Who brought the question in doubt? Who questions ownership of resources? It was this Prime Minister. He brought it in doubt. The provinces did not have that doubt, but this Prime Minister has always tried to smuggle in the notion that the provinces should not own the resources. He has used his powers as the Prime Minister to raise doubts in the minds of Canadians. That very doubt today has caused a division which we see in the country. That is the legacy of Pierre Elliott Trudeau right now. That division is his legacy.

Some hon. Members: Hear, hear!

An hon. Member: At least we win elections.

Mr. Epp: They might win elections, but what is happening to the country?

An hon. Member: You win elections and ruin the country.

Mr. Epp: They are jocular about it, but let me be quite serious about it. What is happening in western Canada is that western Canadians feel deeply alienated right now. They are as good Canadians as any one of you opposite, and they want to stay in the country. There is an old adage: not only must justice be done, it must appear to be done. Right now the appearance of justice as the west sees it is gone. That is the reality. I say to the members very seriously: at your own peril and at the peril of the country you ignore that fact.

In terms of the Vancouver formula there is a point which I wish to make—I mentioned it earlier—that is, that the principle that the provinces are equal must be maintained in any amending formula. That is not the case in the Victoria formula

or in the Victoria modified formula, or in the present package which the government has put before us. As a person coming from a province with a population of about one million people, I recognize the fact that population should be taken as a factor when there is an amendment. There is no argument with that, and that population factor is considered as the resolution passes through the House. It is also recognized to some degree in the other place where, while representation is on the basis of regions, we also recognize the population reality there. But once they have a resolution through both Houses of Parliament and have recognized the population reality, surely they cannot once again classify provinces on the basis of population, making some more equal than others, dealing one in and dealing one out, because then they will not have a mosaic, a country, a federation. It is not a unitary state yet, and we do not intend to let them make it one.

● (1640)

Some hon. Members: Hear, hear!

Mr. Epp: There is one other point. When the first ministers met, there were certain areas they thought should be changed. I do not have the time today to go into the areas of opting in and opting out, but they were restricted. I will just give one for the benefit of the Canadian public. One opting-out section was that if a boundary of a province was to be changed or if its resources were affected, that province could opt out. I think that is only natural and normal. It is becoming clear today that under section 42 the resources of the provinces, no matter what guarantees are in the letter dated October 21 from the Prime Minister to the Leader of the New Democratic Party can be taken way; they can be taken away under section 42.

Mr. Chrétien: They cannot.

Mr. Clark: Of course they can, absolutely.

Mr. Epp: They can be taken away. Throughout this debate we have been saying that on section 42, and we have asked the Prime Minister if he will only use section 42 as a one-time only deadlock breaking device. He never gives us that assurance. He wants that cudgel, he wants that power.

Mr. Clark: To create the deadlock and then use a referendum.

Mr. Chrétien: That is not true.

Mr. Epp: Perhaps I should give the gentleman opposite a simple lesson in political science. The premiers and the members of their ten legislatures have been elected by the people as well. They have some legitimacy, even though the government might not want to recognize that.

Mr. Chrétien: We have some too.

Mr. Epp: That point should be kept in mind. One additional matter which I did not think after ten days of debate would have to be mentioned is the matter of patriation. But I must mention it to both my Liberal colleagues and members of the media. I believe I am a person of some patience, but even as late as last night the press mentioned that suddenly we are in favour of patriation because of the resolution before us. My leader said in the opening speech of this debate that we want patriation, we want it now, and we want our amendments here in Canada.

Some hon. Members: Hear, hear!

Mr. Epp: It was in the communique. No matter what the arguments of the Liberals might be in terms of the proposals we put forward, they should not any longer leave, either directly or inferentially, the big myth that we are opposed to patriation. That is the fact. They should stay with the truth, and they know that is the truth. But they like always to shade it. If it helps their argument, they shade it a bit. They should not shade it again.

It makes eminently good sense that the constitution be brought back. The argument put forward by the Minister of Justice that we would not have a constitution, that we would be naked—I would take it seriously if I knew he had. But he himself did not take it seriously. Amendments should be made in Canada. We want a made-in-Canada constitution. I believe that is our responsibility. Let us patriate it. The formula works if we want to make it work and do it at home.

Some hon. Members: Hear, hear!

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I am quite happy to participate in the debate this afternoon. I want to deal with the procedural aspect of the motion before us, because I think a case could be made that this very supply motion is not in order.

Some hon. Members: Oh, oh!

Mr. Collenette: Rather than challenge the propriety of this motion and be accused of denying the opposition its right to speak, we have not done that. But if Mr. Speaker consults the precedents, the Standing Orders, and citation 481 of Beauchesne's, for example, he will see that we should not be discussing this matter because the substance of the matter is still before us in motion No. 18. Citation 481 indicates quite clearly that the similarity of the subject matter of an opposition motion cannot prejudice in any way the progress of a bill under discussion which deals with approximately the same matter.

Some hon. Members: What bill?

Mr. Collenette: If the precedents were looked up, I suggest that would also extend to the motion before the House. I just wanted to raise that in passing, because we are being magnanimous.

Some hon. Members: Oh, oh!

Mr. Collenette: We are being generous.

Some hon. Members: Not true.

Mr. Collenette: We know the position in which the official opposition has found itself in this debate. They have no position. In fact the last three weeks has been one exercise of obstruction on behalf of the official opposition in this House of Commons.

Some hon. Members: Hear, hear!

Mr. Collenette: They have the audacity to come here with a supply motion on their allotted day and ask us to consider a complicated matter contained in the resolution, that is, patriation with the Vancouver formula. They want discussions and a judgment of this House within three hours this afternoon, yet they plead, they writhe for time to discuss motion No. 18 in committee. They want the committee extended, they want the reporting of the committee and the other debate extended. What it really amounts to is one rule for the Tories, and one rule for the rest. That is what we have before us this afternoon, an exceedingly mischievous motion.

Mr. Baker (Nepean-Carleton): What a distortion.

Mr. Collenette: I can see the fine hands of the hon. member for Nepean-Carleton (Mr. Baker) and the hon. member for Yukon (Mr. Nielsen) in the drafting of this motion. It is mischief, or perhaps it is a clear misunderstanding of the rules. Under Standing Order 58(9), the hon. member for Nepean-Carleton and his colleagues know full well that this is a matter of confidence. If the members on this side of the House were disposed to agree with that motion, and if we voted with the official opposition—

Mr. Baker (Nepean-Carleton): We would have a new constitution.

Mr. Collenette: —we would not have a government.

An hon. Member: We have not got one now.

Mr. Collenette: This is a matter of confidence and they know it. The subject matter of the motion does not matter, it does not matter how laudable it is.

Mr. Clark: Ask Lester Pearson.

Mr. Collenette: There may be laudable points in the arguments brought out as a result of this motion, but we are imprisoned with the Standing Orders of this House.

Some hon. Members: Oh, oh!

Mr. Collenette: If we voted with the opposition, there would not be a government; there would be an election.

Mr. Baker (Nepean-Carleton): I lower my eyes.

Mr. Collenette: I put that down to a clear misunderstanding of the rules because, if it is not, it is absolute, pure, unmitigated mischief.

Mr. Baker (Nepean-Carleton): Smile, David.

Mr. Collenette: Given what has happened in the last three weeks, we could probably say to the official opposition—I see the hon. member for Nepean-Carleton making rude faces.

Mr. Baker (Nepean-Carleton): I am laughing.

Mr. Collenette: It does not behoove him well, a man of his stature as the House leader of the official opposition to be making smirks and deriding the business of this House. Shame on him for that.

Mr. Baker (Nepean-Carleton): Mr. Speaker, I rise on a point or order. The hon. member can indulge in all the unparliamentary language he wishes, but I was not making rude faces, unless my friend considers a smile of derision at his fatuous argument a rude face.

• (1650)

Mr. Collenette: Mr. Speaker, I need not comment on the supercilious intervention of the hon. member for Nepean-Carleton. Obviously the strength of our arguments are getting to that side and I think that the strength of our case, as it has been presented in the last few weeks, has obviously been unsettling to them. That is why the opposition leader sits in his place wriggling, writhing and red-faced, heckling the Minister of Justice (Mr. Chrétien) and the hon. member for Oshawa (Mr. Broadbent). He knows he is in an impossible position.

Another reason why this very motion is mischievous—

Mr. Munro (Esquimalt-Saanich): Mischievous!

Mr. Collenette: However you pronounce it in Victoria or Esquimalt-Saanich—I am quite flexible on my English pronunciation.

But, Mr. Speaker, if the government votes with the official opposition on this motion, as I stated, the government ceases to exist, Parliament is dissolved, and there is an election. If we vote against their motion this afternoon, as we will, I do not think hon. members opposite realize what will happen. It precludes the special joint committee from dealing with the substance of this argument at a later date. And so I question their sincerity, I question their motives. The Leader of the Opposition (Mr. Clark) went on about the so-called Vancouver consensus. He is bluffing, because if he were really serious he would not bring this motion before us this afternoon, the very vote against which will preclude comment on it or even acceptance of that later in the debate. I say that the arguments of the Leader of the Opposition, if not mischievous are dishonest—and I say the arguments are dishonest—and he is playing games with this House. It is a pure example of Tory trickery.

Mr. Baker (Nepean-Carleton): You're splitting hairs.

Mr. Collenette: Mr. Speaker, the last three weeks have been marked by very passionate and intellectual debate from all sides. There have been some outstanding interventions—and I have been in the House most of the time—from all sides.

Mr. Paproski: Now you cut them off.

Mr. Collenette: I should say, in countering the incorrect arguments of the opposition, that 25 members from the other side have spoken. Twenty-five members from their side and only 22 from this side. So when you want to talk about the rights of Parliament and the rights of the opposition, it is in the record that there have been more interventions from the other side.

Mr. Malone: You are including the NDP.

Mr. Collenette: Of course we are including the NDP. I cannot understand the arrogance of the Conservative party which likes to protect the rights of the opposition, deriding a legitimate opposition party, that is, the New Democratic Party. They have a right to speak. Perhaps the Tories do not think so, but we do.

Some hon. Members: Hear, hear!

Mr. Collenette: I should point out that the speeches from the NDP have not been overly favourable, there have been criticisms, but to their credit they have decided to work within the parliamentary system. The official opposition, devoid of a substantive position on the whole constitutional debate, have chosen to obstruct this House in a wilful manner—a wilful manner, and I say that quite clearly.

The spurious questions of privilege that we have heard, the red herrings we have been subjected to, I think have tested the very fairness and the graciousness of the Chair. I think the Conservative party in this House has brought Parliament to a level at which it has not been for many years. That is a shame, a terrible shame on them that they are not discharging their obligations as a constructive opposition, something they pledged to be when this session reconvened.

I remember the words of the hon. member for Nepean-Carleton when he said that we would not have mindless opposition—that they would not be guilty of mindless opposition. Look at *Hansard*, look at the televised debates. If there is an example of mindless opposition greater than the one which we have sat through during the last three weeks, then I wish to be shown it. We have had obstruction, we have had trickery, and now, this afternoon in this House, the government has said, through the motion of the President of the Privy Council (Mr. Pinard), that members of this House and the Canadian public will not put up with that kind of obstruction any longer.

The people of Canada want us to get on with budgetary matters. They want us to get on with other pressing issues dealing with energy, the Bank Act, and the 25 other bills on the order paper. They do not want to see the time of this House wasted by the manipulative tactics of the official opposition, the schemers over there, who must sit by candlelight every night with their rulebooks trying to find ways to impede the debate.

We have come to the position where tomorrow night the question will be put. But I should say, contrary to what the official opposition are spreading, the falsehoods that they are spreading throughout the country, that the debate is not terminating. All that is happening is that the motion before us to strike a special committee to look into the resolution, and bill which accompanies the resolution, shall be voted upon. All we are saying is that phase of the debate will be over. There will be ample time in committee. We have had many excellent interventions, and I think of the one made by the hon. member for Rosedale (Mr. Crombie)—I think the Minister of Justice acknowledged his participation a little earlier—in which he brought out a legitimate question. I think of some of the legitimate questions asked by the hon. member for Saskatoon West (Mr. Hnatyshyn) who, incidentally, has not spoken in this debate. I wonder where he stands on this matter. He has asked some legitimate questions during question period. Surely, Mr. Speaker, the forum for answering those questions is in the committee.

We want all members of the House and members from the other place to have as much time as possible to grapple with the intricacies, the technicalities, and the substance of the draft constitution of Canada act.

My time is fast coming to a close, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Collenette: I can tell by the agitation over on the other side that they recognize the impossibility of their position. They know that the federal Conservative party of Canada, the official opposition, is the subject of ridicule from one coast to the other. We know that the numbers supporting their argument are declining. Only five provinces are supporting their arguments. There has been reassessment by the government of Saskatchewan. Their friend from New Brunswick, even their friend in Nova Scotia, doesn't go along with court action and is desperately trying to put some distance between his government and the irresponsibility of his federal cousins.

What we see is a desperate party, led by desperate people who wish to obstruct and impede the business of this House, who want to deny the people of Canada a charter of rights, a protection of fundamental liberty, who want to deny the people of Canada the self-respect of having at once, at last, our own constitution, one that can be amended in Canada. Mr. Speaker, that is what the official opposition is doing in playing its game of delay and obstruction. The people of Canada are recognizing this, and I have no compunction whatsoever in standing up in support of the motion put forward by the President of the Privy Council.

It is time this House got on with its business, got on with the business of the constitution, and I submit, in closing, that the motion before us this afternoon is either a piece of naivete—and that could very well be the case, knowing the members on the other side—or another example of Tory deception and Tory trickery.

● (1700)

Hon. David Crombie (Rosedale): Mr. Speaker, first of all I would like, on a formal basis, to urge the House to support the motion which is now before us. If hon. members are interested in having the constitution brought home quickly, with consen-

sus, and having the constitution brought home quickly with consensus and the opportunity to have Canadians make alterations, then that is why they should support this motion.

I had an opportunity the other day to deal with some of the matters which concern me about the government's position on the question of the constitution. The Minister of Justice (Mr. Chrétien) had not had an opportunity to review my remarks, and he indicated an interest. I would like to offer some of those remarks now because I think they bear on the acceptability of the motion before us.

It has become increasingly clear—and I think it is why the government is introducing closure—to the people of Canada that what is before them and this Parliament is not merely the bringing of the constitution home from Britain. If that were the case, then everybody here would support the motion, and that should not go unmarked. If that is all that we are talking about, the motion could be adopted today.

However, if we are on about something other than bringing the constitution home, then there are some problems, I think, of which Canadians are becoming increasingly aware. I want to speak about those problems. There are some Canadians who wonder why, given the budget of the Minister of State for Multiculturalism (Mr. Fleming) to explain a simple matter of advertising and patriotism, some provinces are opposed.

Why is it that six provinces are opposed to the proposal, two support it, and two are not sure? Why are six provinces opposed? First of all, it is because the whole thing is being imposed upon them. The constitution of this country was obtained by provincial consensus, and that is the way in which we operate. That system is being changed by imposition. Second, it creates for some provinces a second-class status. That is very important. Is there a member in this House who would like to stand up and say honestly to their constituents, "I am willing to accept that my province, when it comes to constitutional amendments, is second-class"? That is what the government's resolution says. That is what the members of the Liberal party and now my friends in the New Democratic Party are willing to accept, and it is also why a number of people are not willing to accept it, because it creates some provinces more equal than others.

The third thing was stated earlier by the hon. member for Yorkton-Melville (Mr. Nystrom), who said that the question of equalization between provinces is now being used by this resolution to divide the provinces.

Fourth, the problem of natural resources, particularly as it affects the east coast and the west, is not adequately dealt with in this resolution. These are not points which I have made up. Indeed, members of my party and my leader have spoken well on all of these points.

Let us check these points again. The reasons why the provinces are opposed to the constitutional changes proposed by the government are: one, that it is being imposed; two, that it creates second-class provinces; three, that it changes and destroys in large measure the good will created by the equalization formula; and fourth, it continues to make uncertain the opportunity of the provinces to look after themselves in relation to the natural resources, either offshore or within their land boundaries. Those are the reasons.

The second reason why more and more people are becoming concerned lies exactly in the field upon which the Minister of Justice decided to speak loudly. I say loudly because he almost shook the benches over here, not with the wisdom of his remarks, but with their sheer volume. I do not blame him because there is an old saw "if your arguments are weak, shout louder".

Mr. LeBlanc: Your own leader shouted him down.

Mr. Crombie: I think it is fair to say that there are many people who have difficulties with the question of the charter of rights which are good and legitimate. My great difficulty is that there are many people on the government side who simply say, "Here is the charter of rights; it is good for you, take it like a pill". I would like to offer eight problems which have been raised to me by people in this country who represent groups in this country that are wronged and need to be dealt with before we adopt any charter of rights. They are not minor matters.

First of all, the charter of rights as proposed by the government changes our understanding of where our rights come from. The fundamental philosophical basis for the rights which are being offered in the government's proposal says that they will be guaranteed by the constitution. It assumes that our rights come from government. Our rights do not come from government, and they never have come from government. Our rights come from ancient statutes, laws and government processes of 1,000 years, and certainly from the Quebec Act of 1774. No government, particularly this government, has the right to arrogate to themselves that they give Canadians rights. It can destroy or disturb those rights, but it does not give those rights. They belong to Canadians; they belong to us. The government's job is to protect those rights.

The second problem with the charter of rights deals with the War Measures Act and the Emergency Powers Act. If one looks at the debates in the House of Commons from 1947 to 1950 when it dealt with the charter of human rights from the United Nations, and the debates in 1961 when it dealt with the Right Hon. J. G. Diefenbaker's bill of rights, there were Liberal members on both occasions who argued that it was absolutely essential to change the War Measures Act and the Emergency Powers Act and to change the Criminal Code so that it could deal with insurrection and so that the War Measures Act would not be operative in peacetime. It is a good principle and a good thought.

The Criminal Code should deal with this matter to alleviate the constant threat of the War Measures Act and the Emergency Powers Act. The government knows this, but it does not want to deal with the matter because it upsets the advertising campaign. If it really wants to do something, then it should make this change.

The third problem is language. Much of what we have done here in the last couple of weeks and, indeed, in the last number

of months is in response to the referendum in Quebec. I suggest that as the message slowly gets through to the people who speak either language in the province of Quebec, they will become more and more concerned about what is in the government's constitutional proposal. Indeed, I would direct all members and anyone who is really interested in rights as a question of rights, not as a question of politics, to pick up a copy of the October 14 *Le Devoir* and read an article written by Mr. Robert Decary. In this article he goes through all 59 sections of the proposal and takes the sections which are related to the question of the charter of rights and points out the difficulties. He concludes that if the proposal is adopted the province of Quebec will rue the day.

When it comes to the question of rights, we in this country will have to face the reality in the not-too-distant future, one which is avoided in the government's proposal, that the country must operate on the basis of equality, a principle which existed between the two founding groups. That principle is not in the proposal, and that is why the three political parties in the province of Quebec oppose it.

The fourth problem is that people are beginning to wonder why representatives of native groups appear at 6.30 and eleven o'clock in the news on their television sets, and are opposed to this proposal. How can it be when the Minister of State for Multiculturalism and the Minister of Justice are saying that it is a wonderful proposal? What are the Indians complaining about? It has to do with section 6 and section 15, their inability to determine what will happen to their land claims, whether or not there will continue to be any rights or even the possibility of any rights for Métis and non-status Indians, and the effect of that mobility clause in relation to the reservations.

● (1710)

I hear a faint voice from Indian women on this matter. Canada has been brought before the Human Rights Commission at the United Nations because the government will not act to give first-class status to native women. They have wanted to change the Indian Act for years. It is their view that the adoption of the government's charter of rights will forever place them in a second-class position. That is why native people in this country are opposed to the government's constitutional measures.

Fifth, Mr. Speaker, for the first time in the history of this country we have created two classes of immigrant. It is never much fun to be an immigrant, but there was always one saving factor—everyone was the same. When people arrived here without being able to speak the language and wanted to get ahead, they knew one thing for sure—that they were all in the same boat. That is not true any more. Section 23 creates two kinds of immigrant, and that is not acceptable. It is a mockery to suggest that somehow the same rights are guaranteed to all Canadians. It is just not true.

Sixth—and I raised this just the other day in a question, because it is a serious matter—if we adopt the charter of rights as it currently exists in the government proposal, we will run into the same problem that the United States have been coping with for the last 25 years; that is, they increasingly have to phrase their legislation to take into consideration problems that are raised by the courts.

Just the other day I mentioned the Bakke case. In June, 1978, the Supreme Court of the United States—and I think quite rightly—ruled that a black student should not have preference over a white student merely because there was an affirmative action program in the University of California. This has thrown into jeopardy and doubt many social programs, particularly affirmative action programs, in the United States. Anyone who does not believe that can call the Health Education and Welfare Department in Washington in the United States and ask what the effect of the Bakke case was on the development of policy in relation to social programs. By their very nature, Mr. Speaker, social programs are discriminatory.

We have had affirmative action programs for years north of 60, without calling them that, in relation to the hiring of native people. We do not know what is going to happen to those programs. I am not raising idle fears or threats, Mr. Speaker. The problem is real and it must be dealt with before we adopt the principle.

In that connection, Mr. Speaker, when it comes to social programs, when it comes to legal rights, non-discriminatory rights, democratic rights and human rights, there is going to be a massive shift of power to the courts, as the hon. member for Cambridge (Mr. Speyer) said the other day. In all sincerity, I say that may not be an unfair or bad thing, but it must be understood that it is change. It cannot be assumed that there is not going to be a change. We will not become more Canadian as a consequence; we will become more American.

An hon. Member: That is what he always wanted.

Mr. Crombie: It rankles me to hear the nonsense spoken on the other side when they claim that somehow they are being more Canadian. There is nothing more Canadian than the understanding that the common law protects our rights and that ultimately people operating on the principle of consensus will arrive at appropriate opinions.

Some hon. Members: Hear, hear!

Mr. Crombie: That is the Canadian system, but the charter of rights changes that. Some people may like the change, but it cannot be denied that it is just that—a change. That is why people are saying, "Ah, I see. We are now going to have to worry about what the Supreme Court says." That means we may have to find another way to get judges. In the United States, where judges make more law than ours do, they have made things more democratic by electing judges. We have not felt the necessity to do that. Indeed, we have always felt that our judicial system was superior because we do not elect our law. If we are going to hand judges the power to make law for people, then we will have to find a better way—as the United States had to—to obtain judges.

On this sixth point with respect to the charter of rights, I say that we are taking a giant step toward the Americanization of this country. That bothers me, particularly when it is done in the name of Canadianism.

Mr. Clark: True Brit.

Mr. Crombie: Yes, using the British to do it.

I come to my seventh point on the charter of rights. On three occasions the Minister of Justice has suggested that he is continuing the work of the late John Diefenbaker. Wow!

An hon. Member: What a perversion.

Mr. Crombie: I am sure he meant it honestly, but I cannot think of any notion that is more wrong. In the debates of 1960 and 1961 setting out the views of Mr. Diefenbaker, two things become very important, and they are very unlike the proposal put forward by the government. First of all, the Bill of Rights deals in the same language as the Quebec Act of 1774; it deals in the same language as the Act of Union in 1841 and in the same language as the Act of 1867—unlike the government's resolution. The Canadian tradition is carried through the Bill of Rights.

Second, the Bill of Rights carries through a right that has been with us and has in many ways determined our rights and privileges, and indeed, has expanded rights and privileges for people. That is, in the enjoyment of property, whether that property be large or small. Many people in this country spend a good part of their lives working very hard for the enjoyment of their property. That is why Mr. Diefenbaker enshrined it in the Bill of Rights. It is not in this one, Mr. Speaker, and that bothers me.

I have offered seven or eight example—and there are more, Mr. Speaker—to explain that there are good and solid reasons why people have difficulty in merely accepting the view that "you ought to accept it and swallow it because it is good four you".

Another reason why people are becoming more aware of the difficulty involved in going along with the government is that increasingly we find we are not a country of consensus, not a country where consent is the operative principle—we are not going to entrench any rights that we do not already have but we are going to be entrenching what we do not have—bitterness and division.

Some hon. Members: Hear, hear!

Mr. Crombie: Not one new right is being given by this government. Not one new right, Mr. Speaker. We should bear that in mind. The division and discord being brought down on this country will be with us long after the personal timetables of some politicians.

Some hon. Members: Hear, hear!

Mr. Crombie: Mr. Speaker, I am one of those who support what I referred to as the entrenchment of rights because it seemed to me that we entrenched the common law years ago. A few days ago I enumerated them: section 133, language rights; section 94, the civil code in the province of Quebec; section 92, property and civil rights; section 51, representation by population, and section 99, the guarantee of an independent judiciary. Those things are already in the constitution. They did not come from this government, however. They came from Canadians who gave us that legacy 115 years ago. Those of us who oppose and have difficulty accepting that charter of rights and the creation of second-class provinces, for those of us who are opposed to the division and bitterness that are going to be entrenched in this country, would like people to know that we oppose because we honestly feel this way and that it is our responsibility to oppose it. And oppose it, we will, Mr. Speaker.

Some hon. Members: Hear, hear!

• (1720)

[*Translation*]

Mrs. Thérèse Killens (Saint-Michel): I would like, with your leave Mr. Speaker, to take this opportunity to refer to the constituency which I have the honour to represent. The constituency of Saint-Michel is situated in the northeastern part of Montreal and covers a small area of about 3.5 miles by 4 miles. The majority of the population is French-speaking, 16 per cent come from Italy, 3 per cent from English-speaking countries and 2 per cent belong to various other ethnic groups. They are fine people whom I like and know well. I like to tell them that the most valuable and fulfilling aspect of my mandate is to serve them. I firmly intend to continue to be their representative in this House, just as before when I was their commissioner. They have shown their confidence by electing me four times, twice as commissioner and twice as federal member.

However, this afternoon, Mr. Speaker, I would like to speak about the future of our country. Our forefathers have left us a legacy which Quebeckers have kept by voting No at the referendum. As did several of my colleagues from Quebec, I devoted much time, effort and energy to that famous referendum, but our objective was worth the trouble and the weariness.

But this stage—I repeat—this stage of the referendum which I would not dare term a victory, was only the first step. Before we begin tearing at each other I suggest hon. members from both sides of the House should keep in mind the objectives of the constitutional reform. First, the basic rights and freedoms of Canadians will be entrenched for the first time in a Canadian charter of rights. Second, in the charter, Canadians will be assured of the freedom to move across the country and pursue employment in any province. Third—I am still dealing with the objectives of the constitutional reform, for that is what we are here for—the charter will guarantee that citizens of the English or French language minority in a province have the right to educate their children in that

language wherever numbers warrant. Fourth, the charter will recognize the principle of equalization, which involves the redistribution of wealth among the provinces. Fifth, a flexible amending procedure will ensure that all changes to the constitution can be made in Canada. But to those who may ask: "What about the entrenchment of the division of powers?" I will reply, "First things first: before one learns to run, one must learn to walk."

True, the proposed resolution needs some adjustment. There will be things to add to it, some things to suppress perhaps, and that is why a special joint committee of the House and the Senate is formed, so that we can all express our views. It is urgent to revise the federation compact, Mr. Speaker. Indeed, we find this task difficult, as reflected in the speeches we have heard in the last few days. The better to understand the government purpose, one must place this proposed resolution in its true perspective. And I repeat what has been said already: patriation will not take away any power from the provinces, it will only suppress a power held by the British Parliament and agree we will at last have a truly Canadian Constitution, providing we agree to get together and show a spirit of co-operation.

The constitution adopted in 1867 does not fulfil our needs and aspirations any more. It needs immediate revising, rethinking and rewriting in order for it to meet our new needs and reality. However, it still contains many things that are good, things which only need to be renovated and combined with new elements to create a truly Canadian instrument that would meet our present needs.

A major part of our constitution is dispersed in a multitude of statutes, a number of which are very little known to the Canadian people. And I know the need to go to London cap in hand for constitutional amendments is a cold shower on the proudness of very many Canadians, who view this not simply as an embarrassing subject but a national blemish.

Let us look together at the stages in our evolution. In 1931, Canada's independence was confirmed by the Statute of Westminster. In 1945 the Supreme Court of Canada became the court of last resort, and the Canadian Parliament acquired powers of constitutional amendment, but for areas of provincial jurisdiction. In 1952 we had our first Canadian Governor General. In 1965 we chose our own national flag. This year, in 1980, Parliament adopted a national anthem. The proposed resolution now before us, Mr. Speaker, is the last stage on the road to full independence.

On Monday October 6 I was pleased to hear the leader of the New Democratic Party (Mr. Broadbent) state, and I quote:

> It is indeed time to act, and act now, on the Constitution of Canada.

I thank him for it and I know he is sincere, especially after hearing his remarks this afternoon. The opposition motion now before us suggests we should select the so-called Vancouver consensus as the only amending formula. As the Minister of Justice and Minister of State for Social Development (Mr. Chrétien) so eloquently explained earlier, that formula would weaken the central government. I consulted my constituents, Mr. Speaker, and I received a clear and loud message. They want me to support a constitution that will reflect a strong Canada, and for that reason I support the government's position. This afternoon, when the Minister of Justice and Minister of State for Social Development, speaking on the motion, referred to basic rights, I heard the Leader of the Official Opposition (Mr. Clark) shout:

[*English*]

"What about the War Measures Act?" I would like to tell the hon. member about the War Measures Act, and anyone in Canada who wants to hear about it. I am a Quebecker who lived in Montreal in those days. One has to remember those things in the context of the time. Bombs were exploding in mail boxes. I have five children. They took the Metro every day and on top of each building and inside the Metro there were people with machine guns. Every night when my children came home, I got on my knees and thanked the Lord that they were alive. That is what it was like in Quebec in 1970 under the War Measures Act. It is no wonder that that measure was right for the time.

Some hon. Members: Hear, hear!

[*Translation*]

Mrs. Killens: Mr. Speaker I would now like to speak for a few minutes about the two founding peoples of our country with regard to culture and language. Some 113 years ago, when English needed protection, because it was the minority language in Lower Canada, Sir George-Étienne Cartier acknowledged the fact when he said, "If we introduce before the provincial legislatures and the imperial government a resolution for the creation of a central government it will be our duty to protect equally all ethnic groups and take into account the interest of each." The English language was then protected in Quebec. Yet as soon as the demographic balance shifted to the advantage of Anglophones within the country as a whole, justice and tolerance were forsaken and we have been living in this state of injustice ever since the birth of the nation. One must not be surprised then if this is a touchy issue in Quebec because there are still a great many Quebeckers with a long memory. To give you an illustration of what I mean, I will quote Sir John A. Macdonald in an admonition addressed to his fellow English-speaking citizens. He said this in 1856, and I quote:

> Leafing through the directory of Lower Canada public servants, you would be surprised to see the supremacy you have in higher positions. Take care that the French do not discover these facts and begin to denounce them.

In spite of a few mistakes concerning language and the economy, Confederation has not been a failure. We still speak French in Quebec. We have developed our own identity and we have a standard of living that many envy us. Some skeptics

will say—and I unfortunately see too many of them—that no one needs Quebeckers and that they can separate if they want to. To all of them I say, "Come to Quebec, spend one week around Lake Saint-Jean or the North Shore, spend one week with one of our farmers, and you will see what it means to eat in French, to breathe in French and to live in French." If there are still people who wonder what French Canadians want, I can tell them very simply that they ask for two things. If Canada is his country, the Francophone wants first of all to be heard in the courts of justice in French, from coast to coast. If Canada is his country, he wants to be able to send his children to a French school where numbers warrant it.

And if we do not stop hair-splitting about advertising and polls, we risk missing completely the basic issue of equal rights for everyone. Many of our villages and cities have already celebrated their tri-centennial and many can follow their roots to the beginnings of the colony. These same Canadian roots said No to separation.

Mr. Speaker, the resolution under consideration will protect the legitimate, and I insist on the word "legitimate", and basic rights of the whole Canadian nation. We must therefore take advantage of the present crisis to re-think our country and rebuild it ourselves, otherwise, we shall leave a broken-up country to our children and grandchildren.

For more than 53 years, Mr. Speaker, we have been cleaning up the workings of the constitution. We can no longer afford to do so. The Fathers of Confederation paid their own debt 113 years ago and it is now up to us to pay our debt towards our country.

Mr. Speaker, my time is running out, but before closing I would like to tell members on both sides of the House about a point that I find very important. It concerns section 15 of the proposed resolution, which deals with the right to non-discrimination. That article lists various categories of people who should be protected, but I note that the handicapped had been omitted. I draw that omission to the attention of all hon. members and take this opportunity to ask for their support when the special committee of the House tables its preliminary report, in the very near future, and recommends that the handicapped be included in the bill of rights.

I close, Mr. Speaker, saying that I recognize that opinions differ but the objectives of the proposed resolution, those I enumerated at the start, convince me that our efforts will not be fruitless, provided we manage all of us to respect our Canadian tradition and history of justice, loyalty and sharing for the greater good of all Canadians.

● (1730)

[*English*]

Hon. James A. McGrath (St. John's East): Mr. Speaker, this debate, which has ranged over just about two weeks, has reached a crucial stage. Indeed I would say that in the history of the evolution of Canada's constitution, this will probably, without question of doubt, be judged by historians as a very sad day in the history of Canada.

Why do I say that, Mr. Speaker? We were served notice today that the government intends to invoke the rule of closure, not the reform kind of closure, if indeed 75C can be described in that way, which we have under our new rules, which themselves were brought in by the invocation of closure in 1968, but as my leader has said, the pipeline kind of closure, the C. D. Howe kind of closure. It is the kind of closure that no one ever expected this government to dare use again, especially on a debate concerning Canada's constitution.

We had received an invitation, given over the national networks of this country, by the Prime Minister (Mr. Trudeau) when he introduced this measure, that he expected members from every corner of the country to participate in this debate. Now, after only two weeks, after less than 20 per cent of the membership of this House has participated, less than one in five of us having had a chance to speak, tomorrow night, appropriately in the dark of night, in the early hours of the morning, the guillotine is to fall on this very important and historic debate on Canada's constitution.

Some hon. Members: Shame!

Mr. McGrath: Why is the government resorting to the invocation of closure? Why are ministers introducing closure in a debate on which there has been at least one consensus, namely, that it is a debate historic in its significance. I believe the reason the government is invoking closure at this stage of the debate, notwithstanding the fact that the motion before us calls for this debate to be in committee and back in the House before December 9, and that in itself is closure, the reason it is imposing this old-fashioned guillotine of C. D. Howe which does not provide for debate is because this measure cannot stand the scrutiny of public debate.

As my colleague has said, the people are catching on. Therefore it is important to the government, if they want to control their majority in this House and keep the traditional Liberal caucus discipline intact, to get this measure out of the House as quickly as they can. They know that once it gets off the floor of the House it goes into the relative sanctuary of the committee, which does not provide for input from all members of the House, but a relatively small number. It does not provide for the scrutiny of the television cameras or of the microphones of the radio and television networks of this country.

It is well that they would want to get it out of the House. They know that the longer it stays in the House, the more embarrassing it is going to be to the New Democratic Party who, today, sold their souls in support of a measure against which the hon. member for Yorkton-Melville (Mr. Nystrom) spoke so eloquently in this House just a few days ago. Yes, what a price they are paying.

I pity the New Democratic Party. During my parliamentary career I have had the greatest respect for the party of Tommy Douglas and J. S. Woodsworth and for its philosophic integrity, but I have lost that respect because today I have seen

members of the New Democratic Party sell out to the government, sell out their friends in Atlantic Canada, sell out their commitment to the minorities of this country, sell out their commitments to the native people, and sell out their commitments to the rights of women in this country. That is what we have witnessed in this House in the past 24 hours, and that, in my opinion, is also a sad day for Canada.

● (1740)

Today I had occasion to direct a question to the Minister of Justice (Mr. Chrétien), for whom I have a great respect both as a man and as a parliamentarian. My question was prompted by a concern arising out of the deal between the New Democratic Party and the government, because I could not quite believe what I was reading when I read the exchange of letters between the Leader of the New Democratic Party (Mr. Broadbent) and the Prime Minister. There was nothing in them to cover the Atlantic provinces and our argument for jurisdiction over offshore oil and gas.

I asked a question today of the Minister of Justice, who is the leader of the debate for the government and, if we can read between the rhetoric of the hon. gentleman, we get the message loud and clear that it was not even discussed, and while the exchange was taking place between myself and the hon. gentleman, the Deputy Prime Minister and Minister of Finance (Mr. MacEachen), the senior member of this House from the Atlantic provinces and the senior member of the government, sat there laughing like a Cheshire cat, and well he should because he is the arch-Machiavelli of this House. In fact he should have, as a member representing the interests of the Atlantic provinces in the government, been hanging his head in shame over what this proposal does to the little province, the senior province, of Prince Edward Island.

So far as constitutional reform is concerned, this proposal literally legislates Prince Edward Island out of existence. Where was the Deputy Prime Minister and Minister of Finance when that hideous, objectionable provision was written into the proposal now before the House? And yet the New Democratic Party would support that measure, which would deny rights to one of the senior provinces of this confederation with respect to constitutional reform.

In so far as oil and gas and the rights of the province of Newfoundland, which we brought with us as a dominion into this confederation, are concerned, they are being denied not only by the measure brought before this House but also by the so-called sweetheart arrangement entered into a few days ago by the Leader of the New Democratic Party and the leader of the government in this House. In so doing the NDP sold its integrity in so far as the Atlantic provinces are concerned and sold out what few friends it has left in the Atlantic provinces.

I urge the House to support this motion. I urge my friend, the hon. member for Winnipeg North Centre (Mr. Knowles), the senior parliamentarian and dean of this House, who has not said one single word against the scandalous move of the government to invoke closure on this important matter, to vote for our motion.

I urge the hon. member for Yorkton-Melville, who made such an eloquent speech against the measure to which he is now married by virtue of the action of his leader, to put his mouth where his heart is and get up and vote against this measure and vote for our motion.

Some hon. Members: Hear, hear!

Mr. McGrath: Finally, I urge the House to end the division and discord which are in the land as a result of the unilateral action the government proposes to take. I urge all hon. members of the House to vote for the realistic measure put forward by the Right Hon. Leader of the Opposition (Mr. Clark), a measure which would allow for our constitution to be brought back to Canada, a measure which would allow for an amending formula to be built into the constitution and, more particularly, a measure which would allow us to retain our national pride and amend our constitution in Canada where it should be amended.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Ethier): Order, please. It being 5.45 p.m., it is my duty to interrupt the debate and put forthwith every question necessary to dispose of proceedings now before the House, in accordance with Standing Order 58(9).

Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Ethier): All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Ethier): All those opposed will be please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Ethier): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Ethier): Call in the members.

The House divided on the motion (Mr. Clark), which was negatived on the following division:

● (1750)

(Division No. 15)

YEAS

Messrs.

Andre
Baker (Nepean-Carleton)
Beatty
Blenkarn
Bosley
Bradley
Cardiff
Carney (Miss)
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Coates
Cook
Cooper
Cossitt
Crombie
Crosby (Halifax West)
Crouse
Dantzer
Darling
Dick
Dinsdale
Domm
Ellis
Elzinga
Epp
Fennell
Forrestall
Fraser
Fretz
Friesen
Gass
Gilchrist
Greenaway
Gustafson
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hargrave
Hawkes
Hees
Hnatyshyn
Howie
Jarvis
Jelinek
Kempling
Kilgour
King
Kushner
Lambert
La Salle
Lawrence
Lewis
MacKay
Malone
Mayer
Mazankowski
McCain
McCuish
McDermid
McGrath
McKenzie
McKinnon
McKnight
McLean
McMillan
Mitges
Munro (Esquimalt-Saanich)
Murta
Neil
Nickerson
Nielsen
Nowlan
Oberle
Paproski
Patterson
Roche
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shields
Siddon
Speyer
Stevens
Stewart
Taylor
Thacker
Thomson
Towers
Vankoughnet
Wenman
Wilson
Wright
Yurko—93.

NAYS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Benjamin
Berger
Blaikie
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Broadbent
Bujold
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Chénier
Chrétien
Collenette
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
Deans
De Bané
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Fulton
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd
Gray
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hovdebo
Hudecki
Irwin
Isabelle
Jewett (Miss)
Johnston
Joyal
Kaplan
Keeper
Kelly
Killens (Mrs.)
Knowles
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Leduc
Lewycky
Loiselle
Lonsdale
Lumley
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Maltais
Manly
Marceau
Massé
Masters
McCauley
McRae
Miller
Mitchell (Mrs.)
Munro (Hamilton East)
Nicholson (Miss)
Nystrom
Ogle
Olivier
Orlikow
Ostiguy
Ouellet
Parent
Pelletier
Pepin
Peterson
Pinard
Prud'homme
Rae
Regan
Reid (Kenora-Rainy River)
Roberts
Robinson (Burnaby)
Robinson (Etobicoke-Lakeshore)
Rompkey
Rose
Rossi
Roy
Sargeant
Savard
Schroder
Simmons
Smith
Stollery
Tardif
Tessier
Tobin
Tousignant
Trudeau
Turner
Veillette
Waddell
Watson
Weatherhead
Whelan
Yanakis
Young—158.

● (1810)

Madam Speaker: I declare the motion lost.

It being after six o'clock, the House will now adjourn until tomorrow at 2 p.m. in accordance with Standing Order 2(1).

At 6.16 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, October 23, 1980

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

HUMAN RIGHTS

RIGHT OF FREE SPEECH—IMPOSITION OF CLOSURE—MOTION UNDER S.O. 43

Mr. Mel Gass (Malpeque): Madam Speaker, I rise on a matter of urgent and pressing necessity under Standing Order 43. One of the major reasons this dictatorial government has given for proceeding with its constitutional package is the need to entrench individual rights. Therefore I move, seconded by the hon. member for Erie (Mr. Fretz):

That the Minister of Justice be directed to make a statement to the House reconciling the avowed concern for rights, such as free speech, with the imposition of closure on those Canadians sitting in this House.

Some hon. Members: Hear, hear!

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE CONSTITUTION

PROPOSED RESOLUTION—CALL FOR WITHDRAWAL OF CLOSURE MOTION—MOTION UNDER S.O. 43

Mr. Bob Wenman (Fraser Valley West): Madam Speaker, I rise on a matter of urgent and pressing necessity. As one of 25 British Columbian members of Parliament in this party who have not had an opportunity to speak on the constitution, and in view of the historic importance of this issue to members of my constituency and to the people of British Columbia, I move:

That the Prime Minister immediately retract this motion to muzzle the Parliament and people of Canada and instead allow full discussion, joined by members from all regions, on the constitution and in this debate.

An hon. Member: I will second it.

Some hon. Members: Hear, hear!

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

COMMUNICATIONS

SEIZURE OF EARTH STATION IN BURNABY, B.C.—MOTION UNDER S.O. 43

Mr. Svend J. Robinson (Burnaby): Madam Speaker, I rise on a matter of urgent and pressing necessity, pursuant to the provisions of Standing Order 43. In view of the fact that the federal communications department yesterday swooped in and seized, without adequate warning, a satellite earth station in Burnaby, British Columbia, and in view of the fact that this action is selective and is a heavy-handed approach to enforcement of a law which was broken with impunity by British Columbia's science minister, Pat McGeer, for many weeks, I move, seconded by the hon. member for Skeena (Mr. Fulton):

That this House, while recognizing the importance of obeying federal laws and protecting the integrity of Canada's broadcasting system, deplores this arbitrary law enforcement action, and that there be no further police or court action, at least until the proposed government review of earth station licensing policy has been completed.

Madam Speaker: For presentation, this motion requires unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

FEDERAL-PROVINCIAL RELATIONS

PRINCE EDWARD ISLAND—ALLEGED INSULT BY PRIME MINISTER TO PREMIER—MOTION UNDER S.O. 43

Mr. Tom McMillan (Hillsborough): Madam Speaker, I rise under the provisions of Standing Order 43. Yesterday in a speech to the Quebec City Chamber of Commerce, the Prime Minister (Mr. Trudeau) admitted that he could not remember the name of the Premier of Prince Edward Island.

An hon. Member: Shameful.

Mr. McMillan: It should thus not be a surprise to anyone that the Prime Minister seems unaware of the extent to which his constitutional amending formula discriminates outrageous-

ly against that province. I therefore move, seconded by the hon. member for Malpeque (Mr. Gass):

That this House condemn the Prime Minister for his blatant insult, not only against the Premier of Prince Edward Island, J. Angus MacLean, but against the people of Prince Edward Island themselves.

Some hon. Members: Hear, hear!

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE CONSTITUTION

PROPOSED RESOLUTION—CALL FOR REFERENCE OF CLOSURE MOTION TO COMMITTEE—MOTION UNDER S.O. 43

Mr. Gordon Towers (Red Deer): Madam Speaker, under Standing Order 43, I rise on a serious matter which involves the birthright, the rights and privileges and the future of every citizen of this great land. We have been subjected to government by public relations, by advertising compaigns, by unilateral decrees, by confrontation, and now by the stifling of speech in the House of Commons. The result has been alienation, division and discord, especially in western Canada.

● (1410)

Therefore I move, seconded by the hon. member for Pembina (Mr. Elzinga):

That this House refer the matter of closure to the appropriate House of Commons committee for review, so that it will be less susceptible to abuse in the future.

Madam Speaker: Presentation of such a motion for debate requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

PROPOSED RESOLUTION—CONSULTATIONS WITH ABORIGINAL PEOPLES—MOTION UNDER S.O. 43

Mr. Jim Manly (Cowichan-Malahat-The Islands): Madam Speaker, I rise on a matter of urgent and pressing necessity. First, I should like to draw to the attention of the House that I understand Indian people have just been turned away from the galleries because they were not wearing ties.

Some hon. Members: Shame.

Mr. Manly: In view of the fact the Prime Minister (Mr. Trudeau) promised the chiefs at the First Nations Conference in April that they would be involved in the constitutional process, and that the proposed resolution was drafted without consultation with the aboriginal peoples, I move, seconded by the hon. member for Kamloops-Shuswap (Mr. Riis):

That this House call upon the Prime Minister to make good his promise and meet immediately with the leaders of Indian and other native organizations, and draft acceptable amendments to the constitutional proposal.

Mr. Shields: Where were you yesterday?

Some hon. Members: Oh, oh!

Madam Speaker: Order, please. Will the hon. member pursue his motion under Standing Order 43.

Mr. Oberle: You should have told them that yesterday.

Mr. Manly: I had finished, Madam Speaker.

Mr. Clark: You sure have.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Madam Speaker: I had already given instructions that when Indian people wearing their traditional costumes, or what they wear as a tie, present themselves to the galleries to listen to the proceedings of the House of Commons they should be admitted. If some person was unaware of that ruling on my part, I would now ask them to please admit these people.

Some hon. Members: Hear, hear!

PROPOSED RESOLUTION—PARTICIPATION IN DEBATE OF ALL MEMBERS—MOTION UNDER S.O. 43

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of extreme urgency. In light of the fact that on October 2 the Prime Minister (Mr. Trudeau) on nationwide television invited every member of Parliament from every corner of this land to participate in the debate on the constitutional resolution—and the exact words of the Prime Minister were "every member of Parliament from every corner of this land"—I move, seconded by the hon. member for Prince Edward-Hastings (Mr. Ellis):

That the Prime Minister be required to honour the commitment he made to the members of this House on October 2 and to allow all members who wish to do so to speak on this resolution.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[*Translation*]

REQUEST GOVERNMENT DEFER DECISION ON UNILATERAL PATRIATION

Hon. Roch La Salle (Joliette): Madam Speaker, I rise under the provisions of Standing Order 43, to move a motion of the utmost importance for all Canadians, and I shall speak on behalf of millions of Quebeckers.

Considering the final decision of the present government to patriate unilaterally the constitution and the unanimous opposition in the National Assembly of Quebec, including the leader of the Liberal party of Quebec, I move, seconded by the hon. member for Provencher (Mr. Epp):

That the House unanimously invite the Prime Minister of Canada to postpone his objective and to resume immediately the negotiations on this subject, as requested by several provincial premiers.

Madam Speaker: Order, please. Under Standing Order 43, such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

GRAIN

MARKETING OF FEED GRAINS—MOTION UNDER S.O. 43

Mr. Stan J. Hovdebo (Prince Albert): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Whereas every tonne of western barley shipped east to the eastern feed market is costing western shippers up to $40 per tonne or the premium available on the export market, whereas the Canadian Wheat Board is forced to sell feed grains at a price below the open market price and such grains can then be redelivered and sold back to the Wheat Board at a much higher price, I move, seconded by the hon. member for Humboldt-Lake Centre (Mr. Althouse):

That this House condemns this bizarre approach to recycling and calls upon the minister responsible for the Canadian Wheat Board to ensure that all feed grains are marketed by the board notwithstanding the opposition of the Minister of Agriculture to this policy.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

● (1415)

ORAL QUESTION PERIOD

[*English*]

THE CONSTITUTION

REFERENCE OF PROPOSED RESOLUTION TO JOINT COMMITTEE—REQUEST FOR LATER REPORTING DATE

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I would like to direct a question to the Prime Minister, who has acted now to gag Parliament. He knows that the present proposal regarding his committee imposes closure in advance on the committee proposals by requiring a report-back of December 9. I wonder if the Prime Minister would give us a commitment now that he will remove that odious provision of closure in advance from the committee proceedings and establish a reporting date considerably later than December 9?

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, there is nothing unusual about asking a committee to report by a certain date. On the question of gagging Parliament, to use the expression of the Leader of the Opposition, I would point out to him that our House leader has proposed various alternatives to the Conservative House leader so that Parliament can have a greater chance and a longer time to express itself on this by prolonging hours in various ways.

An hon. Member: Sure.

Mr. Trudeau: Yes, sure. The opposition, therefore, if it has that many more points to make, could have made them by accepting prolonged hours, a proposition which had been accepted by the New Democratic Party.

Mr. Nowlan: Forget about them.

Mr. Trudeau: They are also members of this House and have views of their own on closure, but who feel, as we do, that the official opposition has nothing constructive or destructive to say on the subject but want to use dilatory motions. The people of Canada would like us to get on with budgetary matters and talk about problems of jobs and inflation and come to the budget.

Mr. Clark: The Prime Minister exceeds even his own reputation for deception with those words.

Some hon. Members: Hear, hear!

Mr. Clark: He knows full well that his government sets the order of business and had set the date for the budget to be presented in this House, and that would have occurred. He knows full well that closure was imposed in a period when there had been more government spokesmen than there had been opposition spokesmen. He did not answer the question whether or not he was going to keep the gag on the committee that he has put on the House of Commons.

I know that the Prime Minister does not want Canadians to know what he is proposing in this resolution and that is why he has proposed closure. But let me ask him now whether he will give the House of Commons an immediate assurance that during the full committee stage, even if that operates for a limited time under closure in advance, the people of Canada will have full access to the proceedings through television and radio coverage.

Mr. Trudeau: Madam Speaker, on the rather peculiar preamble to the question my information is that there have been more opposition spokesmen on this debate.

An hon. Member: That is false.

Mr. Trudeau: I have the figures of 22 Liberals, 19 Conservatives and five NDP.

Some hon. Members: Oh, oh!

Mr. Trudeau: The opposition leader is concerned with putting the case before the Canadian people on the constitution. I point out to him that since the debate began, points of order, questions of privilege and other ways of debating something other than the constitution have been spoken to 27 times by the Liberals, ten times by the NDP and 41 times by the official opposition.

• (1420)

Some hon. Members: Shame!

Mr. Cossitt: Why don't you outlaw questions of privilege?

Mr. Trudeau: If the Leader of the Opposition's indignation was not as synthetic as it appears, he would be precisely urging his people to talk about the constitution and the subject matter for long hours if necessary, rather than to use all kinds of dilatory tactics not to talk about it.

Mr. Clark: Madam Speaker, that is the second time the Prime Minister has declined to answer a question in this House. I wonder why he bothers to come. He shuts it down, he refuses to answer questions here, and he refuses to treat the House of Commons as anything other than a nuisance which he can ignore.

We heard yesterday from the Minister of Justice that the Minister of Justice intends to have the committee stay in Ottawa, thereby forcing Canadians who want to talk about their constitution to pay their way to come to Ottawa if they wish to be heard. Will the Prime Minister reject that proposal, that considerations on the constitution of all Canada have to be limited here to this city? Will he give the House the commitment now that there will be an opportunity for the constitutional committee, to which he is forcing this matter to go prematurely, to travel across the country so that its members will know the reality, indeed, in some cases the rage, that is growing across this country as the result of proposals by the government on energy and on the constitution? Will the committee be allowed to travel, or will it be confined here to Ottawa, as it is confined to a deadline?

Mr. Trudeau: Madam Speaker, on the question of witnesses coming to Ottawa, I suppose it is within the rights of the committee to suggest that they could help people who must travel to Ottawa at great personal expense by reimbursing them this expense.

Mr. Baker (Nepean-Carleton): That is not in its reference.

Mr. Beatty: He hasn't answered a single question.

Mr. Clark: Madam Speaker, let me repeat, for the Prime Minister's reference, the three questions which he has declined to answer today: One, will he remove the committee deadline of December 9 and give us a more reasonable deadline and thus dilute closure in advance; two, will he give us an undertaking now that there will be the opportunity for full television and radio coverage of the proceedings of the committee; and third, will he let the committee travel to the regions of the whole country so that the constitution of this whole country can be discussed throughout Canada and not in the back pocket of the Liberal party.

Some hon. Members: Hear, hear!

Mr. Cossitt: You're not a Liberal.

Mr. Trudeau: Madam Speaker, I am sure that from even the motion made yesterday by the opposition party, it is anxious to see progress made—

Mr. Jelinek: Answer the question.

Mr. Trudeau: —on the constitutional front. And I am sure from their earlier speeches that they are as anxious as we are to permit the House to go on to deal with economic matters and energy matters. This being the case, I think the Leader of the Opposition will realize that it is in the interests of the people of this country to have this constitutional matter dealt with expeditiously—

Mr. McDermid: Railroaded through.

Mr. Cossitt: Trudeau's railway.

Mr. Trudeau: —and brought to a conclusion. The way in which this is to be done depends to a great extent on the co-operation or otherwise that we receive from the members of this House, if they sincerely want to debate the issue. I repeat, the longer we take to get the resolution into committee, the less time the committee is bound to have in order to hear witnesses—

Mr. Epp: Answer the question.

Mr. Kempling: You're a disgrace.

Mr. Trudeau: —and to examine in detail the resolution. That is the explanation for our urgency in getting the matter

before the committee, so that it can be properly debated. That is the answer to the first question.

Mr. Clark: There is no answer there at all, no answer at all.

Mr. Trudeau: The answer is that we want the committee to deal with the matter as soon as possible so that it may come out of committee by December 9.

Mr. Clark: So you keep closure in advance.

• (1425)

Mr. Trudeau: The answer to the second question about television is that the commitee, I believe, is master of its own procedure in this area, and it can examine the advantages or otherwise of having television present.

Mr. Baker (Nepean-Carleton): You are the master of the Liberal majority.

Mr. Trudeau: I can understand the nostalgia with which the Tories cry "Liberal majority".

Mr. Clark: Why hide your proposals?

Mr. Trudeau: Surely there is a rule in this House that the majority does have the right to take a vote at some point and prevail over the minority.

Mr. Clark: Those sheep follow you blindly.

Mr. Trudeau: Well, the Leader of the Opposition is asking for answers to his questions, and I see that he is not interested in listening to them.

Mr. Baker (Nepean-Carleton): We cannot stand them.

Mr. Trudeau: He is just grumbling and growling away and following in his own way.

INQUIRY WHETHER CLOSURE DISCUSSED WITH LEADER OF NDP

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question is for the Prime Minister. In the letter dated October 20 from the Leader of the New Democratic Party to the Prime Minister, which confirms that their conspiracy started at a meeting on October 1, there is no mention of the right of the coastal provinces of this country to own and control their offshore non-renewable resources in the same way provinces do that have resources under the soil or under fresh water. In other words, the Leader of the New Democratic Party has sold out eastern Canada—Quebec and the four Atlantic provinces.

At that meeting or at any other meetings between the Prime Minister and the Leader of the NDP, was there any discussion by the Prime Minister with the Leader of the NDP of the Prime Minister's plan to impose closure after only 24 hours of debate in this House and, after only 24 opposition members had spoken? And did the Leader of the NDP say that he would go along with such a proposal, if it was discussed, between these two leaders?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I would point out to the hon. member from St. John's that on October 1, I met not only the Leader of the New Democratic Party but also his own leader.

Mr. Nielsen: Separately.

Mr. Clark: Separately.

Mr. Trudeau: Yes, indeed, Madam Speaker, I insisted that they not come at the same time.

Some hon. Members: Oh, oh!

Mr. Trudeau: I should let the hon. member from St. John's know that there also began on that day a conspiracy with the leader of his own party.

Mr. Crosbie: Madam Speaker, we know that the Prime Minister and the Leader of the New Democratic Party are heart to heart, brain to brain, toe to toe and nose to nose, and we know where the Leader of the New Democratic Party's nose is.

Some hon. Members: Oh, oh!

Mr. Baker (Nepean-Carleton): He is the happy hooker.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Crosbie: And we know where the conspiracy is. In the Prime Minister's letter to the Leader of the New Democratic Party for October 21, the Prime Minister said:

I agree with you that it is desirable that the constitutional package have the broadest possible support in Parliament and in the country.

How can the Prime Minister imagine that he is going to get the broadest possible support in Parliament and in the country when all of this country, Quebec and to the east, is ignored and when closure is imposed upon this Parliament so that we are not given an opportunity on this side of the House to make any kind of meaningful contribution with just 24 speakers and 24 hours of debate? How is that going to get the broadest possible support in this country for these proposals, which should be agreed upon unanimously in this country if the right procedure had been adopted?

Mr. Trudeau: Madam Speaker, in the first question the hon. member accused this government of not doing enough for the east. In the second question, he accuses us of catering only to the east and Quebec. Those were his words.

Mr. Clark: No.

An hon. Member: You are wrong.

Mr. Clark: I guess you are getting deaf, too.

Mr. Trudeau: Those were his words, Madam Speaker, and I ask the hon. member to check *Hansard* if his brains are not constantly in the area that he suggested somebody else's nose is.

Mr. Crosbie: It is crowded there.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Trudeau: At any rate, I fail to see how the hon. member can suggest in his second question that we are only concerned with eastern Canada and Quebec, because the amendments that I have suggested to the Leader of the New Democratic Party that we would be prepared to accept, providing the concept of the Canadian union were provided for, was an amendment precisely on the subjects and in the area demanded by the three westernmost premiers, not only during this last summer and fall, but as far back as October, 1978.

● (1430)

Mr. Clark: That, too, is misleading.

* * *

CONSUMER AFFAIRS

OIL COMPANY PROFITS—REQUEST FOR ROLLBACK

Mr. Edward Broadbent (Oshawa): Madam Speaker, it will be interesting, when our amendment on resources is moved which will give to the people of Newfoundland substantial control over their hydro and more than $600 million to the people of Alberta—

Mr. Clark: Defend yourself, Ed.

Mr. Broadbent —to see if the Tories vote for or against it. It will be interesting.

An hon. Member: Go on over.

Some hon. Members: Hear, hear!

Mr. Broadbent: Never have I heard such rubbish in all my days.

Some hon. Members: Oh, oh!

Madam Speaker: Order. Order, please. All of this will only shorten the time that hon. members have to ask questions.

Mr. Trudeau: No respect for Parliament.

Madam Speaker: I would ask the House to refrain from applauding. We are having applause at every minute and moment every time someone speaks. The hon. member for Oshawa.

Mr. Broadbent: Thank you, Madam Speaker. I have a question for the Prime Minister—

An hon. Member: Ask him in caucus.

Mr. Broadbent —who has just indicated that he is interested in economic affairs. He will have a chance to demonstrate that now. Given that last year the multinational oil companies in Canada—

Mr. Clark: Bring that up in caucus.

Mr. Broadbent —increased their profits by $5 billion and today figures came out which show their profits are up for the big five by fully another 65 per cent, I should like to ask the Prime Minister if he is prepared now to illustrate in demonstrative form his expressed concern about the economy by giving to the petroleum monitoring agency the power to roll back such profits and protect the Canadian consumer?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, my simple answer, of course, is that the Government of Canada has no such power; therefore we could not delegate it to any agency created by the federal government. Under the constitution we cannot roll back profits, as the hon. member suggests, just by a decree of the federal Parliament.

As concerns the profits of these companies, the hon. member is aware of the provisions that this government brought in, ensuring that these profits would be reinvested in Canada in further exploration and development, if indeed the companies wanted to escape certain tax provisions.

Mr. Epp: Is that part of the deal?

Mr. Broadbent: Madam Speaker, I would suggest to the Prime Minister that he check the authority that he used to bring in wage and price controls a few years ago and apply it to the oil industry. It fits.

Mr. Clark: Write him a letter, Ed. Write him a letter.

Mr. Broadbent: Considering the answer that the Prime Minister just gave, I should like to ask him this direct—

Some hon. Members: Oh, oh!

Mr. McGrath: Take it up in caucus.

Mr. Broadbent: Don't go delirious down there. During the 1980 election campaign he said—

Mr. Clark: "Nineteen" election campaign? Were you there with him, Ed?

Mr. Broadbent: —he said in a speech in Sault Ste. Marie, and I quote as follows:

> —several multinationals operating in Canada have profits so large that they're shifting hefty sums out of the country rather than reinvesting in energy.

That is something that the Tories permitted for years, of course. In view of the Prime Minister's own admission on the misuse of these profits, which was subsequently confirmed by another government report this summer, I should like to ask the Prime Minister what he is prepared to do to stop the shift

of profits, earned from Canadian resources, away from Canada to other lands?

Mr. Clark: Look who is talking about "stopping shifts".

Mr. Crombie: Ed was at your rally, Pierre.

Mr. Trudeau: Madam Speaker, I must point out to the Leader of the NDP that his comment on wage and price controls is completely irrelevant in this context. He will remember that the Supreme Court was appealed to judge whether this imposition of wage and price controls was permissible under the emergency powers of the constitution. I have not heard anybody, not even the Leader of the NDP suggest that this was a question of national emergency because some companies were making profits, and too large profits.

Mr. Rae: Why is it that only wages go up when there is an emergency?

Mr. McGrath: Don't interrupt your leader.

Mr. Trudeau: Madam Speaker, if the hon. member for Broadview has a supplementary, I will be happy to instruct him on the course of the law too if he can—

An hon. Member: Send him a letter.

Mr. Trudeau: I am prepared to meet him in my office if he needs a little law.

Some hon. Members: Hear, hear!

Mr. McGrath: How about Wednesday morning in caucus?

Mr. Trudeau: As to the government's approach to these large profits which I discussed in Sault Ste. Marie during the election campaign, I am afraid that close as we are, the Leader of the NDP will have to wait until budget night to know how we are dealing with this problem.

Mr. Broadbent: Madam Speaker, I would remind the Prime Minister that the Supreme Court decision did, in fact, refer to a bill that pertained to profit control, which is what I am talking about, but the Prime Minister has made it very clear that he is only interested in wage control and not interested at all in profit control.

As a final supplementary question, since the government is now moving toward partriating the constitution, a course of action that this party supports—

An hon. Member: You sure do.

Mr. Broadbent: —given that the Minister of Energy, Mines and Resources admitted in a speech, appropriately given to the American Stock Exchange last month, that because of foreign ownership in the oil industry there was a net outflow of more than $2 billion in Canada in the last four years alone, when will the government have the courage to patriate not only our constitution but our oil by bringing Imperial, Texaco and Shell under public ownership, so that all Canadians can share the benefit of their own resources?

Mr. Trudeau: Madam Speaker, lest the hon. member think he has the last word on the constitutional problem of controls, I would point out to him that there was indeed no control on profits; there was a control on wages and on prices.

An hon. Member: Exactly.

Mr. Broadbent: And profit margins.

Mr. Crombie: Hold it fellows, you will get him mad.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Trudeau: Everyone knows that even that was the subject of long debate and contestation by several provinces before the supreme courts.

On the substance of the question, I understand the NDP to be urging on this government massive expropriation of oil companies—

An hon. Member: No.

Mr. Broadbent: Just a little control.

Mr. Trudeau: They name three very large oil companies and call it just a little bit of control, but they would like the government to take over ownership.

Mr. Broadbent: Right.

Mr. Trudeau: I would point out to the Leader of the New Democratic Party that this we cannot do at this time.

Mr. Broadbent: Why not?

* * *

THE CONSTITUTION

OWNERSHIP OF RESOURCES—MEETING OF PRIME MINISTER AND LEADER OF NDP

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, we know that the Leader of the NDP does not speak for the Premier of the province of Saskatchewan or his caucus, but I assume he spoke for the Liberal party in Canada.

I have a question for the Prime Minister. In light of the exchange of letters between the Prime Minister and his Oshawa lieutenant, could he confirm or deny that in the give-away of natural resources from the provinces to the federal government, the drafting of that amendment was done at the 90-minute meeting that was held between he and the hon. member for Oshawa on October 1?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, if the hon. member were at all interested in constitutional matters he would see that the substance of my reply to

the Leader of the New Democratic Party indicated that we would be doing what we had agreed all through the summer through the Minister of Justice—

Mr. Clark: Boy, that Ed is a tough bargainer.

Mr. Trudeau: —and myself on the first day of the federal-provincial conference in September. We indicated then that we would be prepared to see the provinces have jurisdiction over indirect taxes in the area of resources and interprovincial trade in the area of resources.

I can tell the hon. member that the substance of that was discussed at the meeting and confirmed in my letter, but the kind of amendment we would accept is an amendment which might be phrased—in other words, we would wait to see what they move but it would have to be in substance what we have already offered, plus—

Mr. Clark: Have you got a deal, Ed.

Mr. Trudeau: Yes, Madam Speaker, the Leader of the Opposition seems frustrated at having been left out of a constructive proposal to improve the resolution now before the House.

Some hon. Members: Hear, hear!

● (1440)

Mr. Trudeau: I point out to him, Madam Speaker, that all summer the Minister of Justice has been looking for a deal. At that conference I had been looking for a deal.

Mr. Clark: That is not true.

Mr. Trudeau: Since the first federal-provincial conference which I chaired in 1968, I have been looking for a deal. There is nothing shameful in accepting a deal which meets the stated requests of several provincial premiers.

Some hon. Members: Hear, hear!

Mr. McKnight: Madam Speaker, I wish to draw to the attention of the Prime Minister that the government leader in the Senate said yesterday there was not a deal. Be that as it may, I wish to quote from page 3566 of *Hansard* dated October 9:

—the amendment my party would propose would confirm provincial ownership of resources, would incorporate a clause with respect to indirect taxation and, finally, would incorporate a concurrent power with federal paramountcy with respect to trade and commerce as it affects the export of non-renewable natural resources, forestry products—

That was said by the NDP member for Kootenay West on October 9. On October 21 and 22 there is a convenient exchange of letters, 12 days after that exact wording appears in *Hansard* from the NDP member. Will the Prime Minister either confirm or deny that there was a deal made regarding the wording of the amendment at the October 1 meeting between himself and the Leader of the New Democratic Party?

Mr. Trudeau: Madam Speaker, although I think there would be a matter of privilege in not answering that, I think the Leader of the New Democratic Party would not begrudge my telling what happened there. There was talk of the substance. There was no exchange of texts. The first exchange of texts came when I answered the letter a couple of days ago.

PROPOSED RESOLUTION—TELEVISING OF COMMITTEE PROCEEDINGS

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, I also have a question for the Prime Minister who will be aware of the statement in the infamous August 30 Privy Council memorandum which reads as follows:

A highly contentious measure may best be contained in a committee where it is more readily managed by the House leader and his officers, and where easier and more effective relations can be maintained with the Press Gallery, since relatively few reporters will follow the proceedings.

Now that Parliament is to be gagged and the debate is to be taken out of the House of Commons, is the reason the Prime Minister refused the request made by the Leader of the Opposition for his support to open up the proceedings of the committee to television, so that Canadians from coast to coast can see those proceedings, that he prefers to have these meetings managed and he prefers the sort of manipulation of the press recommended in this Privy Council office document, rather than opening these matters up to the people of Canada, as is being requested by the Leader of the Opposition?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I would point out to the hon. member that the debate has been proceeding in front of television for the past—

Mr. Clark: Twenty-four hours.

Mr. Trudeau: —three weeks, I would guess.

Mr. Clark: Twenty-four hours of debating time.

Mr. Trudeau: The Leader of the Opposition shouts "24 hours of debating time". We offered to have longer hours, and it is his very party which refused to add to the hours.

Some hon. Members: Hear, hear!

Mr. Clark: You introduced closure.

Mr. Trudeau: It could have been much more than 24 hours over a period of some three weeks if his party had accepted that we prolong the sitting hours.

Mr. Chrétien: Six to eight and until midnight.

Mr. Trudeau: Getting back to the question itself, I have to remind the hon. member that the resolution will, of course, come back to the House—

Mr. Clark: One day.

Mr. Trudeau: —where it will again be in front of television.

Mr. Clark: One day.

Mr. Trudeau: I understand the leader of the Tory party is suggesting one day.

Mr. Clark: That is the rule. What are you saying? Give us a commitment.

Madam Speaker: Order, please. I am sure the Right Hon. Prime Minister as well as any other member who is being questioned in the House cannot answer two or three persons at the same time. I ask that we restrict ourselves to allowing whoever has the floor to answer one question from one questioner.

Mr. Trudeau: Madam Speaker, the leader of the Tory party is constantly interrupting me when I try to answer one of his own backbenchers. I wish he would show a little more respect for his own people.

Some hon. Members: Hear, hear!

Mr. Trudeau: However, since he insists on getting in on this debate, I do not understand why he keeps shouting "one day". I have indicated that when the resolution comes out of committee, it will be in front of this House for an indeterminate period of time and there will be television and all the coverage that the Leader of the Opposition would like to get.

I would also indicate that the reason we took this route of putting it into committee is that we are certain if we had not, that if we had just gone the resolution route and said it is one resolution, one stage and nothing else, the Leader of the Opposition would have been screaming his head off.

Mr. Clark: That is not what the secret memo says.

Mr. Trudeau: He would have said, how can we possibly study this, make amendments and hear witnesses because we have been gagged by the government and it is just making it in one stage. Therefore, we made it in three stages.

Mr. Clark: Closure, closure and closure.

Mr. Trudeau: Madam Speaker, I am afraid the hon. member will have to talk to his leader if he wants answers to his questions. He will have to ask his leader to shut up.

Some hon. Members: Hear, hear!

Mr. Beatty: Madam Speaker, I suspect that if I want an answer from the Prime Minister, I will have to talk to the Leader of the NDP.

Some hon. Members: Hear, hear!

Mr. Beatty: It is a straightforward question to the Prime Minister which he can answer with a yes or no. Is the Prime Minister prepared to give his support for the televising of the committee proceeding?

Mr. Trudeau: Madam Speaker, the committee can make its own decisions in that regard.

ENERGY

OIL AND NATURAL GAS EXPORTS—GOVERNMENT POSITION

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, in the absence of the minister of energy my question will be to the Prime Minister.

An hon. Member: We don't have one.

Mr. Waddell: On December 6, 1979, the minister of energy had this to say in the House:

> The worst thing we could do is to export gas for a fast buck or in order to support a faltering dollar, because then it will mean that down the line we will have to supply our Canadian needs with more expensive and more polluting resources, such as coal for instance. We have to be very cautious about relying upon illusory, short-term gains.

The minister quietly approved in cabinet last week the export of synthetic natural gas, made from Alberta oil, from the government's Petrosar plant in Sarnia. Enough gas and oil to heat 100,000 Canadians homes for five years has been exported. My question to the Prime Minister is this. What is it to be? Is it to be the energy minister's principles, as set out in that code about not selling off our resources for short-term gain; or is it to be his government's action of selling them out? What is the policy of the government?

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): As the hon. member must be fully aware, Madam Speaker, the export of natural gas from Canada is a matter which is monitored by the National Energy Board. The procedures which the hon. member has questioned have been approved by the National Energy Board and meet the requirement tests of that board.

Mr. Waddell: That is no answer at all, Madam Speaker. I will put my supplementary question to the Prime Minister and ask him to answer it. In July his government approved the pre-build of the pipeline to sell out Alberta gas to California and other markets, and last week, a few days ago, there was an agreement to sell natural gas to American utilities in New York. The *Times* says "14 utilities in the east to get Canadian gas". Finally, the National Energy Board has approved the export of liquid natural gas from Gaz Métropolitain to New Hampshire.

The Prime Minister told my leader that he is not prepared to do anything on ownership of the foreign controlled oil industry. In light of this evidence of sellout of gas and oil, is he prepared to continue a policy of selling out Canadian resources?

● (1450)

Mr. MacLaren: Madam Speaker, the hon. member should be aware that under the procedures of the National Energy Board a determination is made whether there are supplies surplus to Canadian needs. Those prudent tests adequately ensure Canadians that natural gas reserves are sufficient to justify exports. That policy is being applied in the various cases which the hon. member opposite has cited.

In the specific case of the Gaz Métropolitain exports, those small amounts are simply a continuation of the practices which have been in place for some time and are merely to maintain the levels of exports which have been committed and which have been surplus to Canadian requirements.

* * *

THE ENVIRONMENT

SUCCESS OF ADVERTISING CAMPAIGN RESPECTING EFFECTS OF ACID RAIN

Mr. Maurice Foster (Algoma): Madam Speaker, my question is to the Minister of the Environment. Given the fact that a large portion of the acid rain falling on Canada comes from emissions in the American mid-west and that the minister has signed a memorandum of intent with the United States and has initiated an advertising campaign directed at American tourists visiting Canada, can the minister indicate to the House whether Canada is achieving any success in reaching and convincing United States officials of the danger of acid rain fallout on Canada originating in the United States?

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): Yes, Madam Speaker. I believe we are having some success, although obviously much work still remains to be done. I was very pleased to see recently, for instance, a letter of support signed by some 90 United States Congressmen indicating their concern about acid rain problems and their desire to support our views in this matter. I think that letter probably was an outcome of the visit to Washington of the subcommittee of the House of Commons dealing with acid rain chaired by the hon. member for Sault Ste. Marie. I very much welcome the efforts of the subcommittee and the positive result they have had in this case.

* * *

THE CONSTITUTION

PROPOSED RESOLUTION—STATUS OF YUKON AND NORTHWEST TERRITORIES

Mr. Dave Nickerson (Western Arctic): Madam Speaker, I have a question for the Prime Minister. At all the first ministers' meetings called to discuss the constitution, the northern territories of Yukon and Northwest Territories have been refused the right to speak for themselves. Now, through the hideous use of closure, the government insists that I also be presented from being heard on northern constitutional issues. It seems the government just does not want to hear anybody from that part of the country.

Who does the Prime Minister insist on entrenching and enshrining in the constitution—and believe me, this is what is going to happen under clause 29(1)(a)—the continued colonial status of the Yukon and Northwest Territories, thereby dashing the hope that they ever will achieve provincial status?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, it seems to me that there is some confusion in the question of the hon. member. There is no change in the status of the Yukon or Northwest Territories provided for in the resolution before the House. The situation after patriation will be exactly the same as it is before patriation. The territories will have the same powers, no more, no less.

As for hearing spokesmen from the area, the House will remember that I raised this very point with the premiers at my meeting in early June, and it was agreed—I would rather say felt very strongly—by the premiers that there should be no enlargement at this time of the forum composed of the ten premiers and the federal Prime Minister. This was a collective decision.

In so far as hearing voices from that part of the country, I urge the hon. member to get in contact with his whip. We on this side would be very happy to hear him speak, and I hope the members of the hon. member's party will find a place for him on the roll.

Mr. Clark: In place of one of yours?

[*Translation*]

PATRIATION—ALLEGED STATEMENT OF PRIME MINISTER CONCERNING OPINION OF QUEBECKERS

Hon. Roch La Salle (Joliette): Madam Speaker, I wish to direct a question to the Prime Minister. I should like to refer to the speech he made yesterday in Quebec City. In view of the fact that individuals and groups have stated their objections—the Prime Minister is surely aware of it—not to the principle but to the procedure of patriation, and considering the unanimity in the National Assembly, I should like to know how the Prime Minister can suggest and declare publicly that he has the support of Quebeckers, as he said yesterday before the chamber of commerce?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, it seems to me that the hon. member is anticipating somewhat when he refers to unanimity in the National Assembly. I think his leader indicated that he hoped to obtain that unanimity. However, I do not know whether he will get it.

As for the views of Quebeckers, Madam Speaker, I would acknowledge that it is not a monolith—we saw that during the referendum. But we do know that a decisive majority of Quebeckers are hoping for a renewed constitution within federalism.

Now, the hon. member knows full well that the only way to renew federalism is to make sure that we have a constitution with an amending formula in which the provinces collectively will have a right of veto.

INQUIRY WHETHER MR. RYAN WILL APPEAR BEFORE COMMITTEE

Hon. Roch La Salle (Joliette): On a supplementary, Madam Speaker. The Right Hon. Prime Minister mentioned my leader in Quebec. I suspect he meant the Quebec premier. Contrary to the Prime Minister of Canada, I respect my Quebec premier, and every other premier, including that of Prince Edward Island.

The Prime Minister spoke of the results of the referendum. He seems to have forgotten that Mr. Ryan no longer stands by his side on the method he wants to use to patriate the constitution. In view of the circumstances, will the Prime Minister at least make sure that the Quebec Liberal party leader is invited before the parliamentary committee to explain his opposition, not to the principle of patriation—no more than I oppose it, for that matter—but to the method the Prime Minister is now using?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, if the committee so wishes, I encourage it strongly to hear the representations of Mr. Ryan. Several premiers have indicated their wish to appear. As the Liberals are few in that group, I should be very happy to see a Liberal go before that committee to show that the Liberal party has very respectable and responsible men in its ranks. It will be up to the committee to decide. As for the method alluded to by the hon. member, it seems to me explanations in that regard have been lengthy enough; specifically, the methods formerly used only produced 53 years of drifting; moreover, Quebeckers, no more than other Canadians, seem to be willing to see their political men commit themselves once again for as long a period without solving the problem.

Mr. La Salle: Not by any means!

Mr. Trudeau: Not by any means, Madam Speaker! May I be allowed to recall the words of Péguy who said, speaking of the elders, but applying them as well to political men like the hon. member opposite: "Their hands are clean because they have no hands. When one wants to accomplish something, of course, one has to put one's hand to the plough."

[*English*]

DEBATE ON BANK ACT COMPARED WITH DEBATE ON RESOLUTION

Mr. Don Blenkarn (Mississauga South): Madam Speaker, my question is also addressed to the Prime Minister. The Bank Act has now been before this House for three Parliaments. It has gone through five separate revisions, including the one produced by the committee. It has had full debate. There have been extensive committee hearings both in this Parliament and in the previous Parliaments before the Senate and before the House. Is it the view of the Prime Minister that the banks are entitled to full representation and discussion but not the constitution of this country?

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I missed the beginning of the question because there was an exchange across the aisle of the House. Let me repeat to the hon. member, who seems to have referred to the period of time the Bank Act has been discussed, that we have been discussing for 53 years the question of patriating the constitution.

Some hon. Members: Hear, hear!

• (1500)

Mr. Blenkarn: The Prime Minister will know that we have not been discussing his resolution for 53 years.

Some hon. Members: Hear, hear!

Mr. Blenkarn: Will the Prime Minister, in the interests of full discussion and representation, give to the special committee the same amount of debating time that this Parliament has already given to the Bank Act?

Mr. Trudeau: Madam Speaker, this matter is so important and the question of timing is so important—

Some hon. Members: Why?

Mr. Hawkes: Why, why, why?

An hon. Member: Easy.

Madam Speaker: Order. Order please.

Mr. Clark: Why was it not important yesterday?

Mr. Trudeau: —that the—

Madam Speaker: Order, please.

An hon. Member: Sit down, Pierre.

Madam Speaker: Order, please. The Right Hon. Prime Minister.

Some hon. Members: Oh, oh!

Madam Speaker: The hon. member for Mission-Port Moody.

* * *

COMMUNICATIONS

EARTH STATIONS—CLOSURE OF GOLDEN CABLEVISION

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, that is a very difficult act to follow.

Some hon. Members: Oh, oh!

Mr. Rose: My colleague says, "Thank God for that."

May I put a question to the Minister of Communications. Point five of the minister's press release of October 21 states:

The government is now reviewing measures . . . aimed at making licenses for (earth) stations for TV reception easier to obtain—

Since the minister's crackdown on illegal dishes is aimed primarily at rural areas, can the minister tell the House how he can explain the CRTC shutdown order of Golden Cablevision situated in a remote, isolated mountainous area of British Columbia which has no other alternate means of reception? Further, will the minister postpone enforcement action until an alternate satellite package, as promised by the minister, is made available to inadequately served areas?

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam Speaker, in response to the hon. gentleman's question, I should like to point out that really there is no relationship at all between point five of the press release and the current enforcement action which has been initiated in various parts of the country. Point five of the statement referred to my desire and that of the Department of Communications to simplify the regulation and to cut through the red tape necessary for people who have a legitimate interest in obtaining licences for the operation of dish antennas.

So far as the Golden station is concerned, I would be pleased to look at the matter in greater detail. My understanding at this stage is that the cable company operating in Golden recently appeared in front of the CRTC for approval of a licence renewal application by the CRTC. In the process of approving the licence, the CRTC quite properly asked the cable company to cease and desist from receiving illegal television signals from an American satellite.

Mr. Rose: Speaking of illegality, Madam Speaker, since the minister's press release on Monday also suggested a combined network satellite TV package for remote communities, including CBC and CSN, and since the cable-owned CSN has yet to be issued a licence by the CRTC, has the minister yet come to a policy decision as to whether or not cable companies are broadcasters or merely carriers and should be subject to rate of return regulations just as any other carrier?

Mr. Fox: Madam Speaker, there seems to be a misunderstanding in the reading of the release. I mentioned a wrap-around package of the proceedings of the House of Commons which would include approximately 60 hours of programming from CTV and TVA, not CSN, using the Telesat satellites at present in operation in this country. We hope in that way, as an interim measure, to televise to the outlying remote areas of Canada, the underserved areas, some 60 hours of television a week, including full coverage from Friday night right through to Monday morning, and, of course, full coverage on certain nights during the week.

POINT OF ORDER

MR. BAKER (NEPEAN-CARLETON)—REQUEST FOR DEFERRAL OF SPEAKER'S RULINGS ON QUESTIONS OF PRIVILEGE

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I rise on a point of order, if I may. I know that since yesterday you have been prepared—and indeed I asked you for it yesterday—to defer until today a ruling with respect to two points of privilege. However, I think that was before the President of the Privy Council (Mr. Pinard) gave notice of that odious motion, the purpose of which was to gag and restrict the right of Parliament to debate what is fundamental to our country.

Normally, Madam Speaker, I would have no right to ask you to do this again, but in view of the fact that this motion has intervened and that, in effect, this is the last day of debate, as surely it is the hon. member's intention to call it—the last day of these proceedings at any rate in the House—I wonder, Madam Speaker, whether you would mind deferring your judgment with respect to the questions of privilege so that even the truncated, shortened, gagged debate which is going to take place will not be interrupted by judgments on questions of privilege, however important they may be.

Madam Speaker: I accorded this courtesy to the hon. member for Nepean-Carleton (Mr. Baker) yesterday. I saw no objections or any doubts about it, and I think I could delay my judgment until tomorrow. There is nothing which forces me to make the rulings today. Of course, the hon. member is not basing his request on any existing rule. It is left to the discretion of the Chair, and in accordance with the hon. member's request, I will defer those rulings.

Some hon. Members: Hear, hear!

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baker (Nepean-Carleton): Madam Speaker, today is Thursday and I wonder if I might ask the government House leader his intention for the balance of this week and into next week. I have particularly in mind the fact that the government announced over one week ago that we would be dealing with the budget on the night of Tuesday. I assume the government has not changed its intention in that respect. I want to know about the budget debate, and the government's plans for tomorrow and for Monday.

[*Translation*]

Mr. Pinard: Madam Speaker, as I said earlier this week to my colleague, unless it is decided otherwise and on the hypothesis that motion No. 18 will be passed before 11 a.m. tomorrow, tomorrow and Monday will be opposition days. Tuesday afternoon, before the budget speech, we will proceed with consideration of Bill C-42 on the Canada Post Corporation, which is of great urgency. Tuesday evening, as

announced, will be budget night. The next day and the one after that will be the first two days of the budget debate as such, and it is too early yet to say whether or not we will suspend the debate next Friday. Again I repeat, because I want it to be clear, this is unless it is decided otherwise and on the hypothesis that the motion in the name of the Minister of Justice (Mr. Chrétien) is approved by 11 a.m. tomorrow.

[*English*]

Mr. Baker (Nepean-Carleton): Madam Speaker, I am a little surprised at the designation today at three o'clock of an opposition day tomorrow, a day which begins at eleven o'clock in the morning. Frankly, I think that is a bad practice. I want you to know this, Madam Speaker—I will not debate this with other members of the House—that there was a discussion the other day at a House leaders' meeting, at the normal period of time. There was no House leaders' meeting this morning; I was not called and I have a note from the hon. member for Winnipeg North Centre that he was not called for a House leaders' meeting today at the normal time of 9.30 a.m. Quite frankly, I think this is a very bad parliamentary practice. I have no objection at all, and I make it clear, to having an allotted day on Monday; that would have been ample notice for us.

I have just reviewed my own minutes of the House leaders' meeting which was held on October 22 and I see that no definite date was mentioned. The President of the Privy Council said, and I quote my minutes:

Pinard said he was considering one before the budget—which is set for next Tuesday, October 28. Baker will ask the usual House business on Thursday.

I have asked the usual House business question now and I am told we will have two allotted days, one of them on Friday, which is tomorrow. Will the President of the Privy Council consider what he has done? Would he consider, in the interests of fairness—and if he would not, would you, Madam Speaker, consider in the interests of fairness—forgetting about an allotted day tomorrow and having the next allotted day on Monday, which would give us reasonable time to prepare? I think that if this practice continues in the face of motions such as we have today, the relationship that has prevailed in Parliament will break down.

Some hon. Members: Hear, hear!

● (1510)

Mr. Baker (Nepean-Carleton): I still have the floor, so sit down.

Some hon. Members: Oh, oh!

Mr. Baker (Nepean-Carleton): Quite frankly, I think it is bad practice, and the President of the Privy Council had better reconsider this decision.

Mr. Knowles: Madam Speaker, I wonder if the question of designating the two opposition days could be left open to further negotiation. I say quite openly that the President of the Privy Council indicated to us—

Mr. Baker (Nepean-Carleton): Perhaps.

Mr. Knowles: —certainly to me—

Mr. Baker (Nepean-Carleton): No, he did not.

Mr. Knowles: Just a minute.

An hon. Member: That was in your caucus, Stanley.

Mr. Knowles: The President of the Privy Council indicated that either Friday or Monday would be an opposition day and that today he would tell us which one.

An hon. Member: "Might" be.

Mr. Knowles: But there was never any suggestion that both of them would be opposition days. Therefore, I wonder if we could negotiate this matter a little further. Why not bring on the Post Office Crown corporation bill tomorrow?

An hon. Member: What about the constitution?

[*Translation*]

Mr. Pinard: Madam Speaker, I am pleased to agree to my colleagues' request. There has been a misunderstanding, we do not have the same minutes. Tomorrow we will gladly proceed with consideration of Bill C-42. Monday and Tuesday afternoon will be opposition days. If we have finished with Bill C-42, we will begin consideration of the freedom of information bill before the budget speech Tuesday evening. I regret this misunderstanding. I thought I had offered both days, but since we want to be flexible, as always, and with the agreement of my colleagues, we will consider Bill C-42 tomorrow, once again provided we have disposed by 11 a.m. tomorrow of the motion in the name of the Minister of Justice and Minister of State for Social Development (Mr. Chrétien).

[*English*]

Mr. Baker (Nepean-Carleton): Madam Speaker, I just want to ask the government House leader, if he had a free day he could play with like that, why is he so anxious to close the debate at one o'clock tomorrow morning? What kind of games is he playing?

Some hon. Members: Hear, hear!

TELEVISING OF PROCEEDINGS OF JOINT COMMITTEE ON CONSTITUTION

Mr. Baker (Nepean-Carleton): While we are on the subject, because this is important, Madam Speaker, the Prime Minister refused to answer a question; he ducked the question about the televising of the committee proceedings of the House of Commons.

Some hon. Members: Order.

Mr. Baker (Nepean-Carleton): That is what happened in the course of the question period, and anyone with half an eye could see it. Is the government House leader prepared to take

his responsibilities as leader of the government in this House and bring forward a motion at a later time today which will bind the committee in so far as this House is concerned—and I am sure he could do it in the other place because he has a majority over there too—so that he can assure that the committee proceedings with respect to the constitution will be held in the same light of television as this debate has been and that the government is not accepting the advice in that leaked memo which indicated that it was a good thing for the government to hive it off in somebody's back pocket? Will the government House leader indicate that he will take initiatives here and now? I assure him of consent by our party to allowing the televising of that committee.

[*Translation*]

Mr. Pinard: Madam Speaker, my hon. colleague raised two points in his remarks. First, he is wondering why, since we are going to debate the Post Office measure tomorrow, the debate must end at one o'clock tomorrow morning. We have no choice, those are the rules. I would like to remind him that I made him the offer that the House consider this matter until midnight tonight, all day tomorrow and all day Monday until midnight. He was the one who refused after consulting his caucus.

Second, he is asking me to assume my responsibilities as government House leader. I wish to assure him with respect that that is what I intend to do. I would like to remind the House, Madam Speaker, that this is not December 13, 1979, but October 22, 1980. And I shall assume my responsibilities my way, not his.

[*English*]

Mr. Baker (Nepean-Carleton): Madam Speaker, I want to thank the hon. member for displaying his ability to use the calendar. Today is not October 22; it is October 23, if he is interested.

An hon. Member: Of 1980.

Mr. Baker (Nepean-Carleton): The question is a very important one. It has not been answered. Will the government House leader take an initiative here and with the government leader in the Senate, who is Senator Perrault, in case he does not know.

Some hon. Members: Oh, oh!

Mr. Baker (Nepean-Carleton): Would he take an initiative now to bring forward a motion later in the day by way of amendment to this motion or a separate motion? I assure him of consent, and I am certain the hon. member for Winnipeg North Centre would consent, even at this late hour, to televising the proceedings of the committee of the House. Will he do so or will he not? Will he tell us?

[*Translation*]

Mr. Pinard: Madam Speaker, the Right Hon. Prime Minister as replied to this question earlier during question period. It is an established parliamentary practice that the committee sets its own rules. I have a lot of respect for the committees of the House because I think of them as an extension of Parliament and the House of Commons and I believe that Parliament deserves our respect.

As for the suggestion, we have an open mind, and I am willing to negotiate with the hon. member on both the televizing of the debates of one or more committees and the length of the third phase of the debate, when the committee reports back to the House. However, I am certainly not now in a position to reply to the question, and these discussions can take place during our regular meetings between House leaders. I am willing to meet with him any time today, tomorrow or next week to discuss this matter, not separately, but within the more general context of parliamentary reform and the modernization of this institution so that it may—and so that this might be accepted by the public—deal with more than one issue of major importance for the Canadian people. This is what we are now trying to do, Madam Speaker. We are trying to enable Parliament to ask a committee, which is an integral part of Parliament, to study the constitutional issue, while we shall consider the budget and certain economic questions which are of much more interest to the Canadian people, namely the issues of inflation and unemployment.

What we are therefore doing at the present time—and I wish to point this out to the Leader of the Official Opposition (Mr. Clark), because I know he is basically honest and will recognize the facts—is simply putting an end to the first stage of the debate, which will be pursued in committee, while the House will be able to deal with economic matters, as the opposition leader himself wanted, in the full knowledge that the House will be able later on to deal further with the constitutional issue and hold a complete debate after December 9.

Madam Speaker, this is our position, and if the Leader of the Official Opposition is honest, he will admit that we are not bringing the debate on the constitution to an end, but that we simply want to enable Parliament to meet its responsibilities and show its respect for the Canadian people.

[*English*]

Mr. Knowles: Madam Speaker, with respect to the suggestion that the meetings of the joint committee on the constitution be televised, I should like to indicate our support of that proposal.

Some hon. Members: Hear, hear!

Mr. Knowles: However, there is one condition I should like to make—and I am sure my friend, the House leader of the official opposition, will agree—and that is that it be done by the House of Commons broadcasting service in the same way as the broadcasting of House proceedings is done; in other words, televising the proceedings completely. We do not want commercial or other broadcasters coming in, just picking this

person or that, and giving a partial report of what is going on. But if it can be as it is with the House of Commons, an electronic *Hansard* of the whole business, we would be glad to see it and we think this would be a good time to start it.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): Madam Speaker, the hon. member for Winnipeg North Centre has put a condition on it which I think is quite appropriate. Quite frankly, I have been one who has wondered why the government has stalled these many months in having the committees of the House televised.

Some hon. Members: Oh, oh!

Mr. Baker (Nepean-Carleton): In any event we are *ad idem*, at least as between the hon. member for Winnipeg North Centre and myself. Therefore, it is on that basis that we would like to discuss this matter.

An hon. Member: Well, let us hear from them.

● (1520)

Mr. Clark: Madam Speaker, further on this question, we now have a matter of very real importance to the House of Commons and people of Canada within one voice of the resolution. There has been an agreement expressed by the spokesmen for the NDP and for the official opposition that we would support having the proceedings of the committee, even though it meets under closure in advance, covered by television in the same way that the House of Commons is. All it would take is for the government to say that it, too, is agreed. We are agreed and the NDP is agreed. Will the government stand up now and say that it is prepared to let the public see what goes on within the parliamentary committee?

[*Translation*]

Mr. Pinard: Madam Speaker, I indicated a while ago that we were willing to discuss it as soon as possible this afternoon or tomorrow if necessary. Now I wish to remind the Leader of the Opposition that such a request was made by several chairmen of other committees who each feel that their work is more important than the constitution. Some think that finance ought to come first, others that energy resources head the list. When we introduced television into the House, Madam Speaker, we tried to make Parliament closer to the people with due regard for the concept of televised debates. Now if all those conditions can be complied with without any discrimination against other committees, if it is technically possible without delaying the proceedings of the committee and if the report can be referred to us on December 9, all this being said, I am willing to discuss the matter with my colleagues and try to ease things up. Once again, Madam Speaker, since no conclusion has been drawn, such a request and those negotiations should not delay the tabling of the committee report in the House.

[*English*]

HANSARD CENTENNIAL CELEBRATION

PARTY HONOURING FIRST ONE HUNDRED YEARS

Hon. Stanley Knowles (Winnipeg North Centre): I rise briefly on a point of order, Madam Speaker. This is something which any member might have tried to do under Standing Order 43, but one would not want to run the risk of denial.

I believe that all members of the House would like to express their thanks to the *Hansard* staff for the interesting and delightful party that was held last night in honour of the first hundred years of *Hansard*.

Some hon. Members: Hear, hear!

ROUTINE PROCEEDINGS

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the questions to be answered today are Nos. 102, 128, 1,327 and 1,432.

[*Text*]

CANADA COUNCIL—GRANTS

Question No. 102—**Mr. Cossitt:**

1. Has it been the practice of the Canada Council to list in their annual report the names of those receiving grants, the amounts they received and the purpose of such grants and, if so, has there been a change in policy in this regard?

2. Does the Canada Council's annual report for 1978-79 list the names of all recipients, the amounts received and the purpose of the grants and, if not, for what reason?

3. In line with a program of increasing freedom of information to the Canadian people, what are all the reasons justifying an apparent inconsistency with regard to information made public by the Canada Council?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): I am informed by the Canada Council as follows:

1, 2 and 3. There has been no change in policy, but a change in format. The 1978-79 annual report appears in two bilingual volumes. The first provides an overview of Council programs, operations and finances. A supplementary volume includes lists and amounts of grants and other detailed information at least as extensive as that provided in previous years.

The change was introduced primarily to improve the clarity and timeliness of the presentation, for the convenience of users of the documents. In addition, more information can be provided more widely and economically in the new format. The report and supplement are freely available to the public on request.

Order Paper Questions

PHYSICIANS' EMIGRATION

Question No. 128—**Mr. Cossitt:**

1. In each of the past five years, how many physicians have emigrated?

2. Does such emigration concern the Department of National Health and Welfare and, if so (a) what action does it plan to take to assure that the situation changes (b) have provincial departments of health been consulted?

3. Are steps being taken to provide incentives to doctors to stay in Canada and, if so, what are the details?

Hon. Monique Bégin (Minister of National Health and Welfare): 1. Number of physicians who have emigrated:

1975	1976	1977	1978	1979	
242	363	549	663	605	*

2. The Department of National Health and Welfare is aware that the number of physicians who emigrated has declined in 1979 from the high point reached in 1978. Despite such emigration, the physician-population ratio has continued to improve each year, reaching 1 to 551 population at the end of 1979.

(a) The situation has improved in 1979. However, the Department of National Health and Welfare is presently studying the Hall report in this respect.

(b) Consultations and data exchange take place on a continuing basis as required with provincial departments of health. The Federal-Provincial Advisory Committee on Health Manpower meets twice yearly.

3. Steps to provide incentives to doctors to stay in Canada are primarily the responsibility of the provinces.

*Source of data: Computer tapes purchased from Sales Management Systems, Don Mills, Ontario.

NFB FILMS—CORDELIA AND THE PERFORMER

Question No. 1,327—**Mr. Friesen:**

What was the projected cost of the NFB films *Cordelia* and *The Performer* and what was the final cost?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): I am informed by the National Film Board as follows:

	Projected cost	Final cost
Cordelia	$ 961,722	$ 1,287,976
The Performer	$ 15,651	$ 14,311

FAIRVIEW COVE CONTAINER PIER—PORT OF HALIFAX

Question No. 1,432—**Mr. Crosby:**

Did the Minister of Transport give directions to the National Harbours Board with respect to the appointment of an operator for the Fairview Cove container pier in the port of Halifax and (a) if so (i) what were they (ii) did the board comply with his direction and appoint an operator or teller and, if not, for what reason (b) if not, did the minister take steps to ensure that cranes and related equipment will be available upon completion of the pier?

Hon. Jean-Luc Pepin (Minister of Transport): The National Harbours Board advises as follows:

1. No.

(a) Not applicable

(i) Not applicable

(ii) Not applicable

(b) Yes.

* * *

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, if question No. 1,022 could be made an order for return, this return would be tabled immediately.

[*Text*]

NATIONAL FILM BOARD—JOB CLASSIFICATION TITLES

Question No. 1,022—**Mr. Friesen:**

1. What are the job classification titles under which an individual would be employed in the National Film Board?

2. How many individuals were employed by the NFB in (a) 1979 (b) 1980 to date and by job classification, how many received incomes per annum (i) of more than $60,000 (ii) between $50,000 and $60,000 (iii) between $40,000 and $50,000 (iv) between $30,000 and $40,000 (v) between $20,000 and $30,000 (vi) between $10,000 and $20,000 (vii) less than $10,000?

3. How many individuals were employed by the NFB on a contract basis in (a) 1979 (b) 1980 to date and what was the total amount paid for such services?

4. What was the total amount of gross revenues the NFB received from sources outside the government?

Return tabled.

[*English*]

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

Madam Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

Madam Speaker: Orders of the day.

* * *

[*Translation*]

THE CONSTITUTION

MOTION THAT DEBATE BE NOT FURTHER ADJOURNED

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I move, seconded by the Minister of Communications (Mr. Fox):

That debate on the motion in the name of the Minister of Justice (government orders, government business, No. 18) regarding special joint committee to consider a proposed resolution to address Her Majesty the Queen—

[*English*]

Mr. Baker (Nepean-Carleton): I rise on a point of order, Madam Speaker.

Madam Speaker: The hon. member for Nepean-Carleton.

Mr. Baker (Nepean-Carleton): Madam Speaker, you called "orders of the day". Rule 33 reads in this way:

Immediately before the order of the day—

You have called it and that is the beginning of the process on the order of the day and it is finished for the day. You have called it, and from then on any motion under Standing Order 33 is out of order. Because it says:

Immediately before the order of the day—

You called for motions and he missed it.

Madam Speaker: I was taking time to look at the reference, but quite clearly there is no problem in the proceedings. I called the orders of the day, which is exact. Before the Clerk read the order of the day, the minister was on his feet seeking the floor.

Some hon. Members: Oh!

Madam Speaker: I recognized the minister—

Mr. Clark: René Beaudoin!

An hon. Member: He is challenging the Chair!

Madam Speaker: —and he was about to read his motion.

[*Translation*]

Mr. Pinard: Madam Speaker, I was about to finish reading the motion which I should like to resume where I left off when I was interrupted:

—respecting the Constitution of Canada, and any amendment or subamendment thereto, shall not be further adjourned.

I have given the text of motion to the Clerk of the House.

[*English*]

Mr. Baker (Nepean-Carleton): Madam Speaker, I want to make it quite clear what had happened. You called motions and you called orders of the day. You are the presiding officer in this House, not the Clerk.

Mr. Clark: That is right.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): And I mean no disrespect to the Clerk when I say that. Standing Order 33, because it mitigates against the right of members to speak for as long as they wish to speak, is a rule of this House which must be strictly interpreted in favour of the right of members to speak.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): If there is any doubt about that, Madam Speaker, then I would suggest that perhaps your Honour should take advice with respect to it. Also, I say with respect—

Mr. Fox: Sounds like the Supreme Court.

Mr. Baker (Nepean-Carleton): The hon. member says it sounds like the Supreme Court. This is the Supreme Court.

Some hon. Members: Right on!

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): And in case it has escaped the Secretary of State and Minister of Communications, the Speaker is a judicial officer in that court—the judicial officer in that court.

My argument is this, Madam Speaker. The government has every right to move a motion if it wishes to do so, however tasteless and however wrong in terms of Parliament that might be. It can move that whenever it wants to, except that under the rules of the House they have to move it at the right time.

You had called orders of the day, Madam Speaker. The record can be checked. The Clerk is silent in the House; your Honour presides. Then my friend, the government House leader, rose to put his motion. I say, Madam Speaker, that he was out of time and that that motion is not now receivable. It was not receivable when he put it.

● (1530)

Mr. Nielsen: You can't weasel out of it.

Mr. Baker (Nepean-Carleton): You cannot back up the proceedings of this House and date them back and say that something happened that never happened before.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): There is at least one former Speaker in this House of Commons, and if there was ever a time in the life of this Parliament when the Speaker of this House should take advice, it is now. I say that because I have a great respect for the institution of the Chair and also for these rules. I think you know that, Madam Speaker.

Therefore, before you make a ruling with respect to this matter—because there is no appeal from your ruling—you should look at and listen to the video tapes of the proceedings and look at the blues. If necessary, we are prepared to suspend the proceedings in this House for as long as it will take for you to make the decision. This is a very important ruling that you are about to make, Madam Speaker.

Mr. Knowles: Madam Speaker, I wish to say a word with respect to the point of order which has been raised by the hon. member for Nepean-Carleton (Mr. Baker). May I be permitted to say, so that it will be very clear, that my colleagues and I are opposed to the introduction of the closure motion. We shall be voting against it, and I shall have something to say about the whole practice of closure if I get the floor later today.

However, Madam Speaker, I think that when a member rises to take part in a point of order debate, he should not twist the rules or even their wording, as did the hon. member for Nepean-Carleton, and he should not try to put the Chair in an impossible position. The hon. member for Nepean-Carleton, and he would like both the video tape and the blues checked, read the standing order as though it said "immediately before the orders of the day are called".

That is not what Standing Order 33 says. It says:

Immediately before the order of the day for resuming an adjourned debate is called—

Madam Speaker, you did not call an order of the day, but "orders of the day".

Mr. Nielsen: Come on!

Some hon. Members: Oh, oh!

Mr. Knowles: Just a minute. The President of the Privy Council got up before anyone called order No. 18 or before anything has been called.

Mr. Clark: There goes your reputation, Stanley.

Mr. Nielsen: That completes the process.

Mr. Knowles: It is clear, as long as the motion is put before the order of the day for resuming an adjourned debate, that it is in order. I resent the bringing in of the motion and I am sorry that we are having this kind of a day, but I do not think that the Speaker should be put in the impossible position which has been created by the hon. member for Nepean-Carleton misquoting the rule.

Mr. McCain: Madam Speaker, in support of the hon. member for Nepean-Carleton (Mr. Baker) and because of my position as the one who would rise next to participate in the debate, I was watching every muscle and movement of the gentleman who would present that motion. Because if he did not make that move and put the motion, it was then my turn to speak. I was rising in my seat to speak on orders of the day before he twitched a muscle in his seat.

Madam Speaker: I thank hon. members for their interventions. I thank the hon. member for Nepean-Carleton (Mr. Baker) when he says that he has a lot of respect for this House and particularly for the Chair. I, too, have a lot of respect for what the hon. members have to say. One can imagine that I had tried to foresee any points of procedure that might be brought up at this particular time. Therefore, I was also watching every possible muscle of every possible member in this House.

Some hon. Members: Oh, oh!

Madam Speaker: I called the orders of the day. The order of the day to be discussed today had not yet been chosen, precisely because the Clerk had not risen to announce that particular order of the day. Before that happened, the minister—and I was watching very closely—chose to propose his motion.

Because I have such respect for what the hon. member for Nepean-Carleton has to say, I will interrupt Proceedings for a few minutes in order to consult with the Table to make sure that my decision today will be fair and, particularly, according to our rules.

Mr. Baker (Nepean-Carleton): Madam Speaker, I think that is quite appropriate. I hope you understand, and I want you to understand, that that question is advanced—

Some hon. Members: Oh, oh!

Mr. Rae: You're oozing, Walter.

Madam Speaker: Order, please. It is very difficult for the Chair to deal with difficult points of procedure, especially if there is so much noise in the House that the Chair cannot hear.

Mr. Baker (Nepean-Carleton): Madam Speaker, I just want to say that I appreciate the consideration that you are giving to the point of order.

[*Editor's Note: At this point the sitting was suspended for approximately two minutes.*]

Madam Speaker: Order, please. Members will realize that there are several orders of the day and that is why I call "orders of the day". I cannot know which order of the day will be called until the Clerk announces that order of the day. Therefore, I cannot recognize a speaker to speak on that order of the day before it is announced.

What happened is that the President of the Privy Council (Mr. Pinard) got up before the "order" of the day, not the "orders" of the day, was announced. Therefore, he was acting quite in conformity with Standing Order 33, which reads:

Immediately before the order of the day—

Therefore, the minister is quite in order and his motion must be put to the House.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council) moved:

That debate on the motion in the name of the Minister of Justice (government orders, government business, No. 18) regarding a special joint committee to consider a proposed resolution to address Her Majesty the Queen respecting the Constitution of Canada, and any amendment or subamendment thereto, shall not be further adjourned.

Madam Speaker: Is it the pleasure of the House to adopt the motion? All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Madam Speaker: All those against the motion will please say nay.

Some hon. Members: Nay.

Madam Speaker: In my opinion, the yeas have it.

And more than five members having risen:

Madam Speaker: Call in the members.

[*English*]

The House divided on the motion (Mr. Pinard), which was agreed to on the following division:

● (1540)

(*Division No. 16*)

YEAS

Messrs.

Appolloni (Mrs.)	Duquet	MacEachen
Axworthy	Erola (Mrs.)	MacGuigan
Bachand	Ethier	Mackasey
Baker (Gander-Twillingate)	Evans	MacLaren
Beauchamp-Niquet (Mrs.)	Ferguson	MacLellan
Blais	Fisher	Maltais
Bloomfield	Fleming	Marceau
Bockstael	Flis	Massé
Bossy	Foster	Masters
Breau	Fox	McCauley
Bujold	Frith	McRae
Bussières	Garant	Munro (Hamilton East)
Caccia	Gauthier	Nicholson (Miss)
Campbell (Miss) (South West Nova)	Gendron	Olivier
Campbell (LaSalle)	Gimaïel	Ostiguy
Chénier	Gingras	Ouellet
Chrétien	Gourd	Parent
Collenette	Gray	Pelletier
Corbin	Guilbault	Penner
Corriveau	Harquail	Pepin
Cosgrove	Henderson	Peterson
Côté (Mrs.)	Herbert	Pinard
Cousineau	Hervieux-Payette (Mrs.)	Prud'homme
Cullen	Hopkins	Regan
Cyr	Hudecki	Reid (Kenora-Rainy River)
Daudlin	Irwin	Roberts
Dawson	Isabelle	Robinson (Etobicoke-Lakeshore)
De Bané	Johnston	Rompkey
de Corneille	Joyal	Rossi
Demers	Kaplan	Roy
Desmarais	Kelly	Savard
Dingwall	Killens (Mrs.)	Schroder
Dion (Portneuf)	Lachance	Simmons
Dionne (Chicoutimi)	Lajoie	Smith
Dionne (Northumberland-Miramichi)	Lamontagne	Stollery
Dubois	Landers	Tardif
Duclos	Lang	Tessier
Dupont	Laniel	Tobin
Dupras	Lapierre	Tousignant
	Lapointe (Charlevoix)	Trudeau
	Lapointe (Beauce)	Turner
	LeBlanc	Veillette
	Leduc	Watson
	Loiselle	Weatherhead
	Lonsdale	Whelan
	Lumley	Yanakis—132.
	MacBain	

NAYS

Messrs.

Althouse	Broadbent	Cook
Baker (Nepean-Carleton)	Cardiff	Cooper
Beatty	Carney (Miss)	Cossitt
Benjamin	Clark (Yellowhead)	Crombie
Blenkarn	Clarke (Vancouver Quadra)	Crosbie (St. John's West)
Bosley	Coates	Crouse
Bradley		Dantzer

The Constitution

Messrs.

Darling	Keeper	Nystrom
Deans	Kempling	Oberle
de Jong	Kilgour	Ogle
Dick	King	Orlikow
Dinsdale	Knowles	Patterson
Domm	Kushner	Rae
Ellis	Lambert	Riis
Elzinga	La Salle	Robinson (Burnaby)
Epp	Lewis	Roche
Fennell	MacKay	Rose
Fretz	Malone	Sargeant
Friesen	Manly	Schellenberger
Fulton	Mayer	Scott (Hamilton-Wentworth)
Gamble	Mazankowski	Scott (Victoria-Haliburton)
Gass	McCain	Shields
Gilchrist	McCuish	Siddon
Greenaway	McDermid	Skelly
Gustafson	McGrath	Speyer
Halliday	McKenzie	Stewart
Hamilton (Qu'Appelle-Moose Mountain)	McKinnon	Taylor
	McKnight	Thacker
Hamilton (Swift Current-Maple Creek)	McLean	Thomson
	McMillan	Towers
Hargrave	Miller	Vankoughnet
Hawkes	Mitchell (Mrs.)	Waddell
Hees	Mitges	Wenman
Hnatyshyn	Munro (Esquimalt-Saanich)	Wilson
Hovdebo	Murta	Wright
Howie	Neil	Young
Jarvis	Nickerson	Yurko—112.
Jelinek	Nielsen	
Jewett (Miss)	Nowlan	

● (1610)

Madam Speaker: I declare the motion carried.

GOVERNMENT ORDERS

[*English*]

THE CONSTITUTION

ESTABLISHMENT OF SPECIAL JOINT COMMITTEE OF THE SENATE AND HOUSE OF COMMONS

The House resumed, from Tuesday, October 21, consideration of the motion of the Minister of Justice and Minister of State for Social Development (Mr. Chrétien):

That a Special Joint Committee of the Senate and of the House of Commons be appointed to consider and report upon the document entitled "Proposed Resolution for a Joint Address to Her Majesty the Queen respecting the Constitution of Canada" published by the government on October 2, 1980, and to recommend in their report whether or not such an address, with such amendments as the committee considers necessary, should be presented by both Houses of Parliament to Her Majesty the Queen;

That 15 members of the House of Commons to be designated no later than three sitting days after the adoption of this motion be members on the part of this House of the Special Joint Committee;

That the committee have power to appoint from among its members such subcommittees as may be deemed advisable and necessary and to delegate to such subcommittees all or any of their powers except the power to report directly to the House;

That the committee have power to sit during sittings and adjournments of the House of Commons;

That the committee have power to send for persons, papers and records, and to examine witnesses and to print such papers and evidence from day to day as may be ordered by the committee;

That the committee submit their report not later than December 9, 1980;

That the quorum of the committee be 12 members, whenever a vote, resolution or other decision is taken, so long as both Houses are represented and that the joint chairmen be authorized to hold meetings, to receive evidence and

authorize the printing thereof, when six members are present so long as both Houses are represented; and

That a message be sent to the Senate requesting that House to unite with this House for the above purpose, and to select, if the Senate deems it to be advisable, members to act on the proposed Special Joint Committee.

Madam Speaker: On Tuesday last, October 21, 1980, when the House was considering government business No. 18 dealing with the Constitution of Canada, the hon. member for Yukon (Mr. Nielsen) offered an amendment which the Chair took under advisement. I might read it for the benefit of hon. members.

That the motion be amended by adding thereto after the sixth paragraph the following:

Notwithstanding any standing orders or practices of either House, the committee shall have the power to table a minority report, with its main report, and any such report shall be tabled by the committee if signed by three or more members of the committee.

The Chair has some serious concerns about the procedural acceptability of this motion.

First of all, the amendment seeks to change the powers of the committee to be established in a way which is not contemplated by the rules or practices of the House as they now stand. The submission of minority reports from committees to this House is not part of our parliamentary practice. This was clearly stated by Mr. Speaker Lamoureux in a ruling on March 16, 1972, in which he quoted paragraph 319 of the fourth edition of Beauchesne, which I do not need to repeat now. I might add that the same provision appears in citation 641 of the fifth edition of Beauchesne.

If the hon. member's amendment were accepted, it would indeed amend our standing orders in an indirect way. As hon. members know, amendments to standing orders can only be effected by unanimous consent or by a substantive motion preceded by a 48-hour notice. Therefore, I cannot accept the hon. member's amendment.

Mr. Dick: A good Liberal ruling.

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, my constituency lies in that area of Canada which might well be called the cradle of confederation. It is just a little extension from Charlottetown. It was in that cradle that the concept of confederation was conceived, and in that plan four then independent countries rendered unto the confederation of Canada their own independence to become part of a greater team.

In that rendering of their independence to the rest of Canada they conceived a plan in which the first ministers of this land, now 11 in all, were each to be one among equals. The practice and procedures of confederation from that moment until this Prime Minister (Mr. Trudeau) took office were that, being a group of equals, the chairmanship revolved around, through, and among the provinces, and included the Prime Minister of Canada. This Prime Minister has chosen to dominate the various meetings of first ministers of Canada. He has imposed himself upon this nation not as one among equals, but he has self-esteemed himself as the first among equals. Under this situation the spirit of confederation cannot function, and unity cannot prevail.

Some hon. Members: Hear, hear!

● (1620)

Mr. McCain: Canada has long had two competing parties. One of them was the Liberal party. It was a proud party and it has been successful in the political scenes of Canada because the Liberal party controlled its governments. This government has escaped from the judicious control of its party.

Some hon. Members: Hear, hear!

Mr. McCain: If any member in this House does not believe me, let him read Canada's political history from cover to cover, let him spend some months, as I have, in neglect of my constituency problems, in neglect of functions in my constituency, to devote full time to the problem of the Constitution of Canada.

I regret that the Parliamentary Secretary to the President of the Privy Council (Mr. Collenette) should say that I was passed this speech by somebody to deliver it in the House. That may be his fashion of operation, Mr. Speaker, but it is not mine, nor has it been, for his information, the fashion of operation of any speaker in this party on this subject.

Some hon. Members: Hear, hear!

Mr. McCain: There has been no coercion, there has been no suggestion as to "what you say or how you say it," and this includes me, at this, the most crucial moment perhaps of all in the debate. I am proud that at this moment in time I can stand here in defence of Canada. I sang "O Canada" with a zest with which I never sang it before.

Some hon. Members: Hear, hear!

An hon. Member: No Liberal stood up.

Mr. McCain: Never before did I feel that I was complying in totality with the words "I stand on guard for thee" as I do at this moment, and as I sang in this House.

Some hon. Members: Hear, hear!

Mr. McCain: I sat here watching every Atlantic member who was in his seat rising in contempt of the Atlantic area which cradled confederation and which has cherished it. I think I heard the bones of the Fathers of Confederation rattling all over Atlantic Canada as these people, who have not studied the consequence of what we are considering today, rose and voted for closure on this item. Mr. Speaker, it is an insufferable neglect of duty and I hope that, particularly those from Newfoundland, when they go back, will receive the treatment which they deserve.

Some hon. Members: Hear, hear!

Mr. McCain: They have confronted the opinion of every legislator, regardless of whether or not they support Mr.

Peckford that Newfoundland should have control of its resources both onshore and offshore and free passage of its renewable resources to any markets to which they might deliver them. Every member of Newfoundland's legislature supports that, and the vote has to be interpreted as being against that. I say that because, although we have been pledged ownership of resources by some who have spoken on the government side of the House, the controls which will be imposed by the constitutional proposals, and the scurrilous agreement between the NDP and the Liberal party, put ownership of a resource in no substantial position of importance any longer because the control of the resource passes over from those independent entities to the Government of Canada.

Some hon. Members: Hear, hear!

Mr. McCain: I just want you, members from Atlantic Canada, to understand what you are voting for and what interpretation can be put on this very innocuous-appearing document which carries within it powers of interpretation which go far beyond the understanding of the parliamentary secretary and of the President of the Privy Council.

Canada is in jeopardy, it cannot be otherwise described. I have assumed this position, not because of my party but because my party and I agree wholeheartedly. It is a position against which I have been advised by constituents because there is no understanding among the masses in Canada of the real consequence of the ultimate interpretation of the resolution, section by section. There is no understanding that Canada will now be governed by the courts instead of by the legislation of this land, that Canada may have its rights jeopardized in the courts and they will not be correctable by legislation in this land but will instead demand an amendment to the constitution.

How could any democratic-minded person, in all honesty, if he proclaims democracy as his base, vote without understanding the possible interpretations? I think the weakness of the case can be well pointed out by the fact that not a single Liberal member in the House has offered an argument in support of the document which we are at present considering and debating. They have shafted us with their barbs. They have had their tantrums, as did the Minister of Justice (Mr. Chrétien) yesterday, a perfectly planned theatrical tantrum which got him the publicity he wanted. It was a disgrace to the operation of Parliament from a minister of the Crown, particularly one holding his portfolio.

Some hon. Members: Hear, hear!

Mr. McCain: I have listened with great care to many speeches, and have read others, and I have not found one supporting statement or argument for a clause, word or phrase, but merely a contention that it must be there.

The government now is afraid that the milk chocolate with which it has adorned this instrument will dissolve, and that the intelligent people of Canada will begin to spread the word that it is only used to encrust a bitter lemon. It has been a matter of camouflage and misleading information promoted both by speakers in this House and a $30 million propaganda program to advise the people, "We are working for you, God bless you, you are in safe hands." Little do they know what is happening. Now they are afraid of time because there is an obvious change of opinion and because I and others members of this House, with some danger to our own political future, recognizing that principles are more important than an individual political future, have taken this unpopular stand, as every poll in this country has proclaimed. But we have taken the logical stand, and logic and right will prevail, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. McCain: Why the rush? I want to know what is the importance of time in the discussion of this item. Why should discussion of an item of such consequence to the country be restricted in time when the consequence of the time spent and the decision reached will be timeless as it goes forward in the history of this country? What is the justification for the restriction of time and for closure? In the interests of a happy, prosperous and harmonious Canada co-operating together for prosperity in the future, I make a plea that sanity may prevail and emotion may subside so that reason can rule and we get what we need in a constitution. I support human rights, etc., and let no one have the unadulterated gall to deny that. So in order that we may have more time, I plead with the House that it may accept this motion which I make, seconded by the hon. member for Nepean-Carleton (Mr. Baker):

That the motion be amended by deleting the sixth paragraph and substituting therefor the following:

"That the committee submit its report not later than February 12, 1981; that the committee have power to adjourn from place to place within Canada; that the committee be empowered to retain the services of advisers to assist in its work; and that it also be empowered to retain such professional, clerical and stenographic help as may be required.

Some hon. Members: Hear, hear!

Mr. McCain: I move that motion in recognition of the fact that there are people who have spent a lifetime studying the constitutional history, constitutional procedures, the constitutional possibilities, and the consequences of hasty adoption of constitutions in other domains, and that this constitution should not be arrived at under datelines and deadlines. Before it becomes law, or before it is submitted to the Parliament of the United Kingdom, it must have the pooling of the wisest men in this domain to phrase it so that it will last. It should not be the hasty phrases committed to paper as they were in the PM's office or in some other marble alley somewhere out of sight in this domain of ours, without proper understanding of the ultimate consequences.

● (1630)

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Blaker): Order, please. With respect to the motion moved by the hon. member for Carleton-Charlotte (Mr. McCain), because this may occur again in the proceedings, I want to indicate that in view of the fact Standing Order 33 is in play at the moment, I think it is the

obligation of the Chair to take into consideration any amendments such as the present one and to give a ruling on them as quickly as possible. I would propose that the debate continue and that a ruling will be prepared within the next few moments.

Hon. William Rompkey (Minister of National Revenue): Mr. Speaker, I do not have time to deal with all of the remarks of the hon. member for Carleton-Charlotte (Mr. McCain), but I should like to deal with one point because it affects my constituency so much. He somehow implied that voting for this motion, as we did today, those of us from Atlantic Canada and from Newfoundland somehow voted against the transmission of hydro through Quebec to market. I want to tell him that the Prime Minister (Mr. Trudeau) is on public record at the first ministers' conference—

Some hon. Members: Oh, oh!

Mr. Rompkey: —as saying that the federal government is totally behind the province of Newfoundland in the transmission of hydro through Quebec, providing a market can be found for that power. It is quite clear it in no way affects this vote at all.

Some hon. Members: Hear, hear!

Mr. Rompkey: I wanted to speak about that point, but also I want to address myself to the resolution before us. We are discussing here the foundation of our future. We have an opportunity to set down the ideals on which our way of life is based.

We may have thought that we were creating a country in 1867, but surely a modern and independent country must have a constitution of its own and the power to change that constitution, a constitution which sets down for all time the rights of individuals. That is what this motion is all about. It seeks to ensure that Canadians everywhere have the fundamental freedom that people in other free nations enjoy; that people have the democratic rights to which they are entitled; that there be no discrimination in this country on the basis of race, ethnic origin, colour, religion, age or sex; that the citizens of the English and French-speaking minority in any province have the right to educate their children in that minority language wherever numbers warrant; that mobility rights ensure the right of every citizen to move freely from one province to another, to establish a residence and to seek a job anywhere in Canada.

Our people—and I am talking of the people in Newfoundland and Labrador—no matter where they are, where they were born or what their ethnic origin, have never been confined to a particular region of the country. Our people have been free to go where fortune beckoned them. Before confederation between Newfoundland and Canada, Newfoundlanders travelled the oceans of the world, crossing the sea to a variety of foreign lands in pursuit of trade and commerce. They came to know many countries, and many countries came to know them as seamen and businessmen.

Since confederation in 1949, Newfoundlanders and Labradorians have travelled to all parts of Canada—to Fort McMurray, to Toronto, to Calgary, and to Galt. They have settled, raised their families and pursued their careers. In doing so, they have made themselves not less Newfoundlanders but all the more Canadians. It is true some of them have gone of necessity and have regretted that necessity, but others have gone through choice. Of the latter some have obtained the highest offices in this land. Yet, certainly the effect of the present provincial regulations would be to confine our people to the province.

Surely if Newfoundland would keep other Canadians out, it stands to reason other provinces would be forced to keep out Newfoundlanders. The outcome of that policy would be to balkanize, to build walls, to restrict Canadians to a region. This is clearly wrong. This country belongs to all of us; not just a part of the country but all of Canada. Each of us should be free to move and to settle in any part.

Mr. Clark: Who wrote that speech?

Mr. Rompkey: This freedom must be written for all time in our constitution.

The present government proposal also establishes in the constitution the principle of equalization. If any province in confederation has benefited from this policy, surely it has been Newfoundland and Labrador. There is no Newfoundlander today, no Labradorian today, not a single one of us from Cape Chidley to Cape Race, whose life is not immensely better because we are today Canadians. At the present time 60 per cent of the provincial budget comes from Ottawa. Of course this does not include the individual transfer payments such as family allowance, unemployment insurance and pensions, which are an attempt to equalize the financial situation of individuals.

People in provinces want to be able to stand on their own two feet through income from the development of their own resources. But, until such time as this can be accomplished, they have a right to expect that the resources of the nation are used to ensure their services are up to a reasonable standard, for the fundamental principle of confederation is sharing, and the manifestation of that principle is the program of equalization.

The inconsistency of the provincial government of Newfoundland mystifies me. Are they saying that by rejecting this resolution they are rejecting the principle of equalization? Quite clearly they are firmly rejecting the measure before the House of Commons at the present time. We know they have rejected the federal government offer of 100 per cent of the revenue which would normally accrue to a province from oil production. I am at a loss to know exactly what they want. Certainly they want to sustain their rhetoric; they want to rattle sabres; they want to hunt headlines; they want to bicker with the federal government.

I believe the people of Newfoundland understand the need for a strong national government. They are aware of the individual benefits such a government can provide, and I have

listed some of them. They know from where the money has come to build the Trans-Canada highway and the major trunk roads in that province. They know who built the wharves, breakwaters and fishing boats. The people of Newfoundland know the need for a strong national government, a government with the strength to help those who need it most. That is why they will never condone the vision of Premier Peckford. That is why they will never agree with him that the federal government is merely a creature of the provinces, so that presumably they can change it and, indeed, destroy it at will. That is why they will never share with him the vision of Premier Lévesque.

For, while he may later have tried to wriggle out of it, he quite clearly placed himself in the Lévesque camp at the first ministers' conference. He said:

It is too bad all of Canada couldn't have viewed it yesterday when both yourself, Mr. Prime Minister, and Mr. Lévesque articulated clearer than I have ever seen it done before two different visions of Canada. Hydro power notwithstanding, I would have to side with the theory advocated by Mr. Lévesque.

That is where the dispute is, hydro power is the greatest resource we have and that is where our future lies.

Premier Peckford, like Premier Lévesque, wants a confederation of convenience. He wants the federal government when he needs it, but he wishes it was not there when it needs him. He needs the federal government to authorize pushing power from the Lower Churchill through Quebec; he wants the federal government to give orders to another province in that instance, but he wants a hands-off policy when it comes to the offshore. In that situation he wants to cut the cord and forgets about a Newfoundland contribution to the welfare of Canada. He is saying to Canada, "Yes, you've invested hundreds of millions of dollars in the fishery to develop it. Yes, you have supported fishermen and fish companies but now the companies are making a dollar and fishermen's incomes are up, we want to draw a line around Newfoundland and catch and process our own Newfoundland fish. We don't know how we'll tell Newfoundland fish from Nova Scotia fish but we'll find a way. Thanks for the ride, Canada; don't call us, we'll call you."

Similarly, the federal government has made an important contribution to the development of offshore oil. Surely federal tax incentives have played an important part in bringing all offshore exploration to its present state. Surely the role of Petro-Canada, the state-owned oil company which members opposite wanted to do away with, has been a tremendous asset to Newfoundland. In fact it is fair to say that without direct and indirect federal involvement there would be no offshore oil and gas exploration, there would be no Hibernia. According to Premier Peckford it all belongs to Newfoundland, in spite of the national need for petroleum. He is saying, "We want you around when we need you, but kindly disappear when you need us." He makes Scrooge look like the tooth fairy.

● (1640)

No nation can exist on the basis of expediency; there must be a constant sharing and not just when it is convenient. Canada has a need, a need for a secure supply of petroleum. The country which has helped and supported Newfoundland since 1949 now needs our help and we, as a province, should respond. We should agree to share the revenues and the control of development. That is the Canadian way, and it could work. If the provincial government were thinking "Canadian" and if they were willing to co-operate, it could work. But instead we find a constant bickering with and railing against the federal government.

Every day from the Confederation Building in St. John's the federal government is bashed as if the provincial Tories thought this was the way to win friends and influence people. Every possible opportunity is seized to blame the federal government for the ills of the province. Everything that goes wrong is the fault of the federal government. And yet the federal government is expected to step in and pick up the pieces when things fall apart. And things are falling apart because the whole focus has been on offshore. Everything else is pushed into the background. Unemployment is growing, the cost of living is rising, the construction industry is reeling while the provincial government treats its people to rhetoric on the offshore. And this in spite of the fact that we need many Hibernias to reduce our dependence on equalization grants. But you cannot put rhetoric in the bank. You cannot put rhetoric on your kitchen table. Our people want jobs and prosperity for themselves and their province.

I wish to quote from a recent letter from Mr. John MacDonald of Paradise River on the coast of Labrador. Labrador is the site of the Churchill River vast hydro potential and the member for Carleton-Charlotte referred to that. Mr. Peckford says he wants to go ahead with this development. He wants a strong federal government to order Quebec to take Labrador power through their province. He is for mobility of power but against mobility of people. The only problem is that while he has found a way to benefit the people of New York he has not found a way to benefit the people of Labrador. They see the danger of this resource, like others, moving out of their territory, with no real benefit to them. Meanwhile, conditions in Labrador are crying out for attention and the provincial government does nothing to address these conditions.

I want to quote from Mr. MacDonald's letter to a St. John's newspaper, which said in part:

People in other towns complain about the condition of their roads. We don't have a road. We have a foot path running along the edge of the river—we have one telephone in town, usable for about four hours a day. It is regularly out of order—we don't have a supermarket—we must scramble to find a wholesaler who will sell us our winter supply of food in September—medical facilities are a laugh—so Mr. Peckford when you're sitting in St. John's sometime—anticipating your next speech on oil rights, give a thought to Paradise River.

The people of Labrador are not fooled by the provincial rhetoric. They know the reality of the situation. They know that the wild talk and gestures are a smokescreen to camouflage deplorable conditions which the provincial government is doing nothing to correct. What our people want is not rhetoric but jobs. They know enough about Canada to know this can only be accomplished through co-operation with a strong federal government. Their experience in confederation tells them that it is a matter of give and take. Sometimes you take,

other times you give. That is what confederation is all about—sharing.

The federal government offered a good deal on the offshore. The provincial government turned it down, claiming the only important thing was ownership. Yet it has refused to present the matter to the Supreme Court, the only body which can decide ownership, in spite of the fact that Newfoundland claims to have an excellent case. Many people believe Newfoundland has a special case, a unique case. But only the Supreme Court of Canada can decide, and the province will not submit the matter to it. It refuses to negotiate. It refuses to go to court. Meanwhile the rhetoric continues. Ottawa-bashing continues. An ugly, anti-Canadian feeling continues to be fostered in our province. That is the saddest thing of all, Mr. Speaker.

All across this county groups and individuals are attempting to balkanize, to cut off a piece of the country, to build a wall in order to achieve separation. This is a challenge to the essential nature of Canada.

There are those in my own province who would encourage extreme Newfoundland nationalism that they know was present at the time of confederation. In 1949 the vote for Canada was put. There were those who wanted Newfoundland to be independent, and they feared Canada. This feeling was reflected in an anti-confederate song which ended with the line "Come near at your peril, Canadian wolf." Today there are those who are trying to preserve the myth of the Canadian wolf, except today there is a variation on the theme, which goes, "Come near when we want you, but only if we want you." So the challenge and the conflict are still present in Newfoundland, the conflict between those for confederation and those against, those for one country and those for ten, those for the Trudeau vision and those for the Lévesque vision. But Newfoundland has changed since confederation and Newfoundlanders have changed. In 1949 just over 50 per cent voted for Canada. Today the vote would be overwhelmingly for Canada, because since that time we have come to know and appreciate our Canadian neighbours. Since that time we have become Canadian.

While we may look back nostalgically at the past, this very act suggests a different future. Surely that future is within and not without Canada. Surely our Canadian identity enhances rather than diminishes our Newfoundland identity. Surely we do not have to be either Newfoundlanders or Canadians. We can be both. We must be both, just as French Canadians must be both and Alberta Canadians must be both. Canada draws its strength from its differences but only when those differences exists in harmony and unity.

There are those who want to put Newfoundland culture on the shelf and make it a museum piece. Those people want to build up the myth of the modern Canadian wolf. But our society is strong because we are growing and developing. Our people are strong because they are not only Newfoundlanders but Canadians. That is why I am shocked and outraged at the recent hysterical outburst of the Premier of Newfoundland. We heard he would take the federal government to court over this constitutional initiative. He must know full well that he does not have a chance. But he is persuaded to this cause because he is a member of the Lougheed, Lyon, Lévesque group—and we all clearly know Mr. Lévesque's intentions. Still, Premier Peckford seeks the authority of the court in a case he cannot win and, at the same time—

Mr. Clark: Mr. Speaker, on a point of order, I wonder if the minister would clarify whether he is suggesting, in the name of his government, that Premier Lyon of Manitoba and Premier Peckford of Newfoundland are separatists. Is that what he is saying?

Mr. Rompkey: You will have to rule on that point of order, Mr. Speaker, but I have said what I have said and I am sure the—

The Acting Speaker (Mr. Blaker): Order, please. I think the hon. minister perhaps does deserve the usual comment which goes in such cases. The Right Hon. Leader of the Opposition (Mr. Clark) took the opportunity to do what has been done on some occasions, that is, to interrupt an hon. member who has the floor and to ask a question. I did not underline the right of the hon. minister either to answer a question, if he saw fit, or simply to continue with his remarks. Having said that, I recognize the minister again.

Mr. Rompkey: Mr. Speaker, there was a clear grouping of premiers and we know clearly what certain members of that group stand for. I think it is pretty clear.

Some hon. Members: Oh!

Mr. Rompkey: Premier Peckford refuses to submit offshore ownership to the court in spite of the fact that many believe Newfoundland has a good case. Why this ambivalence? Why is there this contradiction? If the courts are trustworthy and if only they can rule on ownership, and if ownership is the "be all" and "end all", then why are they not asked to judge? Mr. Peckford will ask them to rule on a matter which affects the future of Canada, but not on a matter which affects the future of Newfoundland and Labrador. One thing we can say about the plan is that he is consistent in his inconsistency. However, several days ago Mr. Peckford rose to an all-time high in rhetoric by charging that the proposed resolution on the Canadian constitution would take away the rights of the Newfoundlanders and Labradorians to denominational education and would leave the way open for changes to the Labrador boundary as it now exists.

● (1650)

Either Mr. Peckford cannot read or he is deliberately misleading the people of the province by those ridiculous statements. By deliberately singling out emotional issues such as the denominational education system and the Labrador boundary, he is attempting to stampede Newfoundlanders and Labradorians against the federal government's constitutional proposal. The scare tactics which Mr. Peckford is using are similar to those used by Mr. Lévesque during the Quebec

referendum campaign. But these scare tactics did not work in Quebec and they will not work in Newfoundland.

The Newfoundland Liberal MPs on this side of the House are determined to fight, with all the strength we can muster, the demagoguery which we have witnessed in our own province. Once our people know the facts they will see the sham for what it is. The constitutional resolution which we are debating here explicitly guarantees the Labrador border and our denominational schools. Section 43 and section 47 of the resolution are our protection.

Section 43 provides a special rule whereby amendments that do not apply to all provinces, such as the terms of union, would be made only with the consent of Parliament and the province concerned. Mr. Peckford conveniently forgot to point this out in his province-wide broadcast. Furthermore, section 47 is even more explicit. It says that no amending formula as outlined in the resolution would apply where the constitution contains another procedure for making an amendment.

The Acting Speaker (Mr. Blaker): Order, please. As I often do when in the chair, I try to signal hon. members or ministers who are speaking that they have a moment or two left to wrap up. There is some pressure on all hon. members because of the 20-minute time limit. Because I allowed an interruption, I will give the hon. minister 30 seconds.

Mr. Rompkey: Thank you, Mr. Speaker. I wanted to point out the facts on this important issue in our province, as they exist at the present time. We on this side of the House stand firm on the matter. I wanted to point out one particular matter which came up in the recent amendment that deals with the transfer of resources from one province to another and indirect and direct taxation. The Leader of the New Democratic Party (Mr. Broadbent) dealt with this subject very well yesterday.

Some hon. Members: Order.

Mr. Rompkey: I want to say to my friends across the way that it will be an asset to our people, not a liability.

Mr. Epp: Mr. Speaker, I would like to direct my point of order to the acting government House leader. It would be my view, as well as the view of members of my party that, considering the events today, it would be inappropriate to have a private members' hour. We would rather have the hour used for the debating of this resolution. I have spoken to the House leader of the New Democratic Party, and I believe that they are in agreement. I would ask that the government accede to this request as well.

Mr. Dick: Make it unanimous.

Mr. Collenette: Mr. Speaker, I would have hoped that the hon. member could have given me prior notice of this suggestion. We have six minutes left before we call it private members' hour. I will give my decision at one minute to five.

The Acting Speaker (Mr. Blaker): Order, please. There is a small technical problem, and the Chair has difficulty hearing at times. I do not know whether the hon. member for Provencher (Mr. Epp) put a motion or whether there was an implicit agreement to give further consideration to the suggestion.

Mr. Epp: I asked for unanimous consent.

The Acting Speaker (Mr. Blaker): The Chair can interpret the remarks of the hon. parliamentary secretary that there is not unanimous consent, but nonetheless I think it is in order to put the question.

Mr. Dick: No, he said that he would wait for five minutes.

The Acting Speaker (Mr. Blaker): Then there is agreement to delay discussion on this matter?

Mr. Dick: Yes.

Hon. John C. Crosbie (St. John's West): Mr. Speaker, in due course I will deal with the remarks of the Minister of National Revenue (Mr. Rompkey) where it is necessary. In my opening remarks I would like to say with regard to my leader that as I was reading my Roman history recently I came across the philosopher Seneca, who said:

Whereas fire is the test of gold, adversity is the test of a strong man.

Our leader has been tested in adversity and I think that he is showing himself well in these times of adversity.

Some hon. Members: Hear, hear!

Mr. Crosbie: I am not talking about brown, I said gold. I have only 20 minutes allotted to me, so I cannot make the full presentation that I wanted to make. I did not expect that closure would be introduced in this debate. After only 24 hours of debate, after only 46 members out of 279 in this House have spoken, after 22 out of 145 Liberals have spoken—123 have not spoken—after 19 out of 102 Progressive Conservatives have spoken, 83 have not; and after only five out of 32 NDP members have spoken, leaving 25 who have not spoken—

Mr. Knowles: Twenty-seven. Can't you count?

Mr. Crosbie: —231 members of this House, give or take a few, have not had a chance to speak in this debate. It took God six days to make the world. It takes the Prime Minister (Mr. Trudeau) only 24 hours of debate to remake Canada.

The Prime Minister has tried to deceive the Canadian people. He said in his opening statement several weeks ago on television that the Canadian people have to find a way of breaking out of 53 years of constitutional paralysis. To say the best about that statement, it is an untruth. We have had many constitutional changes in the last 53 years. There has been no constitutional paralysis.

For example, in 1940, unemployment insurance was added to the federal jurisdiction, and in 1951 section 94(a) was added to the old age pension to clarify federal powers. There has been no impasse. Even if there has been debate on the constitution over the last 20 years or 30 years, it has not been

because of the provinces that have been so abused by the government—Newfoundland, Alberta and the rest of them—it has been mainly because the French Canadian people of Quebec did not feel that their province had sufficient powers and jurisdiction to protect them in their homeland of Quebec.

That is the debate which I have been following since the 1940s. That is the debate which I have heard introduced by premiers of Quebec ever since the late 1940s, that they did not feel under the present system they had sufficient powers and jurisdiction in the province of Quebec to protect the rights and responsibilities of their own French Canadian people. Suddenly this summer after the referendum, in which the Prime Minister at no time during the referendum ever said to the people of Quebec, "Vote no against the referendum and, if you do, I am going to restrict your provincial powers", he has a change of mind. He was going to double track the country, now he is doublecrossing the Quebeckers.

After getting the people of Quebec to say no in the referendum, he is now turning around and restricting the powers and responsibilities of the province of Quebec as well as of the other nine provinces. It is a shameful turn-around from what was promised to the people of Quebec in the referendum. The people who have introduced this issue in Canada over the past 30 years are now having imposed on them something which is 100 per cent opposite to what they wanted.

We have a strong central government now. We should pay no attention to the pretence that poor granny Trudeau is up here with a weak federal government and he is going to be severely abused and assaulted by these ten rapacious premiers. It is untrue. The Prime Minister has the power to disallow provincial legislation or have it reserved by the lieutenant governor. He has the power to have a work declared to be for the general advantage of Canada. He can take over any industry in the country through a proclamation passed by this House. These are all federal powers which the Prime Minister has today. Under section 92(10)(a) he has the power with respect to works or undertakings between the provinces, but he will not use this section to aid the province of Newfoundland.

The Prime Minister will not work to declare a hydro transmission line from Labrador to, say, New York, Ontario or New Brunswick, to be to the general advantage of Canada and to stop the tyranny under which we have suffered in Newfoundland since 1965 so that we can transmit our electricity across Quebec.

● (1700)

Mr. Deputy Speaker: Order, please. The hon. Parliamentary Secretary to the President of the Privy Council (Mr. Collenette) on a point of order.

Mr. Collenette: Mr. Speaker, we would be agreeable to sitting through private members' hour. The item which will be set aside is in the name of the hon. member for Richmond-South Delta (Mr. Siddon). I must reiterate, however, that the House will take its normal adjournment at six o'clock. We will just go until six o'clock, but through private members' hour.

Mr. Deputy Speaker: Order, please. Is there unanimous agreement that the House dispense with private members' hour?

Some hon. Members: Agreed.

Mr. Deputy Speaker: It is so ordered. The hon. member for Richmond-South Delta (Mr. Siddon) on a point of order.

Mr. Siddon: Thank you, Mr. Speaker. I approach this request with mixed feelings because my private members' bill was to come before the House. I am faced with a choice between freshwater fish and the future of our country. I feel, Mr. Speaker—

Mr. Deputy Speaker: Order, please. I can understand the hon. member's problem, but all the Chair can do at this time is ask the House if there is unanimous consent to dispense with private members' hour. Is there?

Some hon. Members: Agreed.

Mr. Deputy Speaker: There being unanimous consent, the Chair must recognize the hon. member for St. John's West.

Mr. Crosbie: Mr. Speaker, the federal government has these powers now, but it often chooses not to exercise them because it does not think that the people of Canada would support the exercise. Mr. Speaker, we support bringing the BNA Act back from the United Kingdom to Canada—and an amending formula as well. But we do not support the scurvy plot that the Government of Canada is instituting—that because it would not have the powers after the constitution is brought back to do what it now proposes, it should have it done in the United Kingdom in Parliament there first, because they think that what would be illegal here would be legal there.

The Prime Minister is the last of the old colonial boys. He is not asking us just to improve and bring back the constitution; he wants it changed fundamentally before it ever comes here. We cannot accept that and we are not going to accept the concept of a referendum.

The Minister of National Revenue referred to Premier Peckford's worries about denominational education and the Labrador boundary. Section 43 of this act is meaningless. It can be changed. If this can be done today, any Government of Canada in the future with a majority in Parliament can change it again. They could use the referendum to go over the heads of the provinces and have any section of the act changed. So section 43 is meaningless. There is no protection for Newfoundland's denominational education, there is no protection for the Newfoundland boundary with Quebec, there is no protection for any provincial right in the constitution whatsoever if what the government attempts to do now is carried through and they are given the power to have a referendum and to decide what powers are necessary to amend the act and decide who has to agree. None of us have any protection.

The charter of human rights is meaningless, and if I had the time I would go into that. It can be changed at any time by the

tyranny of the majority opposite. They are going to tyrannize the rest of us. They plan to tyrannize the country because they have this majority and they are going to shape Canada, they think, in the view that they have of it. They are going to find it cannot be done, Mr. Speaker.

What is a confederation, Mr. Speaker? Webster's dictionary gives the following definition:

A body of confederates especially of states more or less permanently united for common purposes.

Canada is given as an example. But we are not going to be that kind of state any longer if this goes through. The Prime Minister does not even mention the states that were there originally before they joined; just people.

What did Sir Wilfrid Laurier say in 1889? He said:

The only means of maintaining confederation is to recognize that, within its sphere assigned to it by the constitution, each province is as independent of control by the federal Parliament as the latter is from control by the provincial legislatures.

That is what the grand old man of Liberalism said. The only means of maintaining confederation is, as he put it, not this kind of imposition on the legislatures by the federal Parliament. That is why we fear the termination of our system if this attempt is successful.

In the course of his lectures on April 10 and 11, 1980, Mr. Michael Kirby, who is now secretary to the cabinet for federal-provincial relations, said:

But for anyone who believes—as I do—that the process of decision-making in our kind of society is as important as the decision itself—that is, that means are in fact as important as ends to our society—then this was an important and imaginative experiment.

I repeat, Mr. Speaker: "that means are in fact as important as ends". That is what hon. members opposite forget. They are going ahead as though their ends justify everything and as if the means do not count. In his advice, Mr. Kirby forgets what he said in his own lectures.

An editorial in the Toronto *Globe* of July 3, 1869, stated as follows:

The danger most to be feared is that men who really do not believe in confederation at all should so seek to extend and consolidate the federal legislative and executive power that the local governments and legislatures shall be in danger of becoming mere shadows and shams, and that the evil from such a danger may lead to the opposite extreme of ignoring national unity, and in zeal for mere local interests and specialities, the breaking up of confederation altogether.

That is what they feared in those days, and that is what is happening today. It is what we fear.

The Prime Minister apparently wants to have his place in history. I should like to make one brief reference to the book "Newfoundland—Dawn Without Light", in which the author, Dr. Herbert L. Pottle, deals with the question of leaders who want their place in history. The relevant abstract reads as follows:

A political leader's preoccupation with his place in history is not a good omen for his enduring contribution to history. For a leader so engrossed has his attention constantly diverted from the basic business of governing—which can have historical significance—to the petty distractions of forever reckoning up his personal triumphs and setbacks—which is not history but diary.

That is what the Prime Minister is doing.

Let me deal with the Newfoundland situation now. There is nothing in this great resource concept of the Leader of the NDP (Mr. Broadbent) and the Prime Minister that deals with offshore mineral resources at all. As a matter of fact, in his letter of October 20, the Leader of the New Democratic Party did not even mention the offshore resource question. He did not make that a condition because he does not care about eastern Canada. He does not care a bit.

What does the government leader in the Senate say about this? Mr. Speaker, I should like to quote from the proceedings of the other place of yesterday, at page 909. When asked about this arrangement between the Leader of the NDP and the Prime Minister, the government leader in the Senate had this to say:

There is no deviation from the BNA Act. This statement in the letter from the Prime Minister flows from the BNA Act itself. It is a reconfirmation. It is a restatement of a right which is already enjoyed by the provinces.

So the Leader of the NDP has negotiated mightily and all he got was a reaffirmation of the BNA Act, which is being disregarded in this House in any event.

There is nothing for offshore resources and there is nothing for interprovincial movement of electricity. And the hon. minister opposite even had the gall to mention that. There is no action by this government to free Newfoundland from the tyranny and usurpation of their electricity by Quebec which refuses to let it flow through that province to other customers. There is nothing about that. You could drive a truck through the equalization clause in the so-called charter of human rights. There is no obligation on the government whatsoever with respect to equalization. This is the government—

Mr. Tobin: Mr. Speaker—

Mr. Deputy Speaker: The hon. member for Humber-Port au Port-St. Barbe (Mr. Tobin) on a point of order.

Mr. Tobin: Mr. Speaker, would the hon. member for St. John's West (Mr. Crosbie) entertain a very short question? It will not take much of his time. I realize he has a lot to say.

Mr. Crosbie: Yes, Mr. Speaker.

Mr. Tobin: Would the hon. member tell me what he and his government were doing for seven months about solving all these problems that he is accusing this government of not having solved? What were you doing for seven months, John? Writing that budget?

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: Order please. Order, please. The hon. member for St. John's West (Mr. Crosbie).

Some hon. Members: Hear, hear!

Mr. Crosbie: Mr. Speaker, we were recognizing the offshore mineral rights of the province of Newfoundland.

Some hon. Members: Hear, hear!

Mr. Tobin: You were—

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: Order, please. The hon. member for St. John's West.

Mr. Crosbie: What about this labour mobility, this terrible thing that the Newfoundland government is trying to do? The Minister of National Revenue said that the Newfoundland people have gone all over the world to work. Yes, Mr. Speaker, but that is not a freedom; it is because they have been forced out of their own island, out of their own province to get jobs because they cannot get them there. That is not a freedom. It is tyranny that men have to leave their families for six months, nine months or twelve months to go to the Yukon or Ontario or Quebec, or somewhere else in the world, to work because they cannot get work at home. That is why the Peckford government has got this regulation that applies only to the offshore. That is not freedom. But it is freedom we want in Newfoundland—freedom to grow and develop. That has been forgotten on the other side that has forgotten Newfoundland.

● (1710)

Here is the Minister of Justice (Mr. Chrétien) referring to the premier of our province. He said this yesterday:

If he wants us to help, I think he should stop that kind of statement.

If that is not a threat, what is it? If the Premier of Newfoundland dare so much as to have his own opinions and to give his own views then this government here is going to punish him. This government here is not going to help Newfoundland because of statements made by Newfoundland's premier. I tell you we are not coming hat-in-hand and cap-in-hand to you crowd up here any longer. We are going to stand on our own feet. Our premier does not have to beg for help from you people here in the government. He is not going to beg for help. He is going to put forward his views on policy, the same as the Premier of Ontario, the Premier of Quebec and the premiers of the other provinces do.

Some hon. Members: Hear, hear!

Mr. Crosbie: The Minister of National Revenue is going to blame the regional disparity in Newfoundland on the Newfoundland government. I ask what has the minister's government done to help Newfoundland since it assumed office? It has not signed one DREE agreement. It has cut off the money flow to Newfoundland. It has reneged on the Trans-Canada highway agreement. It has stopped, for example, the little synchrolift in St. John's West. This is nothing but the tyranny of the majority attempting to bully us into keeping our mouths shut in Newfoundland.

Some hon. Members: Hear, hear!

Mr. Crosbie: Then we come to the Prime Minister and the Queen. I do not have time to go into this, but I tell you to read the threat the Prime Minister made with reference to the Queen in his press conference two weeks ago. The Prime Minister was asked why he had chosen to retain the British monarch as a symbol of the Canadian state. The answer given was this:

Well, because this evening we are not attempting to solve all the problems.

Ergo, the Queen is a problem. But she is not a problem to us in Newfoundland. But that will be the next step, to tamper with the monarchy, if the government is successful.

Some hon. Members: Hear, hear!

Mr. Crosbie: The amendment of the NDP is not even supported by the Premier of Saskatchewan. All he has is the right for Saskatchewan to impose indirect taxation. There is nothing that is conceivably of any use to any other province but weakened resource ownership and control in all the other provinces. There is nothing for the offshore. He has done nothing but humiliate his own party and his own members, and contradict what they said in this House.

We do not have time in 20 minutes to consider all of the constitutional issues. But this whole process and this amendment should not be going to England. It should have had unanimous consent here. If this government had only done what we had suggested yesterday should be done and left the rest to be done properly in Canada, all of us could have supported it. But instead it is going there in discord and disharmony. It is going with six provinces deadly opposed to it. The constitutional amendment is going there ignoring the courts of Canada and not waiting until they give a judgment on whether the process is legal or not. It is going without our support. We are going to fight it to the end. We are never going to stop fighting it. Is that the way to change and bring a new constitution to Canada? I do not think so.

Some hon. Members: Hear, hear!

Mr. Crosbie: And hon. members over there have put us in that position. Here is what the Prime Minister said in 1968:

If the underdevelopment of the Atlantic provinces is not corrected—not by charity or subsidies—

It is the charities and subsidies which the minister loves. The statement continues:

—but by helping them become areas of economic growth—then the unity of the country is almost assuredly destroyed as it would be by the French-English confrontation.

He has forgotten that now. We want to be an area of economic growth and we want to do that through the offshore. The Prime Minister stops that because he wants us to be dependent, waiting for his charity for the rest of our lives. We are not going to do it. That is the position in Newfoundland.

I want to move a suggested amendment under the provisions of Standing Order 5(a):

That the House continue its consideration of government motion No. 18 between 6 p.m. and 8 p.m. this day.

Mr. Deputy Speaker: Order, please. Does the hon. member intend to move his motion under the provisions of Standing Order 6(5)(a)?

Mr. Crosbie: Yes, Mr. Speaker.

While you are considering that, Mr. Speaker, I will close on this note. Dr. Pottle in his book—

Mr. Collenette: Have you moved the motion? Did you say Standing Order 6(5)(a)?

Mr. Crosbie: I take my orders from the Chair, not from any Liberal parliamentary secretary.

Mr. Deputy Speaker: Order, please. I understand the hon. member is proposing to move his motion under the provisions of Standing Order 6(5)(a).

Mr. Crosbie: Precisely.

Mr. Speaker, in concluding my remarks, I refer to Dr. Pottle's book which is very valuable. At page 199 he asked, of Canada:

What are those dreams, he queried quietly, of hope that leap to life in your fair land?

And further down the page we read this:

What do you hold supreme in unison? What is the good for which you stand on guard?

The good for which we stand on guard is not closure on the fundamental issue of the constitution. We do not stand on guard for the bullying of small provinces, underdeveloped provinces and poor provinces, because they dare to speak out. We do not stand on guard for that, and we do not agree with that. We do not stand on guard to change the whole nature of Canadian federalism without the consent of the provinces which help make up the 11 governments. We believe in 11 strong governments, not one super government and ten counties which the government can bully at will. We believe that that protects freedoms, and that is the only way freedoms will ever be protected.

We do not stand on guard for the referendum technique of the fascist states. They always have their referendums and they can get the people to agree to everything. We do not, and I do not, stand on guard for the despotism of an arrogant and unbending idealogue who is going to force this country to suit his tastes before he goes, he thinks. Well, he will suffer a lot of resistance on that.

I do not stand on guard for the use of polls and advertising which misinform the public and keep people's minds closed when they should be open. This is done not to help them understand the issue but to help them not to understand the issue. I do not stand on guard for that, and I feel shame for those who do. I do not stand on guard to use any means at all to keep ourselves in power. That is already obvious. We believe that a government has to work for the good of the people, not just to use every sleazy trick it can to stay in power and never accomplish anything. We do not stand on guard for that. We stand on guard for a Canada that has some democratic freedoms, and economic freedoms. We are not even free to enjoy property under the Prime Minister's new charter.

We believe that standing on guard means standing on guard for conciliation and compromise, for consent and for a confederation, not a unitary state with everything imposed on the rest, where a minister of justice—

Mr. Deputy Speaker: Order, please. Order, please.

Some hon. Members: Order!

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

Some hon. Members: Agreed.

Motion (Mr. Crosbie) agreed to.

● (1720)

[*Translation*]

Hon. Pierre Bussières (Minister of State, Finance): Thank you, Mr. Speaker. I am pleased to have the opportunity to take part in this extremely important debate on the future of our country. I am somewhat surprised at the comments made by the previous speaker, especially the impassioned rhetoric he used to make a review of the constitutional problems which our country is facing, problems which we have been considering for years.

I have been especially astonished by his intervention because, in my opinion, the process which will be launched with the passage of the resolution introduced by the government, that is adoption by both Houses, the House of Commons and the Senate, is indeed the ideal opportunity given to all governments in the country, federal and provincial, and to all Canadians to untangle the constitutional issue. And I know that this constitutional solution is a concern for most Canadians as well as for a great majority of members of this House, especially for those who were involved in the Quebec referendum.

At that time, Mr. Speaker, as we all remember, a commitment was made to get the constitutional revision under way as soon as possible, a process which has been going on for years and has always pitched headlong into a dead end, not necessarily because of ill will, but because of certains restrictions. We now have the possibility, by accepting this resolution, of launching that constitutional reform. As I said, those of us who were closely involved in the Quebec referendum promised to spare no effort in breaking out of the impasse and breaking new ground in the constitutional revision process. I am happy that the government should have taken steps to respect that promise by bringing in this resolution to the House and referring its study to a committee which, contrary to some of the remarks we heard here today, is not subject to closure, but will have every opportunity to question and hear Canadians who will doubtless have extremely interesting views on this resolution.

Why is it specious to oppose, unless it is for reasons of principles, the adoption of that resolution and the start of our renewed constitution? Indeed, it would be a matter of concern if the resolution infringed upon the fundamentals of the sharing of powers between the central and provincial governments. It would be upsetting if, in fact, the resolution contained provisions adding to the powers of the central government and reducing those of the provinces or, inversely diminishing those of the federal government and adding to those of the provinces. However, Mr. Speaker, a close look at the resolution will reveal that it does not alter in any way those fundamental powers, the sharing of powers between central and provincial governments. What it does is this: it prepares—

Mr. Clark: I am listening!

Mr. Bussières: Yes, the Leader of the Opposition (Mr. Clark) had better listen, because he does not seem to have understood. The resolution paves the way for patriating the constitution and that is important. As far as I know, this does not reduce in any way the power of the provinces or add anything to those of the central government. So the objective of the resolution is to patriate the constitution, to see to it that the most important document for Canadian political institutions, that is the constitution, become a truly Canadian instrument, to Canadianize the constitutional instrument governing the country. I think there is nothing outrageous in there, and the vast majority—

Mr. Clark: Bring back the constitutional document from London, England!

Mr. Bussières: Mr. Speaker, it has been a long time since the sophisms uttered by the Leader of the Opposition fail to impress me. He should realize that not only do they not impress Canadians but they make him look ridiculous.

We shall therefore begin by patriating the constitution. This makes the hon. member for Joliette (Mr. La Salle) smile becaue he has never taken his role as a Canadian member of Parliament seriously. Does he really want Canadians to have a constitution? If so, let him support the resolution introduced by the government with the same energy he used to fight the Parti Québécois referendum. Moreover, Mr. Speaker, with this resolution, we shall be able to include a charter of rights in the Canadian constitution. Will the entrenchment of this charter of rights give more powers to the central government and take some away from the provinces?

The first aspect of the charter of rights concerns basic freedoms. We want to enshrine the freedom of conscience, the freedom of religion, the freedom of the press and the freedom of information in the constitution. The hon. member is showing that he is not very knowledgeable in this matter since the Canadian constitution does not provide for these freedoms. If we want to entrench these basic freedoms within the constitution, I do not see how this can add to the powers of the central government and what entrenchment of the freedom of religion, of thought, of the press and of information takes away from the provincial governments, since we also want to include in this charter of rights basic democratic rights, the right to vote and the right of eligibility to the House of Commons.

Mr. Speaker, what does the fact of entrenching these rights within the constitution add to the powers of the central government? Does the entrenchment of the right to vote, the right of eligibility, the right to hold elections within a certain time take anything away from the powers of the provinces? I do not believe that by enshrining these rights of the individuals, these basic liberties, these democratic rights, we are taking anything away from the provinces or adding anything to the powers of the central government.

Still within the context of this charter of rights, there is the freedom to move and to settle down anywhere in Canada for all Canadian citizens. Once again, this individual right of a Canadian citizen adds nothing to the powers of the central government and takes nothing away from the powers of the provincial governments. The same is true of the legal guarantees of citizens, and non-discrimination. What is also extremely interesting is that the equal status of the French and English languages everywhere in Canada will be enshrined in the constitution.

Mr. La Salle: Where numbers warrant!

Mr. Bussières: And I hear, Mr. Speaker, like a heart-felt cry coming from the hon. member for Joliette, the bitter comment of the Quebec premier, "where numbers warrant." There is nothing disgraceful, Mr. Speaker, in the fact that equality of rights is guaranteed, adding "where numbers warrant"—

Mr. La Salle: Repeat that.

Mr. Bussières: —for some school services and so on. It is not disgraceful. It comes to adding, Mr. Speaker, and to indicating for the first time in Canadian history, the equality of rights of French-speaking and English-speaking Canadians. And I am proud to see that our government provides all hon. members with the opportunity to give their views on this fundamental equality of French-speaking and English-speaking Canadians everywhere.

Mr. Speaker, in a third step, we shall establish the principle of sharing, of equalization. What makes our country interesting is its wealth, reflected as it is in its diversity first, namely the make-up of the population itself. Diversity in respect of geography, which shows that throughout history there has been a displacement of wealth from one area to another, that some regions at some point in our history went through periods of wealth, and it is the foundation of our federalism that when these regions went through a period of wealth they shared it with other regions. And we realize, we get the obvious feeling these years, especially since the energy crisis, that that wealth

was displaced from a region or regions to other ones, and as our history unfolds, sharing is to the benefit of other provinces that at some earlier point also had to share with others.

By enshrining into our constitution that basic principle of wealth-sharing, and solemnly reaffirming in a constitutional document one of the principles behind our Canadian federalism, I fail to see how we could be detracting powers from the provinces and adding to central powers. What we are doing in fact is recognizing what has kept this country united, the generosity of Canadians, and reaffirming a solemn commitment in the constitution that such a bond will be maintained and strengthened by all governments.

Finally, Mr. Speaker, in a last step, we give ourselves an amendment mechanism, a deadlock-breaking mechanism. Over these last 50 years we have gone through many attempts at constitutional negotiations. We realize it was not always easy to come to unanimity rules, we also realize the danger in unanimity rules. The danger is not to err but to do nothing, procrastinate and never progress. In order to avoid any recurrence of such deadlocks, there is provision for a deadlock-breaking mechanism.

As I indicated earlier, Mr. Speaker, I am especially happy that the Canadian government allows this House and the Senate, by addressing this resolution, to break the deadlock of constitutional reform.

We have had tensions, we shall certainly have more in our country, but as we become able first to Canadianize our institutions, keep improving the way the various powers are used in our country, we shall have ever more chance of meeting more and more pressing requirements of the people who want a new constitution. Moreover, I am convinced that after the committee study and after the debate that will follow its report, we shall be able to proceed as quickly as possible to the patriation, to the entrenchment of a charter of rights into our constitution. We shall also be able to recognize equalization as the underlying principle of Canadian federalism and give ourselves an amending formula. Thus we shall have honoured the commitments we made to the majority of Quebeckers who voted yes to the Canadian federation and to the renewal of the federation.

[*English*]

● (1730)

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, I feel grateful to be speaking in this debate. It is sad that a member should feel grateful that he is able to speak in a debate in the House, but I am pleased I was able to get in before the Liberals cut us all off at one o'clock tomorrow morning. I would like to express my appreciation to my colleagues, many of whom are not permitted to speak on this resolution and who are going to be deprived of their opportunities as members of Parliament to participate in the debate, thanks to the peculiar notions the Liberals have about what is fair debate in the House of Commons on the Constitution of Canada.

Today we are under closure, which was brought in last night. I would like to comment a bit about that. Unusual as it is, this is the third time in our history that we have been gagged in this fashion. I am astonished at the New Democratic Party—with the word "democratic" in its name—for having raised no objection to closure yesterday. Today, under the provisions of Standing Order 43, the New Democratic Party brought in the most irrelevant possible motions which made no mention of our having to operate today under closure.

Again during the question period members of the New Democratic Party raised no objections to closure on an important item like this. I can hardly believe it.

Mr. Orlikow: Did we not vote against it?

Mr. McKinnon: They will probably vote against it.

Mr. Orlikow: We did vote against it.

Mr. McKinnon: They did vote against it, but they are there when the Liberals need them. The Liberals can always count on them. There was once a movie, and I believe it was Lauren Bacall who said to Humphrey Bogart, "If you need me, just whistle." That is all the Liberals need to do, and members of the New Democratic Party will come. They do not have to be paid; they do not have to be given position; just whistle, and they will be there if they are needed, and members of the Liberal party know it.

The Prime Minister (Mr. Trudeau) and "simple Simon" came to an agreement as to what would be a suitable exchange for the loyalty of the members of the New Democratic Party at this time. As I understand the letter I read, there were three items. Mainly the Leader of the New Democratic Party (Mr. Broadbent) was able to assure himself that not much would be taken away from the provinces, seeing that the provinces already own the resources, and that they would be given management and control while the ownership was taken away from them. To my mind, I would prefer ownership if I had a choice between owning something or managing and controlling it.

As I walked this morning and puzzled over how the Leader of the New Democratic Party could do it, I could think only of the poor provinces which are to gain nothing. Instead of Mr. Blakeney's dealing in the highly intelligent and forceful manner he does in negotiations with the Prime Minister, simple Simon went instead.

We heard much today from the Prime Minister about the necessity for this drastic measure because the matter has been discussed for 53 years. While he shed his crocodile tears here about the discussions he has gone through and the trouble he has seen, I was thinking about an article which appeared in 1971 written by the journalist Peter Ward. This is what the Prime Minister had to say about the charter in those days, and Peter Ward quoted the Prime Minister at that time:

> Constitutional reform is something Canada can live without. A fact demonstrated by all the premiers at the series of conferences, said Mr. Trudeau. He reminded Toronto newsmen that in 1967 at the Confederation of Tomorrow Conference, he had opposed tackling constitutional reform.

"I said if we opened the constitution, it would be a can of worms and we were going to have more trouble than is obvious to those who are sailing into it with light hearts.

"I said we had more important things to do."

Constitutional reform is not an issue that is important to the people, but is a "good whipping boy for a lot of the nationalists," he said.

The Prime Minister now claims that we have worked hard for 53 years to get our constitution back, but that is what he was actually saying in those days. This is also reflected in *Hansard* for January 26, 1970, at page 2812. The Prime Minister said, and I quote:

I, personally, went on record as saying that of all the urgent problems facing Canada, in my view the constitution had lowest priority.

Today for the third time in history he invokes closure in this Parliament to make sure we do not have an opportunity to look at this, and he tries to wrap himself in the flag of patriotism by saying that he has been on this beat, or that there has been an ongoing debate for 53 years. If there has been, he has been on the wrong side of it.

● (1740)

Let us leave the sorry spectacle of what has been happening in the last few days and go on to the real problems with the constitution. We are in a debate on the constitution, and while we are being asked to vote on the patriation resolution, this almost mundane term, in fact, connotes far more. The resolution with which Parliament has been presented is, in fact, a fundamental constitutional assertion. It proposes a new amending formula, seeks to entrench certain linguistic and economic rights, and sets out certain rules within which Parliament will operate.

All of this should mean that we have gathered here for a profound and thoughtful debate, and yet there is a pervasive rancour in the House and in the proceedings here. It is with unhappiness that I contrast the spirit in the land today with George Brown's assessment of the original confederation debates. As you will recall, George Brown was the Liberal opposite number of John A. Macdonald in those days. George Brown said:

Have we not then, Mr. Speaker, great cause of thankfulness that we have found a better way for the solution of our troubles than that which has entailed in other countries such deplorable results? And should not every one of us endeavour to rise to the magnitude of the occasion, and earnestly seek to deal with this question to the end, in the same candid and conciliatory spirit in which, so far, it has been discussed?

I wish that today's national debate also displayed such a candid and conciliatory spirit. Yesterday we had the example of this party putting its policy on the line in the form of a motion in an opposition day, that the constitution be patriated at once and that it be subject from then on only to Canadian amendments, made in Canada for Canadians.

Where does this national rancour that I mentioned come from? I believe that the answer to that question lies here in what the House is being asked to pass. Parliament is not being requested to participate in the formation of federal proposals, nor is it being asked to decide upon an agreement worked out between Ottawa and the provinces. It is being told, instead, to confirm an individual's ultimatum. This has caused the unease here as well as the evident concern displayed by many of the provinces.

The document with which we have been presented is not the product of confederal deliberations. Rather, while dealing with the federal nature of Canada, its genesis is clearly the almost solitary deliberations of this Liberal Prime Minister.

This fact concerns me for several reasons. First, this unilateral action to impose, in addition to a new amendment procedure, a bundle of other major changes to the constitutional order of this country, is being undertaken without the assent of the provinces. On this matter I will quote my leader, the Leader of the Opposition (Mr. Clark), who succinctly summarized the situation in his initial response to these proposals when he said of the Prime Minister:

He imposes a double standard for changing the constitution. For those changes he wants, Ottawa will act alone. For the changes that others might seek later, he requires unanimous consent for at least two years and then an unknown formula.

This flies in the face of this country's legal and constitutional practice and, indeed, takes on aspects usually seen only in a unitary state, not in a federation. On this matter I should like to quote A. V. Dicey from his "An Introduction to the Study of the Law of the Constitution." It reads as follows:

The law of the constitution must be either legally immutable, or else capable of being changed only by some authority above and beyond the ordinary legislative bodies, whether federal or state legislatures, existing under the constitution—

It is, at any rate, certain that whenever the founders of a federal government hold the maintenance of a federal system to be of primary importance, supreme legislative power cannot be safely vested in any legislature acting under the constitution. For so to vest legislative sovereignty would be inconsistent with the aim of federalism, namely, the permanent division between the spheres of the national government and of the several states.

I should like to quote again the Prime Minister from the *Debates* in 1976 when he was speaking to the House about the patriation of the constitution. He said:

It is for these reasons that I have raised the possibility that Parliament might seek to have "patriation" accomplished without provincial consent if that consent seems impossible to achieve. Clearly it would be a last resort and clearly it should not be on a basis that could affect the distribution of powers or the position of the provinces.

That is exactly the opposite of what he is doing today. He went on to say:

It must not provide any means by which Parliament could act unilaterally in future in any area where it cannot do so today since that would erode the essence of our federal system.

That is from page 12687 of *Hansard* of April 9, 1976. Yet is not this the precise effect of the resolution before us: to affect profoundly the nature of Canadian government as the result of unilateral action of just such an ordinary legislative body?

My second major concern with the form in which the constitutional changes are proposed lies in the procedures of its proposed passage through this House. It seems that the House is to be denied the right to make any substantive amendments to the Prime Minister's proposals. While not wishing to dwell overly on the specific defects of this legislation, does not section 41, for example, deserve being debated and voted upon, considering that it entirely removes one province from the

constitutional process by rendering irrelevant its legislature's vote on any future amendments?

The House is to be deprived of the right to amend substantively and, instead, a committee is to deal with the issues, with no guarantee of their ability to change matters of substance.

On the respect for Parliament and the people of Canada displayed by this procedure, I will quote from a less exalted source than those I have been using, namely, from the infamous memo to cabinet from the Prime Minister's constitutional advisers. It reads:

A highly contentious measure may be best contained in a committee where it is more readily managed by the House leaders and his officers, and where easier and more effective relations can be maintained with the press gallery, since relatively few reporters will follow the proceedings.

So members of Parliament are to be dealt with in the arena in which they can most easily be managed, in committee, while press relations are to be based on lack of knowledge. Such a procedure can only result in substantial bitterness as well as real cynicism about the commitment of the current government to the fundamental tenets of democracy.

Some hon. Members: Hear, hear!

Mr. McKinnon: The faith of the citizens in the justice and merits of these changes in the constitutional order will depend, in large part, upon the way in which they are seen to be done. This brings me to an area of broad concern with these procedures: the general spirit in which things are being done and the way in which the changes will be perceived.

I spoke earlier about a feeling of rancour and distrust, and that is surely what will result from the actions taken yesterday and today in voting closure. While it is unfortunate that such unpleasantness is developing over any government action, it is a threat to the nature of politics when it develops over constitutional matters. While constitutional change does not require social unanimity, successful change surely requires the broadest possible consensus that the procedures were fair. On this topic I should like to quote from the classics, not from Machiavelli so in vogue in some quarters of the House, but from Aristotle, who said:

Legislators would therefore direct their attention to the causes which lead to the preservation and the destruction of constitutions and on that basis they should devote their efforts to the construction of stability. They must be on their guard against all the elements of destruction, they must leave their state with a body of laws, customary as well as enacted.

It is precisely this latter element of stability—the customary body of laws and procedures—to which this resolution does violence and which puts at risk the social consent on which the constitution ultimately depends.

On this matter I will use another quotation, this time from Bagehot's study, "The British Constitution." It reads:

There are two great objects which every constitution must attain to be successful, which every old and celebrated one must have wonderfully achieved: Every constitution must first gain authority, and then use authority; it must first win the loyalty and confidence of mankind, and then employ that homage in the work of government.

● (1750)

In seeking to use authority in the form which he alone desires, I fear the Prime Minister may forget the loyalty and confidence upon which it must be based. This House must look with foreboding on this possibility.

Thus far in this debate I have concentrated upon the grave defects in the way in which the Prime Minister wishes to have the constitution patriated and amended. While these procedural considerations are clearly the most important ones, for they affect the spirit of the constitution, there are in addition substantive problems with some of the changes being proposed. I will now turn to those specific defects.

To begin with, I should like to look at section 42 of the resolution. In this formula for future amendments, the government is proposing radical changes in the nature of constitutional government. While the use of a referendum is itself new, the really radical departure from current practice lies in the complete circumvention of the provinces. Before this, any change which affected provincial governments had to involve those governments in the decision. Section 42 would see the federal government appealing directly to the people over the heads of the provinces. Not only would the federal Parliament—and particularly in times of majority government, that means one political party—decide upon the issue and the wording of any plebiscite, but section 46(1) gives the federal government the power to set all the rules for the conduct of any debate or campaign on the question that was to be posed.

The Prime Minister says this will only be applied in case of deadlock, but to him deadlock is when he has one viewpoint and the ten premiers have another. It never enters his mind that the ten premiers might be right and that he could be wrong.

While this power to make the rules under which any campaign would be conducted is an obvious example of the federal government's self-created monopoly on initiating and controlling constitutional change under section 42, a more fundamental source of control lies in its power to choose the substance and wording of any referendum. This gives the federal government all of the initiative.

To understand the consequences of this, consider a case in which the federal government, with or without the support of the bulk of the provinces, wanted a particular amendment but faced adamant opposition from enough provinces to block amendments under the provisions of section 41. In this case the federal government would be able to circumvent the provincial opposition and go directly to a referendum with a question phrased to its liking, at a time of its choosing, with the rules it selects, and as we now know, with an unlimited advertising budget paid by the taxpayer.

Now consider the converse case where there is extensive or even unanimous provincial agreement on a proposed change which faces opposition from Ottawa. In this case there is no recourse for the provinces; the federal government would retain an absolute veto. This asymmetry in the position of federal and provincial governments when it comes to amending

the constitution would surely be a continuing source of contention within the Canadian confederation. As the hon. member for Yorkton-Melville (Mr. Nystrom) said of the referendum this section establishes, "it denies the basic partnership and the basic essence of federalism."

In addition to the opposition this proposal is bound to meet, there is certain to be provincial dissatisfaction at the agglomeration of proposals made in this resolution. It must be remembered that this is not a seamless whole, a system of mutually necessary provisions for the realization of a specific objective. Instead, it is the embodiment of several disjointed policy thrusts of the current Liberal government.

There is, to be sure, a portion which patriates the constitution and as a necessarily concomitant provision provides an amending formula, although I might add paranthetically, with one amending formula never discussed with the provinces and another which, while masquerading as the Victoria charter formula, differs radically in that it entirely disenfranchises Prince Edward Island.

To this set of patriation proposals has been added a series of other packages including political, economic, and legal rights, the formal institutionalization of first ministers' conferences, the entrenchment of a limited policy of official bilingualism, and some minority language education rights. This melange is no coherent corpus on which any patriation must rest, rather it represents the Prime Minister's solitary vision of what is good for the nation, what he feels he must impose.

In his remarks accompanying the release of the resolution, the Prime Minister said in criticism of the provinces:

> We were led by the dictates of unanimity to bargain freedom against fish, fundamental rights against oil, the independence of our country against long-distance telephone rates.

Yet, leaving aside the overblown rhetoric, is this not essentially what his ultimatum to this House represents? Is he not saying, "You can patriate the constitution but only on my terms?" To use his phrase, is this not bargaining the independence of our country against an idiosyncratic vision of what rights should be entrenched?

I suggest to the Prime Minister that accord is not impossible. The Leader of the Opposition has detailed in his motion yesterday a way in which it could be achieved. The constitution can be patriated with an amending formula. Then amendments supported by either a province or the federal government can be proposed, considered, and adopted if they meet the requirements for amendments. By setting Ottawa's desired goals on equal footing with those of the provinces, the mutual respect and independence between levels of government necessary for the well-functioning continuation of any confederation can be realized.

Madam Speaker: I regret to interrupt the hon. member but his time has expired.

I am now ready to rule on the amendment offered by the hon. member for Carleton-Charlotte (Mr. McCain), which reads as follows:

> That the motion be amended by deleting the sixth paragraph and substituting therefor the following:
>
> "That the committee submit its report not later than February 12, 1981;
>
> That the committee have power to adjourn from place to place within Canada;
>
> That the committee be empowered to retain the services of advisers to assist in its work; and that it also be empowered to retain such professional, clerical and stenographic help as may be required;

I find the first part of the amendment acceptable, namely, the change of the date by which the committee will report back to the House, from December 9, 1980, to February 12, 1981.

However, the other two elements of the amendment cause some difficulty because they seek to extend the order of reference of the committee which can be done by means of an instruction to the committee, but not by an amendment to the motion to establish the committee. I refer hon. members to Beauchesne's fifth edition, citations 621(3), 756 and 759, among others.

I would suggest to the hon. member that if he were prepared to delete the second and third propositions from his amendment, I would be prepared to propose the question on the first part, namely:

> That the motion be amended by deleting the sixth paragraph and substituting the following therefor:
>
> "That the committee submit its report not later than February 12, 1981."

Mr. McCain: I respect the ruling of Madam Speaker and accept your suggestion that the last paragraph should be deleted and that the amendment should refer only to the date of February 12, 1981.

Madam Speaker: Therefore it is moved by the hon. member for Carleton-Charlotte, seconded by the hon. member for Nepean-Carleton (Mr. Baker):

> That the motion be amended by deleting the sixth paragraph and substituting the following therefor:
>
> "That the committee submit its report not later than February 12, 1981".

Right Hon. Joe Clark (Leader of the Opposition): Now that Madam Speaker has found the amendment to be in order, I should like to speak to it before there is a vote upon it. I think the amendment is highly essential to the successful rescuing of any remnants of propriety to this debate. I regret that the narrow language of the rules under which we operate did not allow the admissibility of the other sections, because what this party wants to do is ensure that even though a gag has been put on the mouth of the House of Commons it will not be possible to put so restrictive and confining a gag on the committee proceedings, which we are now forced to move.

● (1800)

There has been, by the imposition of closure by this government, a very deep abuse of the privileges of the House of Commons, and the privileges of all Canadians who are served and represented here. My hon. friend from Victoria has indicated this is the third time in history—the third time in history—that this measure has been used. And was it used on some minor, niggling question, some matter of no moment to

the people of Canada? No. This extraordinary measure to limit the ability of Parliament to speak, this measure of closure, is being used on the debate of the constitution of Canada itself. That is an absolute abuse of the power of a majority in this House of Commons.

Some hon. Members: Hear, hear!

Mr. Clark: I say this deliberately, if there were more members with the kind of courage their electors thought they had when they sent them to the House of Commons, this motion would not have passed and we would not be operating under the rules of closure here today.

Some hon. Members: Hear, hear!

Mr. Clark: I must also say, Mr. Speaker, that unfortunately in this debate so far—in the 24 hours plus of debate that we have had on this question—the Prime Minister (Mr. Trudeau) has demonstrated his respect for Parliament and his interest, his interest, in the constitutional question. He urged members of Parliament from all parties to debate, and then he took away their opportunity to debate by slapping a muzzle on the mouths of the elected representatives of the House of Commons and then he, himself, declined to come before the House. Why was that? I suspect it was because he is ashamed of the measure which he is bringing in here, as every other member of his party should be ashamed. What they are trying to do in the name of reforming the Constitution of Canada is to force upon the people of Canada, by going to Britain, proposals which they are not confident the people of Canada themselves would accept if they went to the people.

An hon. Member: That is not correct.

Mr. Clark: Some otherwise silent Liberal backbencher who has voted here for closure, voted to muzzle Parliament, says that is not true. If it is not true, why is the Government of Canada running to Britain with questions which should be decided here in the Canadian House of Commons? Why do you not trust the people of Canada? Why do you hide out in Westminster?

Let me refer also to the attitude of the NDP, as my colleague earlier did, toward the question of closure. The Leader of the NDP (Mr. Broadbent) yesterday, after closure was announced by the government House leader, had an opportunity to stand in his place and speak. He mentioned the word "closure" once. He mentioned it in passing. The word passed his lips. But there was no objection by the NDP to closure. There was no objection taken on the floor of the House of Commons to the muzzling of Parliament on a matter of fundamental concern and fundamental interest to the people of this country—for the third time in the history of Canada. We do not know what the price was. We do not know what went on in those discussions between the Leader of the NDP, that Neville Chamberlain of Canadian politics, and the Prime Minister of Canada. Clearly, whatever it was, it bought the silence of the NDP and they did not even stand in their places yesterday to oppose the imposition of closure, to oppose the attempt by the Government of Canada to muzzle debate on the fundamental law of the land in this country.

Some hon. Members: Hear, hear!

Mr. Clark: Mr. Speaker, by their actions in the last 24 hours the government have demonstrated what some of us previously had only feared—that there is no willingness at all on the part of the Prime Minister, his ministers or, apparently, his supporters on both sides of this House of Commons, to engage in meaningful parliamentary debate on the constitutional resolution. The Prime Minister, after stating last October 2 that Parliament would return early to begin debate on this matter, after demanding that all the members of the House participate, said "Every member of Parliament from every corner of this land is asked to participate in this historic act." Now, after only 24 hours of debate involving less than one-fifth of the members of this chamber, we are faced with closure.

This is an extraordinary situation that the Liberal party has imposed upon the House of Commons today, a deep abuse of this institution. Such a move, such a gagging of the members of this institution, should not be undertaken lightly. Indeed, we know that the advice of even the most cynical of the Prime Minister's advisers indicated that, in the words of the famous leaked memorandum, that has guided their every action since Herb Gray broke his word about resigning if interest rates went up—that famous leaked memorandum said:

It would be almost unthinkable to use time allocation (closure) on a resolution calling for patriation of the constitution.

That is what the leaked memorandum said—"almost unthinkable". Yet the unthinkable has happened. Further, by his stubborn adherence to a December 9 deadline for committee consideration, the government of the Prime Minister is determined to use every parliamentary device, every cynical means of manipulation to thwart parliamentary public debate.

I hope that the government will accept the amendment that is put forward here so that there will be an opportunity for this Parliament to consider this matter without having a gun to its head, so that there will be an opportunity for the members of the House of Commons to take this question across the country.

The other day we asked the Minister of Justice (Mr. Chrétien) whether there would be an opportunity to travel. We asked the Prime Minister this question again today. In declining to answer, they both indicated that they wanted to keep the committee here. Well, why should the constitution of Canada be confined to a discussion in the city of Ottawa? I see the hon. member for Niagara Falls (Mr. MacBain) is here. Why should not the people of Niagara Falls have an opportunity to express their concerns about the constitution of their country in their city? Why, if they are worried about it, should they have to come here?

I see members of Parliament here from Toronto. Why should Liberal members of Parliament from Toronto put up with a provision which says that a committee considering the Constitution of Canada will hold its deliberations only here? Indeed, there is a chairman of a committee from Toronto here.

His committee has the right to travel. It is considering the problems of the handicapped. Why, if the people of Canada are allowed to be heard on the problems of the handicapped, should they not be allowed to be heard on the question of the basic law of the land? Why is the attempt being made to limit that debate to this city?

Some hon. Members: Hear, hear!

Mr. Clark: I say simply, in passing, that there are two regions in particular where this refusal to have the committee travel would be deeply dangerous. It would be deeply dangerous in Atlantic Canada because, as my hon. friend from Hillsborough has indicated, this proposal would wipe out to all intents and purposes the influence of the province of Prince Edward Island. Indeed, it proposes to confer upon other provinces in Atlantic Canada a second-class status. It proposes to smuggle through a reference to equalization that is a most inadequate reference. And the people of that region, people who do not have the money to travel to Ottawa to make their views known on the constitution, should not be forced to remain silent because they cannot afford to come to speak to their Parliament about their constitution. They should have the right to have their constitution debated in their region. And the same is true for the west. I will return to the west in a moment because I am deeply concerned about what is happening now in western Canada as a result of various initiatives of this government.

In the west, in particular, there have been dramatic and dangerous changes in attitude toward this Canadian confederation. In the last eight to nine months there has been a dangerous development of feeling against the country developing in that region. Liberal members of Parliament, I believe, who voted for closure would not support that measure if they had the opportunity to hear directly from the people of western Canada some of the concerns that are on the minds of the people in western Canada. I say to my colleagues in the House of Commons who come from other parts of the country that they owe it to their country, they owe it to the ability of their country to continue, not to sit here in splended isolation in Ottawa. But they should travel so that they can hear first-hand the advice of concerned Canadians who are now falling victim, falling prey to the siren song of separatism because of the actions that have been taken by this government.

● (1810)

Before you aggravate that situation, those of you who come from other parts of Canada, who are members of a majority government which has no seats in half of the geographic land mass of this country, you owe it to your country and to yourselves to go out and hear what the people of western Canada have to say about the constitutional proposal. What we need is parliamentary public debate here in the House of Commons and across the country.

We have been denied that debate in the House of Commons but we should not put unreasonable, destructive limits upon the committee of the House of Commons and the Senate which will consider this matter because if we gag that body, if we allow the manipulative work of the Minister of State for Multiculturalism (Mr. Fleming) to affect opinion across the country, and if we leave it to propaganda and leave the truth aside, then we are dealing very seriously with possible ruptures in our country. I say to members of this House of Commons, from whatever corner they may come, you should not be prepared to allow your blind loyalty to your leader to force you to take actions which might rend this country.

I had harsh words a moment ago for members of the New Democratic Party. I will certainly amend them in one case. I am delighted to learn that the hon. member for Burnaby (Mr. Robinson) announced this afternoon that he will be opposing the Liberal government's motion to send the proposed constitutional package to committee. I see that the hon. member for Yorkton-Melville (Mr. Nystrom) is in the House of Commons. I heard him speak on section 42, and he believes that it would be destructive to the nation. I would hope that he will find in his heart that it is his duty to act as his colleague, the hon. member for Burnaby, did, and stand against this attempt to ramrod through the House of Commons and into a controlled committee the discussion of the nation's future.

The amendment proposed by my colleague, the hon. member for Carleton-Charlotte (Mr. McCain), is one further attempt by my party to open up the process so that the people of Canada can be heard and can study the issue. Yesterday we gave this House of Commons the opportunity to end some of the bitterness and to achieve some of the goals that surround this debate. The goal is to get our constitution home. Yesterday, we provided a means to allow Parliament to vote to bring it home. The Liberal party and the NDP voted against bringing our constitution home. We wanted our constitution home in a way that we could work with it in an atmosphere that would be constructive.

Instead, as my colleague from Victoria has said, we run the risk of an atmosphere that is deeply divisive. As he said, a constitution is not simply a piece of law, a constitution reflects the mentality and the essence of a country. This government by its actions and by acquiescing to closure is poisoning the atmosphere of this country, and we will not have a solid constitution emerge from a poisoned country.

We want the committee's considerations to be open. We want it to travel, and we hope that there will be a willingness on the part of the Liberal members, as there is in the NDP and in our party, to have television and radio in that committee. We hope that the Prime Minister will not try to hide the discussions on the constitutional package from the people of Canada. Indeed, had it been in order—unfortunately it is not because of the narrow range of our rules—we would have allowed the House of Commons the right to vote upon having television and radio in committee so that the people of Canada could know what is being proposed.

The reason that closure is upon this House is very simple. The Government of Canada does not want the people of Canada to know what it is proposing to do with the constitution. The reason that closure was rushed in so quickly, at a

time when there have been more government members speak than members of the official opposition, is that the Liberal party with its pollsters—and it is a government not of principles but of pollsters—found out that public opinion is changing. It is changing because people are finding out what is at issue here.

They understand that the propaganda put out by the Minister of State for Multiculturalism is false. What is at issue here is not simple patriation. If patriation were the question, the Liberal party would have voted for patriation yesterday instead of against it. The people of Canada are becoming more aware with each day's debate of some of the issues. My colleague from Rosedale dramatically indicated the other day some of the problems for individuals, native people, women, other individuals and groups in the country that might be affected by affirmative action, a wide range of Canadians whose interests are directly threatened by this piece of legislation.

It is no wonder that the government do not want the matter debated in public. They are ashamed and they do not want people to know what they are proposing, so they try to hide it. That is why we have closure here. We believe that instead of having closure and limiting this debate, there should be an opportunity for the people of Canada to know what is going on. This is why there should not be artificial limitation put upon the time of that committee to sit, why there should be an opportunity for television and radio to be present, and why there should be an opportunity for the committee to travel across the country.

Let the committee go to Newfoundland and see how badly the people there are being served by the Liberal members from that province, who trust their citizens so little that they do not want them to know what the Government of Canada is proposing. Let them go to western Canada and across this country. Let them go into Quebec and ask the people there directly whether or not they believe this proposal serves the interests of federalism or the interests of separatism. We have one response to that question. The hon. member for Montmorency (Mr. Duclos) is quoted in the October 23 issue of the Toronto *Star*. In the news article he indicates why he opposes the proposal put forth by his government. He said:

> I want English Canada to know this commitment . . . is not what we promised Quebeckers during the referendum.
>
> According to the public opinion polls, a majority of Quebeckers want a substantive change—not just a cosmetic change to our federal system.
>
> What we're doing now is an indication that the federal government is not really interested in a profound reform of our federal system.
>
> I think that what we are doing now . . . we're in the process of giving the Parti Québecois another term of office.

Those are the words of the Liberal member of Parliament for Montmorency who had the courage to stand in his place and speak what he believes, rather than accepting the muzzle of his leader. Where, I wonder, are the other Liberal members of Parliament? What kind of sheep are they that they sit in fear of their leader, rather than speaking to the interests of their constituents and their provinces?

The Constitution

Yesterday in Quebec City the Prime Minister, while his minister was acting to stop debate in Parliament, again accused provincial premiers who oppose his resolution of siding with René Lévesque.

I see, Mr. Speaker, that you are pointing at your watch, and I believe that I have about two minutes left.

The Prime Minister's argument is that if you are not with him then you are against Canada. That is a familiar argument of the Prime Minister, although it is a little bit more difficult to make now that he wants Britain to decide questions which most of us want Canada to decide. But his prophecy is true. Mr. Lévesque embraced separatism in Quebec partly in reaction to the rigid, stubborn attitude of this government, and now other individuals in other parts of Canada are being driven by the Liberal government toward separation.

The Liberal government which presided over the growth of separatism in Quebec is creating the conditions for separatism in western Canada. I would draw to the attention of hon. members a speech made last night in the other place by a former premier and a dedicated federalist, Senator Ernest Manning, who said:

> I am deeply troubled by the large number of serious-minded responsible people in western Canada who a year ago would have rejected the idea of separation out of hand, but who are now joining or supporting organizations advocating that the west separate. Such organizations are attracting members and fringe supporters not by hundreds but by thousands. It would be a grave mistake for the federal government to ignore the potential danger to Canada inherent in such trends.

● (1820)

I implore members of this House of Commons not to ignore the attitudes that are growing in western Canada and elsewhere in the country, and not to ignore the seeds of disunity that this government has sown. I urge the government, if they must resort to this unforgivable mechanism of closure, if they must muzzle Parliament, at least to let the committee of Parliament do its work. Let it have time to study. Let it carry through, as the hon. member for Carleton-Charlotte suggested, until February 12. Let the television cameras and radio be present so that people will know what is being discussed. Let Claude Ryan and others come to that committee and let them speak freely and fully about the damage this measure will do to their part of Canada. Let the committee do its work. Do not muzzle the committee as the House of Commons has been muzzled.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, we are now considering an amendment to the main motion, an amendment aimed at delaying till February next the report of the joint committee of the House and the Senate dealing with the resolution on the Canadian constitution.

Before I deal with the matter, I know quite well that hon. members will guess that the subject which I will try to develop is very clear to me but before dealing with it, I would like to

ask the former prime minister, the Leader of the Official Opposition (Mr. Clark), to be careful when he misleadingly suggests that the constitutional amendments proposed by Parliament and the government will be altered or redrafted by the British government.

Mr. Speaker, I think that it is absolutely incorrect and he knows it as well as all other members do.

I think, therefore, that on this point the Leader of the Opposition should be corrected.

Moreover, he stated that yesterday we voted against the patriation of the constitution, which is not correct. Hon. members on the government side voted yesterday on the patriation of the constitution and the Vanvouver formula, a formula which is unacceptable to people like me and to all hon. members on this side of the House.

When the former prime minister, therefore—

An hon. Member: Temporary.

Mr. Gauthier: —yes, temporary, for a six-month period—when the Leader of the Opposition makes such a statement—I know him as a man who is honest most of the time—he knows that this is not correct, I can only assume that it is fully partisan and directed at the electorate.

Mr. Speaker, I have listened attentively to this debate and I feel that this resolution is extremely important for Francophone members born and living outside Quebec—they are few and far between in the House. The proposed resolution is extremely important, because we would no longer operate under the supremacy of our provincial governments, but rather under the rule of a constitution with our rights entrenched and protected by a court of justice, which we hope will demonstrate as much generosity and enlightenment as those we have enjoyed for several years.

Still, Mr. Speaker, we are faced with two different concepts, one of which is the concept expounded by several Progressive Conservative members and which upholds the supremacy of Parliament. Personally, I agree with those who firmly believe that today, after 113 years, it is time for us to effect this change and to entrench our rights in the constitution and then move to the other aspect which I stand for, that is judicial supremacy. And in the course of my remarks I will try to demonstrate why today minorities in Canada, linguistic minorities not only outside Quebec but within Quebec as well, support and back fully this resolution which aims at enshrining within the constitution the rights of minorities. If I were to put a title on my speech, Mr. Speaker, I would say that minorities need more rights and more power than majorities do. This would be the title of my remarks because to anyone wondering what promises of success any constitutional resolution may hold I would say that the most fundamental matter is the entrenchment of a charter of rights and liberties, including language rights. In my opinion, any country must be defined from this basis.

Therefore it seems to me, and it is not a surprise to hon. members, that I linger over this vision, over this popular concept, we want to establish the independence of our country and in a move of pride and fairness, we want not only to patriate the Constitution in Canada but also to include the fundamental and individual rights, including some linguistic rights.

As a matter of fact, minorities need more rights than majorities. The latter protect themselves naturally because of their number, their political influence, and the environment they create. Within the time allocated to me I shall try to demonstrate why we should act today and enshrine linguistic rights of minorities and of all Canadians. In the present system, those fundamental and individual rights are under the jurisdiction of Parliament, which means they depend to a large extent on legislative action, whether under the principle of the supremacy of law or through common law and some other texts which govern us. The constitutional bill of 1980 proposes to change this system and replace it by the enshrinement of rights, which of course favours the principle of judicial supremacy. There rights, I repeat, cannot be changed or circumvented by an amendment to the constitution, a procedure which is more difficult than the mere passing of an ordinary law.

Mr. Speaker, I am among those who believe that, after 113 years, parliamentary supremacy over rights and freedoms, including language rights, must be replaced by the entrenchment of those rights and freedoms in the constitution, including language rights, in order to guarantee and protect those rights. It is fairly easy to explain why minority groups have tended to support the supremacy of the courts. The reasons underlying that support are historical and confirm the experience several of us have had. Indeed I will give several examples.

I support the entrenchment of fundamental rights because, in my opinion, it provides greater assurance and therefore greater protection against possible abuses by governments and majorities. Besides, most major democratic countries have already acted in that direction. A charter of individual rights and freedoms is the most common aspect of all federations in the world. The European Community, for example, to which England, France, and other countries belong, is bound by the European Convention on Human Rights and by the decisions of the European Court of Human Rights. Finally, Mr. Speaker, who can deny the educational and moral value of entrenching human rights in a constitution.

I also endorse the proposal to include in the constitution the right to education in the minority language. This will, of course, surprise no one. This will guarantee Canadians the right to educate their children in their mother tongue, where numbers warrant. It is not exaggerated to say that Franco-

Ontarians have suffered greatly from this concept of where numbers warrant. I speak from experience because I have spent 11 years on schools boards, from 1961 to 1972, trying to make local and provincial authorities understand the grounds for a French-language high school system financed by the Ontario treasury.

● (1830)

We have won a few battles, but we are still far from having the homogeneous French school system we want and hope to have one day. If minority rights had been entrenched in the constitution, we would have reached our goal more quickly. We are constantly in danger of being assimilated by the majority group. It has sometimes been only through our individual will and collective determination that we have been able to hope to survive as French-speaking Canadians. Once again, Mr. Speaker, if minority rights had been entrenched, we would have been able to remain more numerous. Individually, French Canadians have survived only because of their persistent fighting spirit. They have been attacked from all sides, and sometimes, they were able to survive because they were attacked. When you are ignored, you die, but when you are attacked, if you have courage, you defend yourself, and this is what we did. Mr. Speaker, a minority needs more rights than the majority. I am disappointed to note that he has left, but in any case, I was very disappointed last Tuesday to hear the hon. member for Joliette (Mr. LaSalle) lecture French minorities outside Quebec about language rights. I was surprised and saddened that this Francophone member of Parliament would give us the classical argument of majorities concerning entrenchment of rights in the constitution, and I quote:

—as these rights are very closely related to the provincial jurisdiction over education, I do not see why it should be urgent or necessary to enshrine them in the constitution at the risk of giving rise to quarrels like those the past generations have known.

That is certainly the hon. member for Joliette speaking! When a French minority in another province asks for the concrete and practical means to survive, it is told that it must absolutely not provoke conflicts and frictions within the community. It is all right to help it, but only if this disturbs in no way the group which is comfortably installed in a majority position. If it follows the rule suggested by the hon. member for Joliette, the minority has only one alternative: to keep still, be quiet and let itself be assimilated.

The linguistic minorities of Canada have no intention of listening to the nonsense uttered by the hon. member for Joliette. He speaks very strangely. He speaks the language of some of the premiers who suggested only a few years ago that they should sign bilateral agreements concerning education and who favoured interprovincial bargaining with their minorities as pawns.

Mr. Speaker, we will stand up against the trade-off of our survival, we are not the pawns of the majority, we want our rights to be entrenched in our constitution. We dream of becoming first-class citizens. This collective will has given birth to several movements aimed at regrouping minorities. We have created many associations and several organizations. These associations are made up of average Canadians and are striving to correct linguistic injustice, both at school and in society. These provincial associations which often work in an hostile environment have been the main architects of an almost permanent fight. We need them, they need us and the federal government has supported them, God knows how much. Some might say that these provincial and national organizations are lobbying groups sometimes led by ambitious leaders. If the leaders are sometimes obliged to speak frankly and roughly to governments and to majorities it is because they sometimes have to shout louder to be heard. I think that most Canadians who are part of a minority will support entrenching linguistic rights at school in our constitution. To them it is an important guarantee which will help them in their collective search for equality and equity. For instance, Mr. Speaker, on September 28, 1980, ACFO, the French Canadian Association of Ontario, at their convention in Ottawa, passed the following resolution, this was before the resolution now before us was brought in and I quote:

That ACFO strongly urge patriation of the British North America Act, and that the prerequisite for that support be that the new Canadian Constitution enshrine basic rights and freedoms, including language rights for official language minorities.

It is that same provincial association that often spearheaded the fight in Ontario. We fought for the right to speak and even pray in one's language. We fought for the right to work in one's language, under a boss who often misunderstood our aspirations. We fought to have our children educated in French in Ontario and elsewhere. We fought for public services in French. We fought for the right to defend ourselves in courts of justice at all levels. We fought against language prejudice, that often feeds on misconceptions about the institutional bilinguism. We fought to preserve and develop our culture. Such has been the struggle of generations of Franco-Ontarians and Franco-Manitobans, "Fransaskois", Acadians and people outside Quebec, who wanted to and will succeed in surviving in this country.

It has been pointed out, Mr. Speaker, that although this debate is very important and very serious for the Progressive Conservatives, there are hardly some odd ten of them, here, and I find ridiculous at this stage that we have to sit through dinner hours when those people do not even think it worth their while to remain here to listen to the debates.

Here we are, Mr. Speaker, in 1980, discussing a resolution that is most important in my view. I emphasize the phrase "discussing a resolution", because such is the process that will start after this evening. Whatever the Leader of the Opposition or others on his side may say, the suggestion that we are muzzling this debate is preposterous. What we are doing after three weeks, after hearing nearly 50 members, what we are saying is that finally we must come to serious consideration of

the resolution. We are going to refer it to a committee, where everyone will have an opportunity to comment, to put his arguments forward and probably to point out and correct what he considers is wrong.

Mr. Speaker, if the committee makes an in-depth study of the resolution and tables a report, I hear the Leader of the Opposition say: "We will be back on February 12 with a report". I do not care whether we come back on February 10 or February 12 or December 9, as long as we work seriously. I have no objection whatsoever. We will manage to study the proposal within the framework of the schedule Parliament must follow. I heard the Leader of the Opposition say that we should be talking about the economy and energy matters. I think he understands very well the restrictions imposed by the present parliamentary schedule and that he must also have a lot of work to do and therefore it might be better not to keep the debate going for too long if that is to disorganize everybody's work and delay our proceedings, as has been done for two or three weeks after question period. Members of the House would keep raising points of order and questions of privilege for two or three hours. I do not think that delaying the work of the House that way is what one could call serious parliamentarianism.

How will Canadians use the new constitution? I honestly do not know. Time will tell. There is no doubt, for instance, that the constitutional instrument carries more weight than an ordinary statute because a constitution is not easily changed. The Leader of the Opposition spoke against section 42 because it refers to a referendum and the people will have their say. In short, Mr. Speaker, that is democracy, it is a regime where people have the right to speak. Personally, I have read several editorials and I would refer the Leader of the Opposition to an article written September 23, 1980, by Pierre Tremblay of *Le Droit*. I do not intend to read it because it is quite long but it is very good. Indeed, Mr. Tremblay's theme is that the federal-provincial dispute is over, that we must now call on the people when politicians are up against a deadlock they cannot get out of.

Mr. Speaker, I have been told that in history—and that is very interesting, in my opinion—political powers may often skirt around or repeal certain constitutional rights. I am thinking in particular of section 23 in Manitoba which was repealed by the will of a single legislative assembly. How many times in our short history did linguistic minorities have to fight to maintain, or even worse, secure such rights as the free choice of their religion and their language? How often did minorities see their rights disappear just when they seemed to be safe? It took eighty years to recognize that those statutes of the Manitoba legislature were discriminatory and anti-constitutional. It was recognized because a man, Mr. Georges Forest, on his own initiative, was willing to give of his time and money to fight for one of his fundamental rights, his linguistic right.

Here, in Ontario, we lived under regulation 17. It took several years before we could get that regressive and discriminatory measure repealed and get justice. Even now, it is still an important theme in Ontario where we often call for justice. That work is very important to us. Let us not think, Mr. Speaker, that the charter of rights is the achievement of all hopes, that it will answer all the aspirations of the official languages minority groups. It is an excellent beginning, which delights me, but though we have obtained the required minimum, it does not mean that we should miss any opportunity or initiative to improve it. If we really want the official linguistic minorities to live their culture and language fully, they must be dispensed health and social services in their tongue, in their own provinces. Finally, radio and television services must be extended to the whole population, and that, in the two official languages wherever those who request it are numerous enough.

Canada is becoming increasingly a people of minorities. Statistics confirm it every day. I feel, therefore, that it is imperative that their fundamental rights be protected. There is nothing extraordinary, Mr. Speaker, about the fact that a country has one or several minorities. Most big countries in the world have linguistic minorities that they have to accommodate. Besides, there is a maxim which says that a minority that has the will to survive and is attacked will know how to fight back, whereas a minority that is unaware of itself and is also ignored by the majority is often doomed to extinction.

• (1840)

[*English*]

We are faced in Canada today with a challenge of great importance to us all, the challenge of keeping this country together.

To understand each other with all our regional and sectional loyalties, our varying customs and traditions; to understand what this country is all about, a country with two official languages and a multitude of cultures; to understand that there are forces at work to build a better Canada while at the same time other forces want to destroy it—therein lies the challenge.

I see, Mr. Speaker, you are going to rise and tell me that my time is up. I am very sorry. I would have liked to finish my speech, but I must abide by the rules and surrender my place to another member.

The Acting Speaker (Mr. Blaker): Perhaps the Chair might take this opportunity to familiarize hon. members, those who are present, with the habit I have of trying to warn hon. members that they are coming to the end of their time. Whether the hon. member speaking happens to catch that message or not—and I know there is a considerable amount of pressure on members, although the Chair has been a trifle lax—I think I ought to be exact from here on. I want to warn hon. members that whether they see the notification that they are coming to the end of their time or not, I will from here on cut short debate precisely at the time required.

Mr. Bill Yurko (Edmonton East): Mr. Speaker, in speaking to the amendment and to the main motion, I have a 40-minute speech which I cannot give in the 20 minutes allotted to me. Therefore, I will make the whole text of my speech public. In

the interests of giving other hon. members the opportunity to speak in order to express their views, I will just present a brief summary.

I have said in the past that I am favourably disposed toward the government's package and have in the past supported and still support a number of principles. My reasons are given in the text which is available to anyone who wishes to read it. I will file my speech with each of the committee members when the committee is selected.

First, I support unilateral patriation by Parliament with the unanimity formula, as per the motion I moved on May 9 and which was passed unanimously by the House. I also supported the motion of last night for unilateral patriation, with the Vancouver consensus. The constitution must be patriated quickly so that changes can be made sequentially to reduce increasing tensions in our nation.

Second, I support the process of finding a less restricting formula than the unanimity formula, but I reject the government's process as needing substantive revision, and indeed, revisions are mandatory.

Third, I support a people's referendum as a process for constitutional change. The people should be able to initiate such a referendum rather than the federal government only and a majority in each province should be required for passage, not only the majority in each of the four regions.

Fourth, I strongly support maintaining the equality of provincial status and the protection of existing provincial powers and rights with reduction in such powers being by consent only, particularly in regard to provincial lands, resources and boundary rights. In my main speech I have proposed an amendment to that effect.

Fifth, I support equalization and the entrenchment of a charter of rights and freedoms, but the resolution needs redrafting to provide clarity and interpretation of these matters. I would have preferred that such be done in Canada after patriation.

Sixth, I do not want to kill the government's constitutional package and, therefore, kill patriation. I want to improve it and effect patriation. Therefore, I support sending it to committee, but not under the process of closure. This is an unneeded action on behalf of the government. I am saddened by it. It is an unfortunate action after only two and a half weeks of sitting in this House to debate one of the most important issues to come before this House since 1867.

This is an action to limit the privileges of members of this House to speak on this vital issue. I know there has been some obstruction. There always is on both sides. However, another month of debate would not have been an inconvenience to this House or, indeed, to Canada. I must utterly reject the closure action by the government.

Thirteen years ago almost to the month, when I joined the Conservative party of Canada, I asked, what does this party stand for? Is it just a collection of individuals with a common purpose and a common view, or is it more? Has it got a creed and an unshakeable philosophical foundation, or is it just a garment which we can take off and put on as the opportunity arises?

I searched and there were few answers to be found. I had resolved that this conservatism is an integrity of spirit and an orderly expansion of conscience that is genuinely important and not of the fleeting variety. It is on the basis of that individual integrity or spirit of conscience that I shall vote on this measure from here on, as it is a measure of profound gravity. I trust that each member in this House will do the same. I respect every member's right to do so on this fundamental issue. This is an issue for statesmen and not for partisan politics and partisan politicians.

• (1850)

It has taken me five minutes, effectively, to file my speech, or say that I am going to file it with the committee members, and present my summary. At this rate I believe many members will have—and they should have—the opportunity to speak on this resolution before it is sent to committee later on tonight.

Some hon. Members: Hear, hear!

Mr. David Smith (Don Valley East): Mr. Speaker, it is an honour to participate in this historic debate, and I am proud, as are all hon. members who have spoken, to play a small part in it.

At the outset of this debate I thought perhaps I might be hearing from a few constituents as to why Parliament would be spending its time on a constitution when there are postal interruptions, clerks' strikes and obvious economic problems in this country, but I think that the constituents of my riding have shown great maturity. I think we have to recognize that something which may be important is not on any given day or week or month necessarily urgent, but the fact that it may not be urgent on one day does not mean it is not of vital importance to this country. I think that the voters and constituents certainly in Toronto and in the constituency which I have the honour to represent have appreciated the necessity for Parliament to come to grips with this issue at this time.

I think the Prime Minister (Mr. Trudeau) and the Minister of Justice (Mr. Chrétien) have to be commended for the leadership they have shown in biting the bullet and being prepared to go ahead with this question and resolve something Canadians have not, unfortunately, been able to resolve for decades.

Some hon. Members: Hear, hear!

Mr. Smith: What is before the House is a resolution to appoint a joint committee of the Senate and House of Commons to consider and report upon the constitutional document which was issued by the government on October 2. There have been many speeches. Many of them have been excellent. But I think we have to recognize that we are beginning what will be a chapter which may last for several months and that the curtain is not being dropped on it tonight as if somehow the gong were going and this were the end of the show. I think that has perhaps not been pointed out by opposition members when

they have addressed themselves to the motion with which we are going to have to deal later tonight. The Leader of the Opposition (Mr. Clark) himself said on October 2, and I quote:

> The significant debate will come when the resolution itself is brought directly before the House some time after the committee has made its report.

Mr. Beatty: It will not and never will be.

Mr. Smith: Those are not my words; those are the words of the Leader of the Opposition—"significant debate"—and that debate will occur when the committee reports back; but hon. members opposite will not have a chance to do anything unless we set the committee up. That is why we have to set it up, and the time to do that has certainly come.

With regard to the package and, first, patriation, everyone who has spoken seems to agree that it is high time we do it. I certainly agree. It has dragged on for many, many years. For over 50 years efforts have not borne fruit, and I think everyone would concede that every reasonable effort has been made by this government in the last few months to come to a reasonable agreement with the provinces. If that is not recognized by certain members of the opposition, it certainly will be by historians. I suggest it is by the public right now.

Let us consider the amending formula. I support the proposal. I think it is reasonable, fair and within the Canadian tradition. It does protect provincial powers. We are not talking about any realignment of the division of powers. There can be no finalization of any division of powers within the next two years without unanimous consent. I cannot understand what Premier Peckford could complain about in the next two years.

If after two years we cannot come to some agreement, then we go to the Victoria formula, and in clause 42 there is also provision for a referendum. This is what seems to have the official opposition in particular quite riled up. Hon. members in the official opposition say that theoretically this could destroy federalism as we know it and that this could destroy the country. Well, I think we have to concede that if a power is there, notwithstanding the fact that I think it is quite clear it is only going to be used as a last resort, then it can be used.

Let us assume that disallowance can be used. If we are going to talk theory, let us talk theory. To suggest that somehow something new is coming on the scene which will suddenly destroy federalism is absolutely ludicrous when we look at the power of disallowance which has existed many years in the country. Did it destroy federalism? Of course it did not.

In his speech on October 6 the Leader of the Opposition said, and I quote from page 3291 of *Hansard*:

> And because this authority would not be limited, this central government could, if it chose to, deprive the provinces of all their powers and for all times.

He went on to say:

> Under this resolution, the central government could destroy what makes Canada a federation. And if it did, I am afraid it would signal the end of Canada as a country.

That is simply not correct. The power is not the government at all, it is the people, and there is a pretty fundamental difference. I think that the official opposition has totally ignored the fact that the ultimate sovereignty from which all governments derive their power is the people. I have much more faith in the Canadian people than the opposition has.

Hon. members opposite talk about the tyranny of the majority. In his speech the hon. member for Provencher (Mr. Epp) repeatedly referred to the tyranny of the majority. Well, I hardly think that a requirement that there be 51 per cent in each of the four regions of this country is a formula designed to allow whimsical fads to be swept into a constitution. I think that is absolute nonsense and is something I reject. I have much more faith in the people of this country than people who are making those arguments seem to have.

Let me make just brief reference to the charter. I support it. There are some obvious things in there with which I do not think anyone could disagree. We all believe in freedom of conscience and religion, freedom of thought, belief, opinion and expression, freedom of the press, etc. I do not understand why anyone could possibly get worked up about that, but there are some other things which perhaps are not quite so historic and which may be a bit more unique to Canada.

I believe in equalization. I am a member from central Canada, from Ontario, from Toronto. I am one of those Toronto fellows, and in terms of tax paid in areas of the country, it is a statistical fact that Toronto has paid a disproportionate share of taxes in relation to its population. I do not quarrel with that for one second. I agree with it and welcome it. I support that because that is what this country is all about. This country is all about sharing. That is what this government is all about, that is what this party is all about and that is what this provision is all about. That is why we have to get on with it and enshrine it in a constitution so that it is beyond question and not something which can be swept out by another government which might come in and which does not believe in it.

Some hon. Members: Hear, hear!

Mr. Smith: Another provision in the charter has to do with mobility rights. This is something we had not talked about until recent years. It is rather a new idea and a new concept, but I submit that mobility rights are needed because barriers have unfortunately been springing up which are stopping people from one part of the country from getting jobs in other parts of the country. That is certainly not what I understand a country to be about.

Today we heard the hon. member for St. John's West (Mr. Crosbie) defend that piece of Newfoundland legislation which will deny jobs in Newfoundland to people from other parts of the country. We can see the kind of protection of mobility rights there would be under a government of which he was part. That is the reason we have to secure the right of Canadians to go to any part of this country and to have employment in any part of this country. We need to do that in such a way that it cannot be swept aside when some government may come along which does not like that provision.

We have heard some scathing attacks from the official opposition on the package, but what is the alternative hon. members opposite are talking about? I have read their speeches several times. I have looked through the speeches of the Leader of the Opposition, the hon. member for Provencher, the hon. member for Rosedale (Mr. Crombie) and other official opposition spokesmen who have spoken in this debate. They are all over the map. They talk about the Vancouver consensus. They hold it up like the Holy Grail as if it were the solution to everything. Let us have a look at it. It provides that seven provinces which make up 50 per cent of the population can, in conjunction with the federal government, effect an amendment to the constitution. It says 50 per cent, and although the hon. member for Provencher said he did not feel too comfortable with that and he thought it should be two-thirds, he said he would go along with it. Two paragraphs later in his speech, however, he attacked our formula which requires over 50 per cent in each of the four regions and said that that is the tyranny of 51 per cent. Yet the opposition embraces a formula which requires a fair 50 per cent of the population of this country as represented by their provincial governments.

● (1900)

An hon. Member: That is not the whole story.

Mr. Smith: You are right, that is not the whole story because it gets worse. They then have an opting-out formula which is not, to my understanding, within the tradition of this country, with one province opting out of this and another opting out of that. The Prime Minister (Mr. Trudeau), quite properly, labelled that provision a checker board sort of formula which would result in different parts of the country having different laws. What does a country mean when you have that sort of thing happening across the land?

The hon. member for Rosedale, who gave us a good speech and told us some truths, spoke about the five principles of Canadian confederation. Two of them were national union and consensus. I submit that the opting-out provision runs counter to the theme which he was developing. Why, then, does the Leader of the Opposition think the Vancouver consensus is so great? I will tell you why. He thinks it is great because, with the opting-out provision, he does not have to choose between premiers. He does not have to choose between Lougheed and Davis and between all these Tory premiers across the country who cannot get their act together. So it is an easy way out.

Some hon. Members: Hear, hear!

Mr. Smith: That is why they like the Vancouver consensus. Consensus—what a joke!

If the House has been following the conference attended by the premiers last week in Toronto, hon. members would realize that it is literally laughable to talk about consensus. But that is the route he wants to take. If that is leadership, they can have it. That is not the sort of leadership that this country needs and it is not the leadership that this government has been giving. I think we need to have a constitutional framework which will keep this country together.

Then, on top of that, they have this odd idea about a constituent assembly, but we did not hear too much about that. The only person who spoke about that was the hon. member for Provencher, but he did not say what they were going to do. "It would be a terrible thing if we had a provision in a constitution which allows a referendum," they say, but somehow it is okay to set up a constitutional assembly, according to them. Where do they get their mandate? I am not quite sure about that, it has not been too clearly spelled out.

So I submit that the opposition does not have its act together; it is all over the map on this and, in fact, there is no alternative. We have one clear option which has been presented, and it is a reasonable one, one on which we are going to move, one that will carry and one in which we will all be proud to play a part.

Some hon. Members: Hear, hear!

Mr. Smith: There is one final point I should like to make, and that is that I for one happen to think it is possible to make some improvements to the charter. I think that is the function of the committee. Some hon. members might be aware of the fact that I am chairman of the committee on the handicapped and disabled. I happen to believe that the charter would be improved if a specific reference to them were included in it. I have spoken on this before and I intend to carry on with this idea and hope to address the committee on that. It would not be a new thing which would open the floodgates to many minority groups because, in fact, a precedent has already been established in the Human Rights Act. The reference in it to the rights of the handicapped and disabled would improve even further what I believe to be a sound and good charter.

After having had the opportunity to travel across the country with the committee and to listen to people speak, I can assure you that Canadians from coast to coast, particularly disabled Canadians, feel very strongly about their rights. They do not really feel certain about them being guaranteed by the various provincial governments of this land. We heard over 600 briefs and many of them spoke to this issue. Without exception they support the concept of a charter enshrining rights. I hope it will ultimately be expanded and made clear that those rights refer specifically to disabled Canadians.

As I have said earlier, I am pleased to participate in what I believe is an historic debate. I am proud to be here tonight to take part in this debate because I think we are doing something that is historic, something that will be good for Canada and which, I think, when completed, will allow us to get on to other things.

Hon. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I may find that I am a voice crying in the wilderness, but there is a plea that I should like to make at this stage in our proceedings and I want to make it as earnestly as I can.

We are just about at the end of this debate on the motion to set up a joint committee to deal with the constitution, and the

likelihood is that that motion will carry about six hours from now and that the matter will be sent to the special joint committee. My plea is that we have had enough contention, acrimony and backbiting both ways, and that the time has come for us to send this whole proposition to the committee in a spirit of good will, with the plea that it approach the job with the seriousness which it deserves.

Maybe I am dreaming something that cannot happen but I would like to see this motion passed tonight without a recorded vote as the means of saying to the committee, "We have done our fighting, we have done our arguing, we have had our contentions; now it is up to the committee to do the job on the proposed resolution which needs to be done."

I want to say that my colleagues and I are prepared to support the amendment proposed this afternoon to give the committee additional time to do its job, and I hope that the government might consider accepting that amendment. It might even be that with a little investigation it could be found that the official opposition would be willing to let the motion go to committee without a recorded vote if the amendment were accepted.

I say all of this, Mr. Speaker, because I believe I reflect the thinking of the Canadian people about the September conference, namely, that it was a crying shame that 11 grown-up men sitting down together could not reach agreement on the proposal for a new constitution, but instead broke up in a way which has led to an increasing sense of division in the country. I think there was hope on the part of the people of Canada that the 282 of us—we are only 279 now since there are a few vacancies—might be grownup men and women and might be able to do the job where the premiers failed. But instead we have had three weeks of pretty contentious debate ending today under a vote with respect to closure. I regret very much that we are doing it this way.

● (1910)

In my experience, every time Standing Order 33 is invoked it produces a feeling of discontent, unhappiness and ill-will around this place that does no good for the parliamentary process. It is a rule that has been around for a long time. Its conception and birth were highly questionable. It was brought in in 1913 by the Conservative government of the day because it was having trouble getting a naval aid bill through Parliament. Because it had so much trouble with those filibustering Liberals, it stopped the debate, brought in changes in the rule, then went back to the debate and applied the new rules. We often use the phrase about changing the rules in the middle of the game. It was not just a phrase in 1913, it was an actuality. As I say, the few times it has been used since it has produced ill-will and unhappiness.

In particular, I remember the experience in 1956 in the pipeline debate when it was applied four times. Four times we sat here until two, three or four o'clock in the morning in what was a dramatic part of the history of this Parliament but really a very sad one. I can assert that we have never got over some of the damage done to this place by the use of closure in 1956.

We have had it a few times since then. It was used with respect to the flag debate. On that occasion, like today, my party was prepared to vote for the motion with respect to the new flag, but we voted against the attempt to close that debate by closure. It was brought in again in 1969. Closure was used again that year to bring in those other debate-ending rules, 75A, 75B and 75C.

I believe members will agree with me that even the normal relationships and greetings we give to each other in the lobbies and around this building have been cooled today because of closure and the kind of experience we are having. I feel very strongly that if we had just negotiated a bit more, a few days more, even a week or what have you, we could have closed this debate without using the guillotine.

If I speak critically of the government for invoking closure, I must say there is blame on the other side as well. Progressive Conservatives members have tried to use arithmetic to show they have not had as many speeches in the debate as the Liberals, but they are the ones who refused to agree to any proposal to bring the debate to a close voluntarily. We have heard from them scathing denunciations of the package before the House as though it would bring Canada to an end, as though good will was completely absent from the minds of those who drafted the resolution. We have had a great deal of the kind of debate which does not enhance the reputation of this Parliament or expedite its proceedings. All right, we have had it. We cannot go back and undo it. Things have been said which I hope some members are sorry for. It has been done, but that is over now. It will end at one o'clock tonight or one o'clock tomorrow morning. Is it not time for us to realize that we are dealing with a terribly important issue, namely, the basic constitution of this country, and that we should send this matter to a joint committee, calling upon it in good will and in good faith to try to come up with a document which will meet the needs and the wishes of the country?

My leader has made our position very clear on a number of occasions. He has pointed out that after all the years Canada has been here, the 113 years or even the 53 years since an attempt was made to Canadianize the constitution, surely there comes a time when the matter should be taken in hand and we should go through with it. We accept the proposition that we should now try to go through with that job, but I think it should be recognized not just as a job handed to us by the government. It is something in which all sides of the House should co-operate as helpfully and as constructively as we possibly can. Not only do we feel there is a case for doing the job now and getting it over with; perhaps the most common remark I get from people in my constituency and other parts of the country is: "Why do you not get the job over with?"

In addition to that, we think there are some things in the package which are good. Most of us believe in the entrenchment of a charter of rights. Most of us believe that language justice should be entrenched in our charter. We all say we believe in the principle of equalization. These things really ought to be part of a constitution. So why should we be

backbiting about these things or failing to get to the things that may yet need to be done?

I am particularly proud of what the hon. member for Oshawa (Mr. Broadbent) has done in his negotiations with the Prime Minister (Mr. Trudeau) on the question of making very clear the rights of provinces to control and administer their natural resources, with all that that means.

Mr. Wilson: What about ownership?

Mr. Knowles: The ownership is there already, but as my hon. friend knows, there have been court cases and decisions in recent times which have cast some doubt upon the meaning of that ownership. Then, of course, there is the whole question of indirect taxation on natural resource products, interprovincial trade and so on. My leader has done a good job in persuading the Prime Minister to agree to that proposal. I hope it is recognized that although this provides a balance which makes the package more acceptable, or certainly less unacceptable, to western Canada, nevertheless it applies to all the provinces of Canada from British Columbia to Newfoundland. I am proud of my leader for the job he has done in negotiating this matter with the Prime Minister, but I also think—I may be cut down for saying this—that a word of thanks might even be given to the Prime Minister—

Some hon. Members: Hear, hear!

Mr. Knowles: —for having the flexibility to discuss these matters with the hon. member for Oshawa and to agree to make the necessary changes. I think we have done a fairly good job, a number of us, in pressing the point that section 42 of the proposed resolution needs to be looked at closely in terms of the purpose for which it is to be used. I say quite openly that I have discussed this matter with at least five members of cabinet and I find they all agree with me. Each of them has said that the government is willing in committee to make any amendments necessary to put in clear language what was intended. What worries some members about section 42 is that it seems to be a method of amending the constitution which is equal to section 41. The government says, "No, the intention is only to use section 42 if there is a deadlock under section 41".

Now, some members on the government side are still saying that the language is clear. I do not think it is, but the ministers to whom I have spoken have said that if it is obvious that section 42 needs to be amended to make sure it is used for the means of breaking a deadlock, they will put that in there. I welcome the fact that four or five ministers have said that to me. I believe that all of us should accept the fact that this does give a hope for some improvement in the package. As I said the other day, I think we would be insane to bring home a constitution which did not have a deadlock-breaking provision. We could go on for 40 or 50 years without ever getting it amended, without ever dealing with some of the other things that I also think should be considered. In particular, Mr. Speaker, even though we think we have done well—particularly, our leader has done well—in getting the concessions on the resource bit, and even though some of us think we have done well in getting several ministers to agree to make section 42 applicable only if there is a deadlock under 41, there are still other things that the committee ought to look at. My plea is that we try tonight at one o'clock to pass this motion unanimously and send it to the committee so that the committee will know that there is in Parliament good will, that it wants in good faith consideration of some of the other things. There are quite a few but I am going to emphasize three, one was mentioned just a moment ago. In my view, the whole question of the protection of the rights of women is something we should still look at further. I know that the government says that there is language in there about equal rights and so on, and one of my colleagues will be dealing with this later tonight. Court decisions have shown there really is not equality and I would like in particular to see the committee look at it. It is my feeling that if we keep on fighting each other with nothing but contention and acrimony the committee will stiffen up, will tighten up and do nothing. As I said when I first rose to my feet, my plea is that we send this to the committee with good will, asking its members in good faith to deal with other matters, such as a formula for including women's rights in the constitution.

● (1920)

I say the same thing with regard to the rights of our native peoples. They feel very strongly about this, as every member of this House knows. They feel that the assertions in the proposed resolution about the continued existence of the treaties and rights that are there is not enough and that something more should be done.

As I say, we are proud of the improvement that we won but that does not stop us from saying that more should be won. It is my feeling that we will not get any more changes if we just tighten up and make this a battle from one side to the other. Let us admit that we have had our battle—three weeks of it. Let us give it to the committee in a spirit of good will and ask it in good faith, both sides, to ask the Liberals to look very squarely at the pleas which will come for women's rights and native rights. I ask the House to say, through the way it votes tonight, that we want these issues left open so that they can be dealt with in the constitution if it is at all possible to do so.

Some hon. Members: Hear, hear!

Mr. Knowles: I was pleased a moment ago to hear the hon. member for Don Valley East (Mr. Smith) raise a point, which was one of the three that I intended to deal with in this portion of my remarks, namely, the rights of the handicapped people of this country. They feel very upset that nothing seems to be done for them in this constitution. Again, I would like to see that done.

Some hon. Members: Hear, hear!

Mr. Knowles: As I say, Mr. Speaker, if we carry on in the committee the way we have carried on here for three weeks, as just a contest, a party vote, nothing will happen. It is too

important to do that. We have had our fights. We have had our contention. Let us let that drop. I plead that tonight we pass this motion unanimously and send it to committee in that spirit.

As I have already said, we are prepared to support the amendment to change the date by which the committee is to report. We will be doing so if it comes to a vote. Maybe there can even be some negotiations between now and one o'clock based on the plea which I have been making, that it is time to deal seriously, honestly and in good faith with this issue. As I say, I would like to see it go to the committee in that spirit so the things which have already been agreed upon will be amendments which the committee can put through and that other things can be done as well. There may be others. It has not been a good three-week period in Parliament but if we send it to the committee in a proper way we can yet come up with a good constitution and be proud of a job well done.

Some hon. Members: Hear, hear!

Hon. Paul J. Cosgrove (Minister of Public Works): Mr. Speaker, this is the third time I have had the opportunity of speaking formally to the House. The first occasion was in speaking to second reading of the Municipal Grants Act. At that time I made the comment that I thought the quick passage of that act was a good omen for the future of the country, a good omen for the future of renewed federalism. It demonstrated a willingness on the part of this level of government to recognize the responsibilities of the other two levels of government and it was a step toward co-operation between governments.

On that occasion, which happened to be the evening of the Quebec referendum, I had the opportunity to comment on the significance of the referendum vote. I offered one caution, I suggested that if we were to be successful in our thrust toward a renewed federalism, there was a heavy responsibility on the part of the provinces to match the demonstrated will that evening of this level of government. It had to be a will that addressed not only the problems of Quebec but also the question of bettering and encouraging other provinces into the process of building a better Canada.

Unhappily, the provinces have failed to rise to the occasion, as evidenced by the way in which certain of the provincial premiers fell into the spider's web woven at last month's first ministers' conference by one of their members whose political *raison d'être* has been and continues to be the setting up of his province as a separate entity outside of Canada, albeit with the retention of all the benefits of this confederation. The spider's web has continued to enmesh more of the premiers, culminating in the recent announcement by five in number, an announcement which seems particularly ironic in light of the fact that the premiers have expressed their intention to take their perceived grievances to the courts, the same recourse which they allegedly abhor in the context of the proposed charter of rights and freedoms. It is interesting to note, Mr. Speaker, that Canada's elected first ministers have tried 13 times since 1927 to patriate, to bring reform to the British North America Act. Our proposed resolution takes the best from those attempts. It offers the Canadian people a doorway through a stone wall created by the requirement of unanimity—unanimous approval of all of the ministers for constitutional renewal and independence. Unfortunately, but predictably, the Leader of the Opposition (Mr. Clark) overreacts to our proposal by calling for a made-in-Canada constitution. What, might I ask, are we doing in this place right now, the Parliament of Canada, the one great democratic institution representing all Canadians, addressing the subject? We are, Mr. Speaker, doing exactly what the Leader of the Opposition asks that we do.

There has been alarmist talk about our proposal, destroying the federal system in Canada and destroying the country. Any attempt at undermining the orderly and rational development of Canada as a truly independent nation does not come from this side of the House. What we are seeking is not to destroy the federation, but a "fetteration", a hobbling of the Canadian people by the unanimity rule that I have referred to, that has kept us back these many years.

• (1930)

Under our proposal the federal system remains intact. There is no lessening of provincial powers to the benefit of the federal government. In fact, in the long run the opposite may well be the case. All we are intent on doing, once and for all, is to bid farewell to the nineteenth century and to prepare this country for the twenty-first century. The Prime Minister (Mr. Trudeau) describes our plans in the words of Premier Davis of Ontario as, "The first sensible steps to renew our unity and to revive our nationhood."

As I mentioned earlier, and as many speakers on the subject have noted, there have been numerous attempts over a period of 53 years to modernize the Canadian Constitution. To a degree that is understandable. No one expects to construct a fine institution in a hurry. We realize that anything worthwhile takes time. When we consider, for example, the ongoing renovations to this superb building in which we are now, gathered, the parliamentary Centre Block, which has been the meeting place of the elected representatives of our country, consequent upon the great fire of 1916, it is easy to understand that the building of any institution, whether it is physical, ideological, social or political, does not happen overnight.

You will be aware, Mr. Speaker, that modifications to the Peace Tower are currently under way. It was built in memorial to the contribution made by Canadians in the First World War. The 53-bell carillon which has delighted residents and tourists alike for more than half a century, was inaugurated, interestingly, on July 1, 1927, for the diamond jubilee of confederation. Ironically, the first major overhaul of the Peace Tower is taking place 53 years after its completion, the same time frame in which Canadian people have been trying to initiate a major overhaul of their constitution. The renovations

are substantial and they are to be completed within 18 months. We are talking about the installation of a new elevator and accessories, as well as provisions for the handicapped people to be able to enjoy—

Mr. Beatty: Mr. Speaker, the member who is speaking is a minister of the Crown and he should be aware of the fact that what we are debating is the proposal to revise the Constitution of Canada. What possible relevance could elevators in the Peace Tower or the carillon in the Parliament Buildings have to the constitution remains to be proven. I suggest that the minister has the responsibility at least to be in order.

Mr. Irwin: A point of order, Mr. Speaker—

The Acting Speaker (Mr. Blaker): Does the hon. member stand on the same point of order?

Mr. Irwin: It is a point of order which arises out of the hon. member's point of order.

The Acting Speaker (Mr. Blaker): Order. I think we would perhaps be better served if we could deal with one point of order at a time. I listened to the point of order raised by the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty) and to the minister whose references to the carillon and the Peace Tower, I think, were tying in with his comments related to earlier matters which occurred in 1927 which involved the Canadian Constitution. So far as I am concerned, the minister's comments are, from what I have heard, perfectly in order. Does the hon. member still seek the floor on a point of order?

Mr. Irwin: No.

Mr. Cosgrove: Mr. Speaker, I would like to call to the recollection of all hon. members, including the hon. member who rose on a point of order, the inscription over the western archway of the Peace Tower which reads, "Where there is no vision, the people perish".

Our proposed resolution respecting the constitution is one of vision. We recognize that if Canada is at long last going to take its place amongst independent nations of the world, we cannot do it by looking back to our colonial ties. We must look forward to the day when all decisions affecting our destiny are enacted on Canadian soil and by a government elected by the Canadian people.

The proposed resolution contains the vision of a people who are guaranteed freedom of conscience, opinion, assembly, and the right to vote. It entrenches the principle of equality before the law for all Canadians, irrespective of sex, colour or religion. It confirms and supports the rights of Canadians to move, to work and to live in any part of Canada, and to have their children educated in either official language where numbers warrant. And it enshrines the principle of sharing or equalization as past generations of Canadians, native and pioneer, have shown in this vast country of ours that survival as a nation depends on this spirit of generosity.

By no means, the least of these are those Canadians who have paid the supreme sacrifice in times of war, as was so eloquently and movingly pointed out by the the hon. member for Regina West (Mr. Benjamin) in his remarks in the House last Friday. But hon. members need not look any further than this chamber for examples of the length of time required to complete any worth-while project. The work in stone and the panels above the heads of hon. members here tonight are an example of the time and care required physically or, as I have indicated, through the process of law, to the attention of any worth-while project.

The dominion sculptor, Eleanor Milne, and her staff have been working for several years on these high relief panels, coincidentally called the BNA series.

Mr. Beatty: That is pathetic.

Mr. Cosgrove: In making reference to this art work, I am trying to illustrate that patience and the application of hard work over a long period of time are the usual prerequisites of any worth-while project. Similarly, I think that it is quite propitious that the physical aspects of Parliament are undergoing renovation, as witnessed by the work on the Peace Tower, at the same time that we address the legal implications of patriating the constitution.

Our proposed resolution contains mechanisms in recognition of the fact that time is required to sort out the details, such as in section 32 which provides for ongoing consultation between the Prime Minister and the first ministers of the provinces, until part 5, which deals with the amending procedure, comes into force.

In addition to the riding I represent being the largest in Canada in terms of population, it is composed of hundreds of small businesses, many of which I was instrumental in attracting to the area because of my conviction that we needed a proper mix of work opportunities together with living and recreation considerations.

Since the introduction of the resolution to Parliament in this resumed session, I have received many comments concerning it, a number of which have been small businessmen who are supportive of expeditious action to bring some resolution to our constitutional wrangling so that the government can deal with other current concerns such as amendments to the Bank Act, improvements to the postal service, the budget, energy issues and so on. I made a point of interesting myself in the expressed concerns of the small business community.

For example, the Canadian Chamber of Commerce, an organization representing some 600 community chambers of commerce and boards of trade, more than 3,000 companies and 70 trade and professional associations, reminded us that it adheres to a principle voiced at one of its earliest meetings more than half a century ago. The principle is, "To think and talk in terms of Canada, putting aside all provincialism. If Canada as a whole is prosperous, then individually and provincially we will all share in that prosperity." It was interesting to note that in the first point of their submission on constitutional matters, the chamber recommends:

● (1940)

That Canada's legislators do their utmost to ensure a speedy and efficient discussion aimed at identifying issues clearly, before amending a constitution which, on the whole, has served the interests of the Canadian people very well.

Mr. Speaker, the decision by some of the provinces to refer our proposal to the courts hardly meets this call from an important segment of Canadian society for a "speedy and efficient discussion".

As the Attorney General of Ontario has pointed out, the current constitutional issue is a political, not a legal issue.

The Chamber of Commerce's submission indicates support for a federal power sufficient to ensure the free circulation of goods and services, labour, and capital across the country, to the end that all Canadians will be dealt with and treated equitably wherever they may be in Canada.

I was happy to see that Mr. Sam Hughes, president of the Canadian Chamber of Commerce, applauded the charter of rights in our proposed resolution guaranteeing free movement of labour within the country. I share his sentiment that it would have been preferable to expand this concept of a Canadian common market to include the free movement of capital, goods and services, but I reiterate the Prime Minister's statement that our proposals are only the first sensible step to renew our unity and revive our nationhood.

The chamber's submission also calls for ongoing formal consultation between the federal government and the provinces to co-ordinate trade and other initiatives abroad better while speaking with one voice in international affairs.

As I have pointed out, Mr. Speaker, the resolution before us contemplates the ongoing discussions between the two levels of government as witnessed by section 32.

It was particularly gratifying to see a proposal from the Chamber of Commerce relating to the maintenance of a system of transfer payments designed to ensure the availability of basic services in all regions of Canada. This has been touched upon by other hon. members this evening.

This is enshrined in our proposed resolution in section 31 through the principle of equalization, which commits the Government of Canada and the provincial governments to promote equal opportunities for the well-being of all Canadians, to further economic development, to reduce disparity in opportunities, and to provide essential public services of reasonable quality to all Canadians.

I would be remiss, Mr. Speaker, if I did not mention that the submission by the Canadian Chamber of Commerce contains recommendations which do not necessarily coincide with the total philosophy of this government. But, as has been indicated by hon. members who have spoken previously, once the resolution is referred to committee and the opportunity is made available for in-depth consideration, then we feel there will be an opportunity for a genuine exchange of opinions. That is the appropriate place for it, Mr. Speaker.

Another voice heard on the constitutional issue was that of the Business Council on National Issues, an association of the chief executive officers of some 140 major corporations across Canada. In a letter to the Prime Minister dated September 2, 1980, the Council expressed the view that governments should be restrained by the constitution from adopting legislation or regulations that would have the effect of restricting, again, the mobility of persons in pursuit of a legitimate livelihood; or of unjustly depriving a person of the rights of ownership; or of limiting a person's right to have, where numbers warrant, access to government services in either official language.

The letter also states, and I quote:

We do not underestimate the difficulty of achieving a new constitutional understanding in a country as vast and complex as Canada, but we believe that the time for accommodation is overdue.

We want to convey to you the sense of urgency and concern that we share, concern that a continued lack of resolution of constitutional issues will in the future, as it has in the past, cause us to lose opportunities for investment and jobs.

Decisions have not been taken, investments not made, jobs not created, because of the uncertainty and unpredictability of the economic climate in Canada.

That is the business community addressing every member of the House, Mr. Speaker.

In a recent address the Canadian Manufacturers' Association president, Mr. J. E. Newall, said that the prime role of the business sector—to produce goods and services in the most efficient and productive way possible—was being adversely affected by a growing fragmentation of the Canadian common market and by the delays and uncertainties caused by the seemingly endless debate on the division of economic powers between the central government and the provinces.

As Mr. Newall put it:

One critical objective of constitutional reform should be to strengthen Canada's common market. The provincial preferences may, when considered individually and in isolation, give the appearance of provincial benefits. However, all produce national inefficiencies. They produce retaliation from other provinces.

Earlier in my comments about the inscription on the Peace Tower, Mr. Speaker, I referred to our resolution as a vision of what Canada can be once we have embraced the principle of self-determination in its entirety. In some ways, the conference of first ministers offered the premiers a chance to be visionaries, but they rejected it.

Mr. Speaker, I urge all members present in this House, the Canadian business community, and all Canadians, if they share that vision of our Canada, to show their support, and join in supporting the government in its resolution.

Some hon. Members: Hear, hear!

Miss Pat Carney (Vancouver Centre): Mr. Speaker, this is the first opportunity that I have had to speak as the member of Parliament for Vancouver Centre. It is the custom of this House that, under these circumstances, new members describe for the record the constituency which they have the honour to represent. Today I am forced to forgo this tradition because I speak under the guillotine of closure. I speak under the constraints of limited debate imposed by the Government of Canada.

The people of Vancouver Centre will remember that. They are Canadians who come from a rich and diversified back-

ground. They represent English, German, French, Chinese, Japanese, Greek, Italian and Ukrainian stock. Many of them are new Canadians who came here seeking freedom. Others are senior citizens and war veterans. They will always remember that the first time they heard their new member of Parliament speak on their behalf in the Parliament of Canada, it was under a motion to muzzle the debate on the future of their country.

Vancouver Centre is the very heart of Vancouver. Our riding is often termed "Lotus Land" in honour of our lifestyle. In China, where I was born, I remember the lotus as eternally serene, warmed by the sun and blessed by the rain—like our riding—rising out of the muddied waters. Mr. Speaker, at the moment we in lotus land are finding that the waters are very muddied indeed.

We have a Liberal government which is proposing to diminish the power of the provinces and increase the powers of the federal government in the national interest. But this government cannot represent the national interest, Mr. Speaker. It has no elected representatives west of the Red River Valley. It is, as *The Globe and Mail* describes it, a regional federal government which is using extraordinary powers to stop the elected representatives of Canada debating the future of Canada.

We have a Liberal government that spent $6 million of our money on television advertisements urging us to bring the constitution home to Canada. But that same government this week voted against the Conservative motion to bring the constitution home.

We have a Liberal government which is urging us, in the national interest, to have a "made-in-Canada" constitution. But that same government is going to Westminster to ask the British parliament to make changes in our constitution that nine of our ten provinces do not want.

We have a government which is imposing on us, unilaterally, changes in the way that we govern ourselves. They call it a people's package, yet this very same package obscures the human rights of women, of natives and of minority groups.

Finally, Mr. Speaker, because I am speaking under gag rule, we have a government whose Prime Minister (Mr. Trudeau) invites us all to speak on a matter concerning the future of our country, and who then invokes closure. When this government brought in closure, only three members of Parliament from the province of British Columbia had been granted an opportunity to articulate the concerns of British Columbia. That is the federal regional government's concept of free and open debate.

You can see why, Mr. Speaker, from the viewpoint of lotus land, Vancouver Centre, the waters are very turgid indeed, and they have been further silted by the actions of the NDP. The NDP is taking credit for proposed amendments to the constitution which would give us less than we already have. The NDP considers this progress.

Some hon. Members: Hear, hear!

• (1950)

Miss Carney: The leader of the New Democratic Party (Mr. Broadbent) is claiming a victory in the area of natural resources. Let me remind hon. members what the government House leader in the other place, Senator Ray Perrault, describes as victory by the New Democratic Party. Referring to the letter from the leader of the liberal democratic party to his House leader on the opposition benches, Senator Perrault says:

It is a reconfirmation. It is a restatement of a right which is already enjoyed by the provinces.

Reconfirmation. Restatement. In fact, it is not even that. I would ask the hon. member for Oshawa, if he owned a gold mine, would he willingly exchange that ownership for the right to manage it? Or, if he owned the rights to an oil well, would he willingly exchange his certificate of ownership for a licence to control its use?

The NDP have managed to give away an ace card for a low card. In fact the NDP have dealt themselves out of the game and they might as well cash in their chips on this debate because they have lost their credibility with the country.

Some hon. Members: Hear, hear!

Miss Carney: The liberal democrats have joined forces to force changes which will completely alter the nature of Canadian confederation. Among these changes will be the establishment of second class status for British Columbia.

Let me establish for the record how that secondary status will apply. In the amending formula proposed by the Liberals, any changes to the constitution must have the approval of 80 per cent of the population. And any change must be approved by a province that has, at the time the new constitution is proclaimed, a population of at least 25 per cent of Canada as a whole. Ontario has 35 per cent of the population. Quebec, whose population is declining, has 26.5 per cent. But British Columbia has only 10 per cent to 11 per cent. That means Quebec and Ontario can always veto a change in the rules. But B.C. will never have equal rights, nor will any western provinces, nor will the Atlantic provinces. The right to set the terms of our confederation will lie forever more with central Canada, and central Canada only.

Our problem here, Mr. Speaker, is that there are two prevailing views of the national interest. In the west we have historically viewed our country as a nation from sea to sea to northern sea. But hon. members across the floor of this House have consistently defined the country in terms of their own self-interest. They have defined Canada as being the equivalent of central Canada. We, in the west, have never accepted this limited role of Canada. Our concept encompasses the west and the north and the Atlantic provinces. And only when the interests of the regions can be satisfied can we honestly say in this House that we have met the test of the national interest.

Some hon. Members: Hear, hear!

Miss Carney: This defining of Canada in terms of the self-interest of central Canada is evident in our tariff policies which protect eastern industries and limit the growth of western ones. It is evident in our transportation policies which discriminate against western products. It is evident in the concept, proposed by the Liberals, of mobility of labour. Mobility of labour is attractive in a province such as Ontario where 10,000 people recently applied for 1,000 jobs. But in Vancouver mobility of labour means the migration of 4,000 people a month to British Columbia. Mobility of labour means that every $85,000 house is selling for a quarter of a million dollars. It means that British Columbians are being priced out of a chance to own their own homes in their own cities. Mobility of labour means that native Canadians who need the time to learn the skills to participate in job opportunities which are opening to them will be denied that right. The freedom to move should at least be matched by their freedom to stay.

Some hon. Members: Hear, hear!

Miss Carney: This country was built on the mobility of labour. We used to call it simply "going west". One hundred years ago, my own grandmother, Brigit Casey, left this very valley, not 16 miles from here, to go west to homestead and to ranch. She and her kinfolk, the Tierneys and the McKennas and the O'Keefes, did not go west to build a second-class province as the government proposes. And their kinswoman did not return to this valley as the MP for Vancouver Centre to enshrine in our Canadian Constitution a secondary role for B.C. or for any province of Canada.

Some hon. Members: Hear, hear!

Miss Carney: This country was built on the mobility of labour. It was also built on fairness. You cannot enshrine one concept, the freedom to move, without enshrining equality.

I have said earlier that this government has defined the national interest in its self-interest because it has been of benefit for it to do so. But I do not understand why the government thinks that we, in the west, would accept the secondary role. B.C. joined confederation as a Crown colony, in its own right, in 1871. At that time we had choices. But British Columbians then, and now, felt that their interest was in the wider concept of a great confederation.

It is interesting to reflect on the tensions which existed 100 years ago between British Columbia and the Liberal government of the day. It is widely known that, as a condition of confederation, British Columbia was promised a railway. It is not so widely known that the Liberal government of the 1880s, which succeeded the Conservative government of Sir John A. Macdonald, tried to welsh on that promise. Instead of a railroad, the Liberal government offered B.C. a miserly $750,000. The dispute over the railway and the threats of secession resounded in both Victoria and here in Ottawa. The trouble shooter, Lord Dufferin, was sent to mediate this dispute in 1876. He wrote to the Liberal prime minister at the time saying:

> At this moment British Columbia is possessed by a frenzied sense, however unreasonable, of injury and wrong.

We still possess that injured sense of wrong.

We had in the 1880s a premier of B.C., and a member of this House named Amor DeCosmos. The man who called himself the lover of the world, loved the concept of Canada. He led the movement to bring the Crown colony of British Columbia into confederation. Yet, as he sat in this House as an MP, he heard his province described as greedy in defending its interests. The *Hansard* debates of the time record that Mr. DeCosmos said that he had heard from time to time in this House the grossest insults that had ever been offered to any people cast on the people of British Columbia. He said that B.C. had been charged with endeavouring to gain something from this dominion without giving anything in return.

Therefore, 101 years ago, in the forty-second year of the reign of Her Majesty Queen Victoria, during the first session of the Fourth Parliament of the Dominion of Canada convened on February 13, 1879, the *Debates* of the House of Commons record at page 1079 the following:

> MR. DECOSMOS: I move for leave to introduce a bill, entitled an act to provide for the peaceful separation of British Columbia, seconded by any gentleman opposite who thinks proper to second it.

The motion was not seconded.

I refer to this action of 100 years ago because the separatist movement in B.C. is still alive. In a recent poll of my own riding, 75 per cent of the respondents reported that western separatism, in their view, had increased. As one respondent said, "I feel less Canadian".

I refer to this bill today to remind the hon. gentlemen opposite that should they wish to pursue a course which would result in inequitable treatment for British Columbians, a bill similar to that tabled by Amor DeCosmos will inevitably be introduced in this House. I cannot predict when that will happen, but the constitution of a country is a living document. It enshrines the terms under which we have agreed to live together. It determines our rights as human beings and our rights to property, as well as our basic freedoms as Canadians. The people of my province will begin to realize eventually that this constitution which the federal regional Liberal government seeks to impose on us will relegate British Columbians to second rate citizenship. They will never accept it.

Let there be no misunderstanding. British Columbia will not renounce Canada. Canada, as defined by the hon. members opposite, will renounce us in the west. And when they do so, if they do so, there will be no referendum in British Columbia. There will be no apprehended insurrection. If the Liberal government seeks to bring in this constitution and force us to accept a secondary role, we will just go our way.

● (2000)

In closing, let me remind you that history is on our side. The bill for the peaceful separation of B.C. was not passed. The railway was built. And in this spirit of fairness and of equity, we urge that the hon. members opposite reverse their present determination to proceed with the destruction of this country.

[*Translation*]

Mr. Herb Breau (Gloucester): Mr. Speaker, I am pleased to speak this evening for a few minutes about this important question of the resolution before us, a resolution whose aim is to refer to a joint committee of the House of Commons and the Senate an aspect of the constitutional question, namely, patriation of the constitution, an amending formula, the entrenchment of fundamental rights, certain rights concerning education and some minority language rights.

First of all, Mr. Speaker, I must say that it is regrettable that the Progressive Conservative Party decided from the very first evening when this debate was launched, to make it a "divisive" debate. They complain that it is a "divisive" debate, a debate which gives rise to strange emotions in the country, but we can wonder why they adopted such an attitude if they were so frightened of having a "divisive" debate. And today we are faced with a situation where the government, after almost three weeks of debate I think—perhaps it is not exactly three weeks, but if it isn't, it is only a matter of one or two days—decided simply to refer this resolution to a committee.

I can understand that the Progressive Conservative Party does not like some parts of the resolution. I can understand that, on the basic question, there are some things with which they disagree. This is clearly their right, and if feelings exist in the country that are really opposed to certain basic elements of this resolution, it is their duty to say so, but I wonder why they should try to hide opposition to these questions, which are so important to the country, behind a criticism of the procedure that the government is following, without making any proposal concerning what other kind of procedure they would like to follow. I have heard everything and I have listened to the debates, I have not read all of them in detail but I have read many of them, and I have heard many. I wonder therefore why the Progressive Conservative Party could not come to the committee and put forward another procedure, instead of simply telling us that a resolution like this will give rise to strong feeling in the country, which could be a divisive debate. Unless of course they want to make sure that we will never have what the resolution proposes. After all, it is important to patriate the constitution. The Progressive Conservatives tell us that they would be willing to patriate it, and after that to have an amending formula which some provinces agree would be the Vancouver amending formula.

But not everybody in Canada agrees on this amending formula. Who is to say that this fine amendment is the absolute truth? It simply appeals to certain premiers who would like to have the right of veto on certain questions in an amending formula. Why should the solution suddenly have to be the one these few premiers propose? And what would we do then about the question of the entrenchment of rights?

Mr. Speaker, it is said that this resolution can break up Canada. The previous speaker said it exactly, namely, that this motion of closure should be withdrawn because it could break up Canada. We are told about threats of western separatism. Mr. Speaker, in this situation we have to decide. As a Canadian, and as a member of Parliament, I cannot debate a question with Canadian members of Parliament—not provincial members but federal members—who tell me: "Be careful what you propose, be careful how you vote, be careful what you do, because the people I represent will perhaps want to separate." I cannot accept this blackmail, Mr. Speaker.

I have never accepted it. Where I come from, among Acadians, we have people who are a kind of separatist, they want an Acadian province. I have never come to the House to tell Anglophones, when dealing with linguistic or cultural issues, "Give us what we ask for because we are afraid of the separatists!" On the contrary, I have decided to opt for an attitude of political moderation, and I do not come here to tell people, "You had better give us what we want because we are going to separate." Therefore, I say to my colleagues from the west, whatever their party, that there may well be feelings of separatism in the west. But the people of the west will then have to decide; either they want to belong to Canada or they don't. But they had better not come and blackmail me like this—

[*English*]

Mr. Blenkarn: You will probably fight against the country too and you will throw them out.

Mr. Breau: I do not know what the hon. member is referring to. I am saying that I cannot debate any question, including the constitution, if a federal MP is going to tell me that I had better be careful what I propose and had better accept what he wants because, if not, his region may separate. Those MPs may be expressing something that is correct, but they have to make up their minds whether they are going to fight for the country in their region or not.

Some hon. Members: Hear, hear!

Mr. Breau: When I fight a Canadian separatist in my province—

Mr. Clark: On a point of order, Mr. Speaker, the hon. member knows there are certain courtesies in the House. One of those has to do with a member who has just made his or her maiden speech. At the best of times a member of Parliament should not misrepresent the positions put forward by another. That is particularly so in the case of a first speech, as was the case with the hon. member for Vancouver Centre (Miss Carney), who said nothing of the kind that is being attributed to her by the hon. member now speaking.

Some hon. Members: Hear, hear!

Mr. Breau: Mr. Speaker, I am not referring at all to the hon. member who just spoke. I am referring to a sentiment which even the Leader of the Opposition (Mr. Clark) expressed in his speech a few hours ago. I am not referring to that hon. member at all. I did not know that it was her maiden

speech, and if anybody takes it that way, I am not referring to her at all.

● (2010)

In any event, even if it was not her maiden speech, I would not discuss this question attributing something to one member in particular. I could have referred to the Leader of the Opposition, and I did not. I am just suggesting that on these kinds of emotional issues hon. members might be expressing something which exists out there, but they on their own are going to have to decide in their regions if they are going to fight for Canada or not, because when I fight separatism in my province I do not come here and blackmail anybody and say, "You had better give me linguistic rights or my region might become separatist". That is not what I say. I fight them—

[*Translation*]

I oppose those people by saying that they are too narrow-minded. I say to them that we are Canadians and we are going to remain Canadians. That is what we say. Mr. Speaker, I have great respect for the feelings of the people who have spoken from all parts of the country on the constitutional question and not only on the resolution. Important things are going to happen in the coming months and in coming years. As the Parliament of Canada, we are going to have to decide if in future we are really going to have a federal government and whether it will have power or not. When westerners speak about the constitution, I think they are touching on a question which deals not only with the resolution before us but also with those constitutional questions, the questions of powers, which go much deeper.

But, Mr. Speaker, even there, in dealing with questions of energy, I have tried for a long time to understand what were the aspirations of the west. About the energy question for example, it will have to be decided that it is not only a matter of agreeing on price levels but also on which government will have the power. Some people, some political representatives from western Canada, especially at the provincial level, say, "Well, we cannot be sure that the federal government is going to be able to have a good energy development policy in the future." Mr. Speaker, we cannot agree as a political basis for this country, as a constitutional basis, to discuss the distribution of powers among the governments, to discuss the country's future on that basis. We cannot start saying because the federal government has more members from one region of the country than from another, that we will not be able to rely on the federal government to act in the interest of all Canadians. Here again, people are going to have to decide. I cannot debate these questions of powers in the context of energy, or in the area of the constitution, if people tell me, "Listen, you are doing things that will perhaps give rise to separatism in the west." If this gives rise to separatist sentiment, the sole salvation for the country will be if westerners combat this sentiment, as my party has combated separatism in Quebec, and as I combat separatism in my province. I have not asked westerners, I have not asked people from Ontario or people from Quebec to come and combat the separatist element in my province. We are doing that ourselves.

Mr. Speaker, I wish the Progressive Conservative Party had decided to make this debate one which did not give rise to these divisions. It had the chance to do so. It could have made this a positive debate, without delaying three weeks on a simple resolution to refer something to committee. It could have made positive recommendations as, for example, on the question of a referendum, in the event of a lack of agreement between the provincial and federal levels, to consult the people directly in this area. What would they do when the situation was so inflexible that the federal government and the government of all the provinces could not agree on the amendment to the constitution? A means is being proposed. I must say that I myself do not necessarily like all these means, I do not say that all these procedures are those that I would necessarily prefer, but I am not alone in this House. The members of the Progressive Conservative Party are not alone either. If we want to solve the problems of this country by trying to have constitutional reform, it is going to be necessary to decide some time to patriate our constitution. Once we patriate it, we must agree on a process for changing it. But why is it that every time the Progressive Conservative Party—

[*English*]

Mr. Blenkarn: Why did you vote against it, then?

Mr. Breau: The hon. member should listen to me; then he would understand.

[*Translation*]

Whenever the Liberal party, or the Prime Minister, put forward a means of changing the constitution, the country is suddenly divided. However, I have heard many of their members speak about different views of Canada. But why? How is it that the hon. member for Mount Royal (Mr. Trudeau), the Prime Minister of this country, who has clearly explained this to Canadians and to Quebeckers on several occasions, because he represents those views. I can understand that the mentalities of all the people who know Canadian law or who discuss constitutional policy are not the same. We have different pasts, we have different kinds of education, we are not identical in Canada. It is they who preach diversity. But do those gentlement in the Progressive Conservative Party realize that whenever they oppose the Prime Minister's proposals for constitutional change, they immediately say, "Ah! you are going to break up Canada?" Do they not appreciate the fact that what is happening is that they are maybe opposing a mentality or a way of wanting to change things in Canada— When we see people for instance who criticize the fact that the Prime Minister wants to codify things too much in the constitution?

But, Mr. Speaker, those questions in Canada, in discussions of constitutional law, are not monolithic. It is true that some

publicists or other people propose to change things in this area. Can they not realize that they are systematically opposing those mentalities or those ways of changing things, for example the entrenchment of language rights, which are things that many Canadians want? When we speak of entrenching in a constitution language rights or educational rights, there are things that some people of different backgrounds like to see in their legal documents, in their constitutional documents. People may hold different opinions about the means of doing this, but at some time these questions will have to be reconciled. And I hope that the Progressive Conservative Party will go before the joint committee to make positive proposals to improve the resolution, if they really want to improve it. But, Mr. Speaker, the country must move on these questions. In the resolution or in the constitutional proposal, for Acadians there are clearly things missing.

I said earlier that as far as the procedures and some of the things that are being proposed are concerned, if I were doing it, I would perhaps do it differently. But in a debate like this, Mr. Speaker, we must reconcile our ideas. We are sometimes going to have to find precisely what is the common ground on which we can move. Moreover, I would like to see many other things in this resolution. For example, it does not contain the institutionalization of bilingualism in New Brunswick. Why? It is because the federal government, contrary to what the members of the opposition say, has not wished to hamper the rights of the provinces.

We have said that this would be kept to a strict minimum for educational rights. Is there a member in the House who can honestly say that it is possible to respond to the aspirations of Francophones in this country without at least entrenching in the constitution their right to an education in their language? What can we say of those fine people who throughout the debate on Bill 101, asked the federal government to intercede in the Supreme Court of Canada? I myself heard the Leader of the opposition stand up in the House and ask the government to oppose Bill 101 before the Supreme Court of Canada. In this draft resolution we are doing something which runs directly counter to the spirit of Bill 101, precisely to give the Anglophone minority of Quebec and the Francophone minorities in the other provinces the right to an education in their language.

● (2020)

[*English*]

Mr. Blenkarn: I wonder if the hon. member would permit a question? It involves a matter which is material to what he is saying.

Mr. Deputy Speaker: Order, please. Will the hon. member accept a question?

Mr. Breau: I will, at the end of my speech, Mr. Speaker.

[*Translation*]

So this resolution contains the minimum. As an Acadian, I would prefer to see the institutionalization of bilingualism in the provincial services of my province. The Premier of New Brunswick has repeated on several occasions that he would be willing to do this. I therefore wonder why, then, he does not convene the legislative assembly of New Brunswick and pass a resolution in accordance with which he could ask the federal Parliament to include the entrenchment of provincial language rights in this resolution, to ensure more or less what is contained in the present section 133 which is going to apply to Quebec and Manitoba? It could apply to New Brunswick. I would, therefore, like the Premier of New Brunswick to convene the legislative assembly and pass a resolution. I am convinced that the debate would not be very long, because he says his party would agree. The Liberal party would certainly agree in New Brunswick, and it would then be possible to incorporate the entrenchment of language rights for New Brunswick in this resolution, which would include, moreover, educational rights, and this is important for us as an insurance policy. This would not give us anything new right away, because educational rights have been obtained politically. There are still things to do. Clearly, there are some Anglophone cities in New Brunswick which have a large Francophone minority and which still do not offer an education in French. But if the Premier of New Brunswick wanted to, it would be possible to pass a resolution in the legislative assembly which would institutionalize services in French and in English in New Brunswick and to incorporate that in this resolution.

I will end on this note, Mr. Speaker. The reason why this is not done is precisely to avoid doing what the Progressive Conservatives accuse us of. In this resolution, the strict minimum for hampering provincial rights deals with educational rights. So, Mr. Speaker, I hope that in the hours that follow—

[*English*]

Mr. Deputy Speaker: The hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty).

Mr. Blenkarn: Mr. Speaker, I have a question.

Mr. Deputy Speaker: The hon. member for Mississauga South (Mr. Blenkarn) wishes to ask a question. I wish to point out that the time allotted to the hon. member for Gloucester (Mr. Breau) has expired, and the hon. member for Mississauga South can only ask a question with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Blenkarn: Mr. Speaker, I believe there was unanimous consent.

Mr. Deputy Speaker: The Chair heard some noes. The hon. member for Wellington-Dufferin-Simcoe.

The Constitution

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Mr. Speaker, at the outset of my remarks I want to say how moving it was to be here in the House of Commons to hear the maiden speech made by my colleague, the hon. member for Vancouver Centre (Miss Carney), this evening. It should have been a moment of great joy, a tremendous opportunity and a great pleasure to be able to make her first remarks in debate as a member of the House of Commons, just as for so many of us it should have been a period of happiness because, one week from this evening, a number of us, including my leader, myself and my colleague, the hon. member for Provencher (Mr. Epp), our spokesman for federal-provincial relations, will be celebrating some eight years as members of the House of Commons. So one would have expected that this would have been a happy occasion for us. Instead, it represents for so many of us the saddest days of our parliamentary career.

What we see today is a decision that Parliament be gagged, that this institution, which we joined with so much pride eight years ago, and which my colleague from Vancouver Centre joined so recently, is to be rendered impotent by the government majority.

Already earlier today a vote was taken to say that on the most profound, essential and central matter facing the country today, the unity of Canada, our very survival as a country, Parliament is to be silenced. The Liberal members voted one after another, without dissent, to silence Parliament.

Yesterday when the President of the Privy Council (Mr. Pinard) gave notice of his intention to move that closure be put into place, he did so after 24 hours of debate in this House of Commons on this resolution; he did so after, out of 145 Liberals, 22 had spoken; he did so after only 19 of the Progressive Conservatives, out of 102, had spoken, leaving 83 who had not been heard; and he did so after 5 members of the NDP had spoken out of a total of 32, leaving 27 who had not.

This will be the fourth time in the last 25 years in which this rule has been invoked to gag Parliament. Let us take a look at those three other times. It was done once in 1969 when the government decided that they wanted to change the rules of Parliament, so they invoked closure to do that. They did so after the recommendations of the standing committee on parliamentary reform had been tabled in June of 1968, and they were debated until December, 1968, because the opposition objected to rule 75c which would allow the government to limit debate on each stage of a bill without agreement from any other party. The matter was referred back to the committee in December of 1968, and it was retabled in the House on June 20, 1969, and debated until closure was invoked on July 24. That was the last time that this rule was used, but you can see at least the extent to which Parliament was given an opportunity to be heard before the Liberal government moved.

When was the previous time? It was in 1964 in the flag debate. Again the Liberal government voted to prevent Parliament from speaking any further. The flag debate was begun on June 15, 1964, and concluded on December 15, 1964, several months later. When the debate ended in December, every Conservative MP, except for two, had spoken at least once, three had spoken five times, seven had spoken four times, and nineteen had spoken three times. In all, 92 Conservatives made 195 speeches during the debate. At that time 34 Liberals spoke 41 times, 10 NDP members made 17 speeches, eight Social Credit MPs delivered 12 speeches, and six Créditiste members spoke 13 times.

The Liberals on that occasion moved to prevent Parliament from debating the matter further, but you can get some idea, Mr. Speaker, of what they thought in the mid-1960s about limiting Parliament's right to speak. At least members had had a chance to be heard. We objected to the imposition of closure, but at least on that occasion members had a chance to be heard.

When was the first time in the past 25 years that closure was invoked? It was in the pipeline debate which started on May 17, 1956, and ended on June 5, 1956, on Black Friday, as you will remember, Mr. Speaker. It lasted 15 House days from the day when the bill was introduced until closure. Yesterday, after 24 hours of debate on the constitution of this country, on the national future of this country, the President of the Privy Council announced that he was moving to gag Parliament. The country was outraged in 1956, on Black Friday, when the Liberal government of the day moved to gag Parliament after 15 sitting days, and indeed that government was defeated at the next election. And yet today the government moves after 24 hours of debate in the House on the most fundamental law of the land.

I listened earlier this evening as the hon. member for Winnipeg North Centre (Mr. Knowles) complained about the acrimony in this debate. He said that there was too much anger and he said he hoped that later this evening members of this House would agree to allow this matter to go to committee without even a recorded vote. He said that he hoped we would ask the committee of the House, where this bill will be sent, to deal with the matter in a spirit of good will. If anger is not justified when members of the House of Commons find their most fundamental right and responsibility taken away from them, ruthlessly denied by the government majority, when would the hon. member for Winnipeg North Centre feel it was justified?

Some hon. Members: Hear, hear!

● (2030)

Mr. Beatty: As someone seen by Canadians from coast to coast as the prime defender of Parliament, when would he feel it was justified to be angry? If there is no justification in being angry tonight, when Canadians with very deep feelings about the country see its future being threatened by the action of the government, when would anger be justifield? When would the hon. member for Winnipeg North Centre feel it was appropriate that we stand up and be counted, that there be a vote, that it not be sent to committee without a vote?

I have compared the decision to invoke closure in this debate with the experience of the past. I have indicated my abhorrence and the abhorrence of members on this side at the gagging of Parliament. Today in Question Period my leader,

my House leader, and I each asked questions of the Prime Minister (Mr. Trudeau), if at least he would not be prepared to allow the committee proceedings to be opened to the people of Canada, so that they could see it on nationwide television and hear it on radio. We asked for the support of the Prime Minister of Canada.

If Parliament was to be denied the opportunity to speak further on second reading, if it was to be sidetracked into a committee, could the committee proceedings at least be televised and opened to the people of Canada? The Prime Minister of Canada refused. He said that he would not take a position in favour of opening up the committee proceedings to the people of Canada. Why not? I think Canadians are entitled to know why the Prime Minister, who has not bothered to be in the House this afternoon while this debate was taking place after he invoked closure, felt he was not prepared to put his support behind opening up the proceedings of the committee so that Canadian could see it.

Perhaps one indication comes from the infamous August 30 Privy Council office memo marked, "For Ministers' Eyes Only". I refer to page 49 which reads in part as follows:

> A highly contentious measure may be best contained in a committee where it is more readily managed by the House leader and his officers, and where easier and more effective relations can be maintained with the press gallery, since relatively few reporters will follow the proceedings.

Why? It wants to manage the news and to manipulate public opinion.

Members on this side of the House would be interested in seeing which government members will be on the committee when it is finally struck. The next page of the memo of the Privy Council office deals with the makeup of the committee. It would be useful for Liberal members in the House tonight who voted to gag Parliament earlier today to know what their leadership is expecting of them on this committee. Page 50 reads as follows:

> In committee the government's position is likely to suffer. Attackers would be louder and more numerous than defenders. Careful choice of government members would be essential, and careful orchestration of hearings would be needed to ensure effective presentation of the government's position.

The hon. member for Winnipeg North Centre indicated earlier that he expected the committee to act in good faith, without a spirit of acrimony. He asked us to trust the government. On what basis does the government present itself as worthy of our trust? On what basis does the hon. member for Winnipeg North Centre, and the silent members sitting behind him, agree to go along with this denigration of Parliament and with this measure which attacks the basic rights of members of Parliament and inflicts damage upon the country? What was it worth? What did they receive in the exchange to agree to vote with the government on the basis of the assurance that the provinces would have what they have today, or perhaps less in the case of resources? What was it worth to the government?

Why was the government so anxious when it has a majority in the House of Commons and can get its way any day it wants? Why was it essential that members of the NDP support them? It is a fair question. It is because the government has no base of support in western Canada, the New Democratic Party has largely been reduced to its western base, and according to government spokesmen quoted in the press, it would be useful to have western spokesmen defending what the government is doing to western Canada in this package.

The hon. member for Winnipeg North Centre said that he was proud of his leader for the deal he struck. Will he be proud next week? Will the constituents of the hon. member for Winnipeg North Centre be proud next Tuesday when the government unveils the second aspect of its proposals, its energy proposal? Energy is inextricably linked in the context of today's Canada with the whole constitutional debate. What can we expect? Can we expect the good will, compromise, and good spirit requested by the hon. member for Winnipeg North Centre, or can we expect to see more of the same—more attacks, more attempts by the government to pit region against region, Canadian against Canadian to divide us?

Again the document of the Privy Council office gives us some idea of what to expect next Tuesday night when the Minister of Finance (Mr. MacEachen) unveils his energy package? It explained why it was essential the government rush this package through the House and what impediments could be put in the way of speedy passage. Page 43 reads in part as follows:

> The political climate in Canada is likely to be poisoned by a major energy conflict throughout the fall of this year and at least the early months of next year.

How will members of the NDP explain their support to their constituents after next Tuesday?

I listened as the hon. Leader of the New Democratic Party (Mr. Broadbent) said on radio that he was deeply disturbed by what the government had done in invoking closure. He thought it was wrong. It is not credible to effect a pose of injured innocence when one has been living in a condition of public promiscuity.

Some hon. Members: Hear, hear!

Mr. Beatty: No one will believe it. So, we stand alone. Later this evening members of the NDP will vote with their friends in the government to move this matter into committee, notwithstanding the deep-felt concerns of many of them and the concerns of their constituents. I am prepared to stand alone. Let it be recorded when the history of these events is written that the Progressive Conservative Party was prepared to stand for the conception of Canada we inherited, that we must be a federal system, that this country must be built on more than one man's vision, that it belongs to 22 million Canadians. We have a tradition and a heritage we inherited from our forefathers and hold in trust for our children. Grievous damage is done to our country when one man, with his acquiescent majority, chooses to impose his will on the rest of Canada. We stand alone but we stand proudly alone and we are not ashamed of it.

The government argues it is essential that action be taken precipitately and immediately because, according to the Prime Minister, it is a national disgrace that our constitution resides

in Westminster today. He said that we are colonials. According to him, the fact that we have had the same constitution for 113 years is proof that we failed; it is proof of constitutional failure. The fact our constitution has lasted for 113 years despite all assaults is proof of how magnificently this country has succeeded, how well the constitution was written by the Fathers of Confederation 113 years ago. Yes, it is in need of modernization. No one opposes that. Let us modernize it here in Canada. Yes, we favour bringing the constitution to Canada. Let us do that. My leader moved a motion yesterday which indicated that we should move immediately to bring the constitution home and make the changes here in Canada, not in Westminster.

If the Prime Minister were here tonight I would ask him to answer one question. If it is a national disgrace, if we have to hang our heads in shame because amendments are made by Westminster and it is urgent that we take precipitous action, why is it acceptable for him to ask Westminster to legislate his proposed major package instead of it being done here in the House of Commons? Where is the logic? How can it be a disgrace in one instance but not a disgrace if Westminster is doing his bidding?

In the proposals before the House tonight the Prime Minister is proposing two amending formulae. One is unanimous agreement and the second is the Victoria formula, neither of which would have enabled him to change the constitution in the form he is proposing tonight. He is saying that we will go back to Westminster one more time, we will go through this degrading routine about which he is complaining. We will ask Westminster to make the changes and then we will not allow anyone else to do the same thing ever again because it is degrading. How can members of this House with integrity not be angered by that? How can they not feel deeply that a grievous injustice is being done to our country?

● (2040)

We have heard members on the other side accuse us of giving encouragement to those who would destroy the country. We abhor the use of closure in this debate because of our deep commitment to this country, because we feel profoundly that this country must not be damaged through the actions of one man, that Canadians have a right to be heard on this motion and that the representatives of Canadians have a right to be heard, not gagged.

We rise tonight to speak because we think it is essential that changes be made in Canada to our constitution, but not by a foreign country. We rise tonight because we believe it is essential that this country go forward with constitutional change on the basis of good will and compromise. If the Prime Minister attempts to justify what he is doing to the country tonight on the grounds of its being essential to promote unity let me ask members of this House to give an honest answer to this question: is Canada more united tonight as a result of the actions of the Prime Minister and his colleagues, or is it more divided?

Some hon. Members: Hear, hear!

Mr. Beatty: What the government has attempted to do in trying to impose one man's opinion on this country, to reshape Canada along the visions of one man, it is to divide Canadians, to pit region against region. We will see more of that next Tuesday night when the energy package is unveiled.

But members of this party, which is the party of confederation, the party of Sir John A. Macdonald, stand now and we will stand at one o'clock tomorrow morning, to vote to say that we believe Canada is more than one man's vision and that it is essential that action not be taken by this Prime Minister which will lead to grievous damage to this country, which we all feel so deeply about.

Some hon. Members: Hear, hear!

Mr. Russell MacLellan (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, it is a pleasure for me this evening to be able to speak to the proposed resolution on the Canadian Constitution and the amendment of the constitution, which is before the House at this time. The government has moved in this direction to bring back the constitution, to put this proposed resolution before the House, to undo a road block which has prohibited constitutional reform for 53 years in this country. The federal proposal, if adopted by both Houses of Parliament, will bring the constitution home with a Canadian charter of rights and freedoms. It will, within two years' time, allow this country to amend the constitution with the co-operation of the provinces and Parliament. If it cannot be agreed to in that period of time, then another amending formula must be reached, either with the approval of Parliament and the legislatures or the approval of the Canadian citizens, a majority of the voters in each region in the four regions of Canada.

When this matter was put before the House we anticipated disagreement, but I did not think for a moment we anticipated the unpredictable response which has come forward from members opposite, and from the provinces in this country. The Leader of the Opposition (Mr. Clark) has stated that we should take this matter to the Supreme Court as a test case. In fact seven of the premiers of this country are going to do just that, they are going to take this question before the Supreme Court.

Of those seven premiers, who are we dealing with here? First of all we are dealing with Premier René Lévesque of the province of Quebec, who is criticizing the federal government for moving unilaterally when, only six months ago, he moved unilaterally to try to take one of the provinces out of confederation.

Who are we dealing with but Premier Sterling Lyon of Manitoba? He also wants this put forward as a test case. This is the man who, less than a month ago, did not want to see a charter of rights and freedoms included in the constitution because he said it would give the judiciary primacy over the elected legislatures.

Who are we dealing with but Premier Brian Peckford of Newfoundland? It was he who, when it was suggested by the Prime Minister he take his claim for control over offshore

resources to the Supreme Court, stated that this was a political matter and not a legal matter. I suggest to Premier Peckford and to members opposite that there is not a more political matter than the question we are dealing with at the present time. They are prepared to take this matter to the Supreme Court, using as a precedent the Supreme Court's decision in 1979 against a proposed change in the selection process of the Senate about which the Supreme Court ruled on Bill C-60. This would have given the provinces some power of selection over senators. It prohibited such authority. It prohibited, overruled and struck out Parliament's right. It overruled Parliament's right to pass appropriate legislation, and said that Parliament was acting contrary to section 91(1) of our present constitution.

In this present situation we are not dealing with a Canadian bill, nor are we dealing with proposed legislation. We are dealing with a proposed resolution and, as such, we are not talking about Canadian legislation. We are proposing a resolution which will be taken to the British parliament asking them to amend one of their own acts. Certainly, no one can suggest that the Supreme Court of Canada would have control over an act of the British parliament. But other than the legal questions—

An hon. Member: We knew that.

Mr. MacLellan: Thank you, I knew you would. Other than the legal question there is a political question, which is so very important to the premiers who are now advocating taking this test case to the Supreme Court. I suggest the provinces' position in forcing this question on the Supreme Court of Canada will not only damage the credibility and the influence of the Supreme Court but will be damaging as a direct result to all of Canada.

Mr. Kempling: What a weak argument!

Mr. MacLellan: To push this on the Supreme Court would, in fact, be the same situation as existed in the United States in 1856 when the Dred Scott case was presented to the U.S. Supreme Court for political purposes only. It was 40 years later—not until the case of *Plessy v. Ferguson* in 1896—before the Supreme Court regained any kind of authority and any kind of reputation in constitutional matters. This is a situation where the provinces are asking the Supreme Court to do their work for them, to make a political decision and to make that political decision in a situation that is very emotionally strung. If the Supreme Court does do this they could be looked upon by large segments of this country as the villains. I do not feel that the Supreme Court should be put in this position.

● (2050)

As to the question of whether this proposed resolution is necessary, I say that it is, particularly with regard to the charter of rights and freedoms. We need not look any further than the mobility rights provision. What can be more fundamental and necessary to this country than this fundamental right to move and to take up residence in any province and to seek a livelihood there without discrimination based on provincial boundaries? Yet this right is being threatened by these very same provinces. They are placing their desire for power above the welfare of the citizens of this country.

For example, Quebec has banned approximately 3,000 eastern Ontario construction workers from working in that province. The province of Newfoundland has made out a registry of workers in the offshore oil industry so that they can give priority to Newfoundlanders. The province of Nova Scotia has passed a petroleum resources act whereby the government can step in and regulate who will be given jobs in the offshore oil and gas industry of that province. It is incredible that such a thing could happen in this country.

At a time when the provinces should be working closer together to solve the problems of this country, they are driving wedges between themselves. It seems that the only thing which the provinces seem to have in common is the fact that, in their disagreement amongst themselves, they see the strength of the federal government as a threat to their desires for more power and authority. It is all to the detriment of the country as a whole.

It is not this proposed resolution which is a danger to this country, but the attempt by the provinces to balkanize this country. We cannot allow the commerce of this country to be severely handicapped by the restrictive practices being put forward by the provinces. For example, the Alberta Petroleum Marketing Commission will not put the Ontario-based company, Petrosar, on their list of approved purchasers. Newfoundland cannot export its electricity to the United States through Quebec. The province of British Columbia is giving 10 per cent preference to purchasers and suppliers within the province, while giving other provinces only a marginal advantage over foreign suppliers. This will not make for a strong Canada, nor is it the Canada which people envisioned at the time of confederation.

I would like to comment on a couple of other provisions which are very important to me as a member of the Atlantic region. They deal with the provisions of equalization and regional disparity. We have heard the term equalization used numerous times in this debate. It is a term which has been very much maligned. It has been said that equalization should mean equalization payments. To do that would feed the paranoiac tendencies of the provinces. The term equalization is much more than equalization payments. Equalization payments refer to the services which are provided by the provinces.

There is such a large federal package which is owing and which should be forthcoming to the people of Canada in the form of equal shares. Transportation, pensions, and disability compensation are areas of assistance in which a country of this nature and this wealth should be able to give to its citizens as a right.

I would also like to refer to section 1(c) which refers to the providing of essential public services of a reasonable quality to all Canadians. Anyone who would say that such a section is not necessary should, I suggest, look at the present practices of

CN and its subsidiaries, such as Canadian National Express, which provide services in this country that are inferior to the services which they provided 40 years ago. How will the regions of Canada outside the major metropolitan areas be protected in their expectation of better services from such a company unless it is put in the constitution as a right? Obviously, the right does not exist at the present time. With regard to regional disparity, almost every region of this country at one time or another has been or can expect to be economically inferior to another region. Prosperity is a very fleeting thing. It will not remain in any one area indefinitely.

I do not say that prosperous areas should not look to and work for the time when they will be less prosperous. I have no objection to the fact that some areas of this country are more prosperous than others. All I am saying is that this prosperity should not interfere with the attaining of regional economic sufficiency by other regions of this country. It is very important to me, as a member from Atlantic Canada, that this matter be foremost in the thinking of any constitution by any government. No region, least of all Atlantic Canada, is looking for a handout. All any area is looking for, I am sure, is an investment in its future. That is certainly the position of Atlantic Canada.

Areas which are not as fortunate economically as others can experience difficult times, not only the infrastructure of the community, but the individuals of these communities. In a community which has fallen upon economic hardship and which is declining, it is the people who suffer. These people have worked all their lives through the depression and the wars up to the present, and they are not able to work any more due to the fact that they are aged, they suffer from ill health, or the area in which they live is economically depressed.

Many of these people do not have the wherewithal to recoup the savings which they lost and to regain their self-sufficiency. They may have spent most of their lives paying the mortgages on their houses, building up a small savings account, and collecting a few other things. In times of economic stress their homes are worth considerably less. I think it is important that we be mindful of this situation. When we talk about the building up of monetary reserves, personal fortunes, and developing economic potential, we must not forget the people who have already worked and who have attained savings. They have not accumulated fortunes, but it is that money upon which they have come to rely.

When talking about the fortunes and money that will be accumulated in the future in this country, let us not forget the money and the fortunes which have already been accumulated and upon which many people in this country depend.

Mr. MacKay: Mr. Speaker, will the hon. member accept a question?

Mr. MacLellan: Yes.

Mr. MacKay: Mr. Speaker, I would like to ask the hon. member whether he is going on record at this time as a member from Atlantic Canada as saying that the proposal that we are debating tonight will really improve the economic prosperity, the freedom of the Atlantic region, its resource base, and its hope for the future? Is that what the hon. member is telling the House?

Mr. MacLellan: Yes I am.

• (2100)

Miss Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, the entrenchment of a charter of human rights and freedoms in the Canadian constitution is, in my view, and in the view of the New Democratic Party, essential. I also applaud the initiative taken by my leader to have the provincial ownership and control of natural resources entrenched in the constitution.

Mr. Blenkarn: They are already there.

Miss Jewett: I am so glad the hon. member intervened, Mr. Speaker, because the Premier of British Columbia, Bill Bennett, has been saying for the last several years that the New Democratic Party, federally and provincially, intended to take away such protections as now exist of provincial ownership of resources. He went all over the province saying that the NDP was going to take away such protection as existed of provincial control of resources. But now, when the New Democratic Party will not only not take away what has been there but has taken the initiative to ensure that provincial ownership and control of these resources is entrenched, and therefore fundamentally safeguarded, the Premier of British Columbia does not know what to say. Indeed, on this score the Premier of British Columbia passes all understanding.

An hon. Member: Like the NDP.

Miss Jewett: Furthermore, the suggestion made earlier tonight by the hon. member for Vancouver Centre (Miss Carney) that somehow or other a particular amending formula, the Victoria formula, and not any other such as the Vancouver consensus, might damage British Columbia is, it seems to me, entirely erroneous.

In the first place, for the first two years after the constitution is patriated, there must be unanimity for any amendment to take place, and unanimity includes British Columbia.

In the second place, the Vancouver formula that the Conservative party seems so fond of, would not necessarily favour and, indeed, could abolish, some of British Columbia's most important or cherished interests if pursued by other provinces in a direction that B.C. did not find desirable.

I gather that the premier is now slowing down a bit and realizes that what is before this House, so far as it concerns British Columbia, is of benefit.

As we all know, however, and as has been spoken of many times, there are deficiencies in this proposed resolution one of which affects a group comprising 52 per cent of the population right across this country. The most alarming deficiency in the resolution and the one I want to talk about tonight and make

specific recommendations on, is the absence of any guarantee or even mention of women's human right to equality.

The absence of any mention of women's human right to equality in the proposed charter of rights and freedoms was brought to the attention of the government as long ago as midsummer in an excellent paper written by Professor Beverley Baines of the law school at Queen's University, which is 67 pages long, and in another paper prepared by Mary Eberts, a distinguished constitutional lawyer in Toronto, and in a number of shorter papers prepared for the conference on women and the Canadian Constitution that the Canadian Advisory Council on the Status of Women had scheduled but which, unfortunately, could not be held, for the first weekend in September.

The government has lots of opportunity to know why its proposed section 15, ridiculously named non-discrimination rights, was of no benefit to women. Yet the government did nothing.

An hon. Member: Shame.

Miss Jewett: The minister responsible for the status of women does not yet know that there is a problem and the government lawyers—who unfortunately are not the Beverley Baines and Mary Eberts of this world—

Mrs. Mitchell: Are all men.

Miss Jewett: That is true. Those who are preparing the work on the constitution are all men. They do not understand the problem either.

Fortunately, the Canadian Advisory Council on the Status of Women, every one of them a patronage-appointed Grit, had the guts a couple of weeks ago to stand up and say that, as far as women are concerned, this package will not do. For the first time in the many years that the Liberals have been appointing people to that council, they showed their independence.

Mr. Blenkarn: Are you going to vote for it?

Miss Jewett: I should like to put on record now an excerpt from an October 8 press release issued by the Canadian Advisory Council on the Status of Women, which reads as follows:

'Canadian women should know that their rights are not protected by the federal government's proposed charter of rights,' said Doris Anderson, president of the Canadian Advisory Council on the Status of Women, at a press conference in Ottawa today. 'Unless wording of the charter is revised to guarantee fundamental rights for women, they will continue to risk the kind of discrimination so often experienced in the past.'

Clause 15(1) of the charter under discussion reads:

Everyone has the right to equality before the law and to the equal protection of the law—

This wording is inadequate because in every single case in the 1970s when practically the same wording, which is contained in the Diefenbaker Bill of Rights, was being interpreted by the courts, the Supreme Court did not find that women were equal in the law. The Supreme Court either interpreted the "before the law" clause to mean "in the administration of the law", or else it tried to find some other principle which, in effect, would deny women their equality.

The two most important cases, of course, are the 1973 decision in the Lavell and Bédard case where two Indian women had lost their status because they married non-Indians. As we all know, section 12(1)(b) of the Indian Act states that Indian women who marry non-Indians lose all their claims as Indians. This law does not apply to Indian men who marry non-Indians. In that case the Supreme Court decided that the words "before the law", that now also appear in clause 15 of this charter, only referred to the administration of the law and not to the law itself. In 1978 in the famous Bliss case, and basically without going into the details of it because of shortage of time, the court decided that no inequality was being suffered by Stella Bliss in the non-payment of unemployment insurance to her, because the law had resulted in a denial of benefits only to some unemployed pregnant women and not to all of them.

Unless the proposed charter is rewritten, these two decisions will stand as precedents. Nor is it good enough to say, as I understand some government advisers are saying, that once these words are entrenched everything will be all right, because the courts will then say, "it is entrenched now and we have to handle it differently." That is probably the most ludicrous argument one could imagine. Once precedents are established, courts very rarely change their interpretation.

More important, with the exception of one Supreme Court Justice, at no time have the courts felt that the Canadian Bill of Rights could not overrule other statutes. In all these cases, all justices, with one exception, treated the Canadian Bill of Rights, the Diefenbaker Bill of Rights, as though it were entrenched. In this connection, the famous Drybones case has never been overturned. Thank goodness, we now have bright young women teaching constitutional law in the law schools of Canada, who bring these facts to our attention.

● (2110)

Some hon. Members: Hear, hear!

Miss Jewett: The same is true of the protection of the law clause. The only change in section 15 from the Diefenbaker Bill of Rights is the addition of the word "equal". So it is now equal protection of the law. That again will not be of very much help, if indeed any help at all. It is a copying of American terminology and a tendency to think highly of American jurisprudence as far as the interpretation of equal protection of the law is concerned. I think this is well taken if one is looking at their interpretation of cases regarding race inequality. But if we look at the interpretation of that clause as far as sex inequality is concerned, we see that it is of no help whatsoever to women.

I must say the Quebec charter of human rights is more enlightened. It does not use the words "before the law" at all. The phrase in French is "en pleine égalité".

Perhaps that is a phrase we should take into consideration when we are revising the wording in committee.

The courts have striven manfully to find some principle to give—

Mr. Knowles: That is the trouble.

Some hon. Members: Oh, oh!

Mr. Clark: We all make mistakes.

Miss Jewett: On the contrary, manfully, and I mean "manfully". The courts have striven manfully to find some principle to give substance the "before the law" clause. They have developed five different principles. I mentioned one particularly, the one saying that "before the law" meant in the administration of the law we were equal. The courts have developed four others. None of them is helpful to women. None promotes a woman's human right to equality. What the courts need and desperately want is guidance. The message must be very clear from this Parliament, and in the Constitution of Canada, that to use the same words will do no good. A message must be clearly given to the courts by the use of new, different and stronger words, that from now on we do intend women to be treated equally.

If I may, I would like to put on the record now proposed wording. I am not a lawyer, and I have no doubt there are deficiencies in this wording. However, I have made an attempt at least to give expression to what I feel might be a clear message to the Supreme Court and other courts, that what we really want, in a positive and constructive way, is protection of women's full rights to equality.

I would begin by calling this section not non-discrimination rights because that title refers only to the second subsection, but rather call it the right to equality. By the way, I am now referring to others who will be included in this section as hon. members will hear in a moment.

I would like to see in the first subsection the following:

All persons, men and women alike, shall be equal in the law and before the law without unreasonable distinction based on national or ethnic origin, age or religion.

I stress "equal in the law." I hope hon. members get my point. "Before the law" has not given us equality. It must be changed. "In the law" is a logical, clearcut change.

In the second subsection, and I hope other members will agree, I would like to see the following:

Race, sex or other immutable characteristic shall never constitute a reasonable basis for distinction except as provided in subsection 3.

The vital ones are "immutable characteristic".

The third section I propose I have taken from the Human Rights Act. I think the affirmative action in that act is the best. My proposed third subsection would read:

Nothing in this charter limits the authority of Parliament or a legislature to authorize any program or activity that is designed to prevent disadvantages that are likely to be suffered by, or to eliminate or reduce disadvantages that are suffered by any group of individuals when those disadvantages would be based on or related to race, sex or other immutable characteristic of those groups of individuals.

Some hon. Members: Hear, hear!

Miss Jewett: Finally, in my proposed section 15 I would like to see words to the effect that:

Equality is a positive goal to be sought, particularly for women and other disadvantaged peoples, and that evening-up is a necessary process to the achieving of equality.

Some hon. Members: Hear, hear!

Miss Jewett: I hope that all members of the House of Commons, not just all of the women members, although I hope all 14 of us will be together on this as much as we were a few months ago in trying to move for the total equality of Indian women, will join together to make substantive and fundamentally important changes and totally restructure section 15 of the proposed charter.

Unless we do this now, and I am anxious that we get to committee to do it, we will be 100 years more before we get these changes made.

Women in the United States have been fighting since 1924 to get an equal rights amendment in the American constitution. If we bring back the constitution with section 15 as it is now, given the interpretation by the Supreme Court of Canada, we will not, as women, genuinely be able to claim equality in our society. The likelihood of all of the legislatures getting together with the federal government and amending that section after it has been brought back is somewhat remote.

It is not good enough to say on this, and other vital issues, that we will do it later. The time to do it is now.

Mr. Friesen: Mr. Speaker, since the hon. member for New Westminster-Coquitlam (Miss Jewett) has some time left, would she permit a question?

Mr. Deputy Speaker: Would the hon. member for New Westminster-Coquitlam (Miss Jewett) accept a question from the hon. member for Surrey-White Rock-North Delta (Mr. Friesen)?

Miss Jewett: Yes, Mr. Speaker.

Mr. Friesen: Mr. Speaker, the hon. member indicated, and I agree with her, that the courts are not very good institutions for reform, which is precisely the argument the head of the Civil Liberties Association has made. Therefore, entrenchment is not an enhancement to people's rights. Why does the hon. member plan to vote for entrenchment if this is a deterrent to reform? If there are so many flaws in this proposal, why is it such a civilized document?

Miss Jewett: On the last point, to be quite frank, my indictment includes all you guys, too. You have never read or studied the wording of the proposed charter nor have many members on the government side. Most of you have never really studied or read any of the cases wherein that wording was interpreted detrimentally to women.

Mr. Deputy Speaker: With all due respect to the hon. member, her remarks should be addressed to the Chair.

● (2120)

[*Translation*]

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): Mr. Speaker, since the draft resolution was tabled in the House we have been engaged in an historic debate that will bring out the fundamental principles on which our parliamentary and federal democratic institutions are based. All during the constitutional talks of the debates in the House, we have been accused by certain provincial premiers and members of the opposition of seeking to destroy our system of government. They have accused us of wanting to reduce the powers of the provinces and increase those of the federal government.

Now that we have tabled a motion for closure in order to refer the resolution to a joint committee for further study, we are being accused of abusing our parliamentary and democratic principles. I would ask how these same members of the opposition can oppose a resolution encompassing the fundamental principles on which the democratic values of our parliamentary system and our federal institutions are based. Mr. Speaker, I wonder how, in all good faith toward their constituents, these elected representatives can oppose a resolution which would entrench in the Constitution the fundamental rights and freedom to which every Canadian citizen is entitled. And finally, Mr. Speaker, I wonder how these same representatives can deny those who elected them, their fellow Canadians, the rights and freedoms associated with mobility, of working wherever they wish in the country, the right to instruction in their mother tongue, or any other right of freedom belonging to them as citizens of a sovereign and democratic federation.

Mr. Speaker, it is clear that the Progressive Conservative members are toying with the fundamental and individual rights of Canadians. They are manipulating the resolution and motion for closure for their own political good, with no respect for the electorate or for the House. And then they accuse us of wishing to cut off debate without giving them sufficient opportunity to express their opinion on the motion tabled in the House on October 6.

Mr. Speaker, if in the two and a half weeks they have been unable to mount an opposition to the motion tabled by the Minister of Justice (Mr. Chrétien) it is because they did not know how to, not because they had insufficient time. We on this side of the House realize the importance of this resolution. We have decided that it is time to refer this resolution to a committee for further study. And that is why we have tabled a motion for closure in the House. In deciding to invoke this historic closure procedure, our purpose was not to cut off debate but rather to study this resolution more carefully in committee and give the House an opportunity to turn its attention to other pressing issues.

[*English*]

Now, Mr. Speaker, I would like to focus on some of the comments which have been made over the course of the last few months and in the constitutional debates in the House.

Throughout these talks and debates, we have heard cries from certain provincial premiers, and from members opposite, that the federal government is alienating western Canadians. Just the other day, the hon. member for Provencher (Mr. Epp) openly stated in the House that western Canadians were feeling deeply alienated. Well, I am a western Canadian. I represent a riding in Manitoba which borders on the Provencher riding represented by my hon. friend opposite, and I certainly do not sense that deep feeling of alienation.

Rather, I would suggest that some western Canadian premiers who are not really speaking for the majority of their citizens have been alienating themselves from their own regions and from their own ridings.

I personally applaud our government for the concessions it recently proposed in the way of resource control. I truthfully believe that these concessions will be welcomed by western Canadians and are much in line with what they have been seeking for many years, in terms of guarantees.

The last decade has been one of prosperity for the western Canadian provinces. Once almost entirely dependent on agriculture, the prairie provinces have experienced new forms of economic growth which have enabled them to diversify and industrialize their economies around new resources. These new developments have greatly changed the economic and political balance of confederation in a way never yet experienced in our history. This change should not lead us to western alienation, an image members opposite are forever conjuring, but to a new partnership between the regions and provinces in a unified country. I believe this attitude should be welcomed by all Canadians.

Because of the economic boom in western Canada, we as a nation are today much stronger, much more able to cope with international tensions such as those which prevail in the world oil market. Just as the national policy of 1879 strengthened our country and enabled us to counter external political and economic encroachments, our newly-found wealth in hydrocarbon resources has, on the one hand, served to reaffirm this union, and on the other, has led to a much better redistribution of wealth throughout the country.

Interprovincial migration from eastern to western Canada has been remarkable. I think that all westerners should welcome those fellow Canadians who come to western Canada in search of employment and the opportunity to start a new life in a region where such opportunities are plentiful. There is a lot to be said about the entrenchment of mobility rights in the constitution, and especially on the part of provinces experiencing financial difficulties.

If economic growth in the west brings about a movement of people to that region, then, no doubt, some of these new settlers will be from Quebec, in much the same way as the French Canadians came to the west, more than a century ago.

I believe we should guarantee their rights to the full appreciation of their language and culture, and allow their children to have access to French language education as they would have, had they stayed in Quebec.

The converse is also true. When we in the west hear of a friend or neighbour being transferred by his company into Quebec, we expect that province to reciprocate and allow that family to obtain an English education in that province.

Speaking of new wealth in the west, some provincial politicians in western Canada appear to think this new wealth has been forthcoming for decades and has been withheld forcibly by defensive eastern provinces. To these politicians, it appears as though this new wealth will finally allow them to get even with their eastern counterparts. It almost appears at times as if we are experiencing an historical grudge match. It is especially distressing when one considers that it was a crisis in the world oil markets which so influenced the way certain western Canadian politicians were to reassess confederation.

In a country as large and as geographically diverse as Canada, it is not extraordinary that we should come face to face with this problem referred to so often as regional discontent. However, we all have to ask ourselves how profound this problem really is. Do Canadians really feel that way about their regional interests surpassing their national interests, or is the situation being exaggerated by provincial political leaders.

Canadians have managed to build a nation in spite of all these regional barriers. Canadians by birth along with immigrants have opened up the land in western Canada, not to challenge eastern Canada or the federal institutions, but rather to contribute to the building of a nation. Today, I firmly believe that the grandchildren and great grandchildren of these early settlers still believe as strongly in this country as did their ancestors.

● (2130)

[*Translation*]

Mr. Speaker, I represent a riding in Manitoba which has traditionally been bicultural in character, a riding which has its place in history as the fortress of French language and culture in western Canada, a riding which has been in existence since the province of Manitoba joined the Dominion of Canada.

When Manitoba became a Canadian province, French Canadians represented a significant proportion of its population. The school system was divided into two sectors to accommodate both the Protestant and Catholic groups. French was the language of the instruction in the vast majority of Catholic schools, and the Manitoba legislature recognized both languages. The French-Canadian population constituted at that time a homogeneous community in which it was possible to live one's life in French on a daily basis and participate fully in our culture.

At the centre of this community was the church and the family, and French Canadians in Manitoba could gather round these two institutions so as not to be assimilated by the growing Anglo-Saxon population. With the wave of immigrants and Canadian colonists from Ontario to Western Canada, drawn by the national policy of Macdonald in 1879, French Canadians were soon to be reduced to minority status and swept along on the tide of Anglicization. In 1890 the Manitoba legislature was to abolish French as an official language and set up a public and English-speaking system of non-denominational schools. French Canadians found themselves, in 1890, deprived of the rights conferred on them by the Manitoba Act.

After a series of battles in the Supreme Court and the Privy Council in London, and a series of interventions by the federal government, French Canadians received a few privileges.

I am speaking today in defence of language rights and the right to education in the language of the minority because of my experience in Manitoba as a student, as a parent and as an elected member of a school board. I experienced the problems that French Canadians went through to receive their education in French.

In Manitoba, for example, the history of French Canadians has been one of fighting for their right to be educated in their own language. I can recall as a student having to hide our French grammar books whenever we had a visit from the Department of Education inspector. Mr. Speaker, this was an example of the rights of French Canadians in Manitoba.

And our premier in Manitoba continues to say that his government can ensure that the Franco-Manitoban minority will be well protected in his province. I wonder how Premier Lyon would be able to convince one of my constituents, Mr. Georges Forest, who had to go as far as the Supreme Court of Canada to fight a mere unilingual parking ticket, the product of a discriminatory provincial legislature.

Mr. Speaker, I would like to quote one of the greatest political leaders this country has known, Sir John A. Macdonald who said, in 1865, during debate on the possibility of creating a Canadian confederation, and I quote the original text in English:

[*English*]

The delegates from all provinces have agreed that the use of the French language will serve as one of the principles on which confederation will be based.

[*Translation*]

Therefore, Mr. Speaker, this whole question of real equality between the two founding peoples is not a new phenomenon. I think it is time to pay tribute to our forefathers by entrenching in our constitution the historic rights of all Canadians.

[*English*]

I was born in Manitoba and I have lived in Manitoba all my life, but first and foremost I am a Canadian. It might be thought that it was not necessary to say so in this House, but I am a Canadian of parentage whose maternal language was neither English nor French. I am from a lesser minority, a

minority within minorities, and I have experienced what that means. I know that if the rights of Canadians are not protected by the two main official language groups, then the other minorities will suffer as a consequence.

I do not believe we can count on our provincial governments to protect us in that fashion, and if we are going to wait for the constitution to evolve from unanimous agreement, I do not think I will live long enough to see that day. We have our national anthem, we have our flag and we are mature enough to have our own constitution.

Some hon. Members: Hear, hear!

Mr. Bockstael: I mentioned the hon. member for Provencher. He knows that back in 1957 we were struggling to have our rights in school, I for the people of St. Boniface and he for the Mennonite population in Manitoba. We knew we could not get them, but I worked with people like Thiessen and Wiebe in an effort to make sure we would get those rights. The premier of the province was trying to help us, but the majority would not give them to us. Then we experienced the administration of Premier Edward Schreyer. He took us a long way by bringing in laws which would help the minority have its linguistic rights respected. We are still struggling for those rights and it is laughable to see the Premier of Manitoba saying, on television, "I am looking after the needs of the minorities; they are satisfied". That is not the case.

Today I am speaking from the heart. Hon. members opposite say the debate has lasted only 24 hours, but since October 6, when we started early—and nine days before we were supposed to—all we have seen has been obstructionism and moves to slow down the resolution and its reference to committee. Yesterday we saw the funniest about-face I have ever contemplated in this House. Hon. members opposite now have been presented with the solution.

They were against it; they did not want to do it. They were in favour of patriation and the principle thereof. They were in favour of human rights and the principle thereof. They were in favour of the formula of equalization and the principle thereof. But they did not like the way we were proceeding. They felt we should take a different approach—that this was the wrong time and the wrong place. Then yesterday the Leader of the Opposition (Mr. Clark) told us that he had the solution. "We will do it in one shot, it will not take long and we do not even need a committee". He said, "We will do it right here this afternoon; let's go". That is because hon. members opposite have read the will of the Canadian people. The Canadian people want their constitution.

Some hon. Members: Hear, hear!

Mr. Bockstael: As I said earlier, hon. members opposite are posturing for political reasons. They are holding the government back from doing its job, and we have to do it now. We should get the resolution into committee, deal with it seriously and get on with it.

Some hon. Members: Hear, hear!

Mr. Clark: Mr. Speaker, I rise on a point of order. I wonder if the hon. member would permit a question.

Mr. Bockstael: Yes.

Mr. Clark: While I naturally disagreed with some of the hon. member's concluding comments, I was interested in his proposal that French language and English language rights in education should exist for anyone anywhere in Canada. The hon. member was making a particular reference to people who might move from Quebec, for example, to my constituency in rural western Alberta or from my constituency to Quebec. As I understood him, he was saying that in all cases they should have the right to schooling in the language of the majority language region they left. I wonder if the hon. member intends to introduce an amendment to the resolution to make the resolution have the effect he says he seeks.

Mr. Bockstael: Mr. Speaker, I do not believe I used the words "in all cases". Having been a school trustee and recognizing the existence of economic common sense, I know that it should be where numbers justify. That is the way I feel.

Mr. McDermid: Who decides the numbers?

Mr. Kilgour: Mr. Speaker, I rise on a point of order. Would the parliamentary secretary permit a second question if there is a moment of his time left?

Mr. Bockstael: Yes.

● (2140)

The Acting Speaker (Mr. Blaker): The hon. member for Edmonton-Strathcona (Mr. Kilgour) on a point of order.

Mr. Kilgour: Mr. Speaker, I will put my question in English. As somebody who was also born in Manitoba, I wonder if the parliamentary secretary, who spoke of the Manitoba school question, is aware of the fact that the Manitoba school act—which was an unjust act, I quite agree with him—was enacted after two demagogic speeches in Portage la Prairie in 1889? I am sure he is aware of those speeches. Does he not think that section 42 is precisely the sort of instrument that a demagogue, like Dalton McCarthy or Joseph Martin, who gave those speeches in Portage la Prairie, would love to have in our constitution so they could do the same thing to a minority as the Manitoba Liberal government did in 1890 to the French-speaking minority?

Mr. Bockstael: Mr. Speaker, I agree with our leader that section 42 is a system to unblock a bottleneck. It will be invoked in that sense because we have evidence of 53 years of bottlenecks with the provinces.

Some hon. Members: Hear, hear!

Mr. John Gamble (York North): Mr. Speaker, I am one of the fortunate and privileged members of the House. I have still 20 minutes in which to address the House and express my views with respect to a matter of supreme national concern.

All of my colleagues in the House, and I include those who do not happen to belong to the party to which I belong, do not have that right or privilege. Accordingly, I am very specially privileged indeed. Some of them have brought it upon themselves. Looking at the scant numbers of government members in the House, I can see that perhaps it is not important to them to bother to attend here to address this matter in the way most members in my party wish to do. There are 21 Liberal members in the House today to deal with this issue.

One of the most essential factors with which I am confronted as I look at this resolution is that according to the government this is not the forum where issues of a primary nature concerning all Canadians should be dealt with. It is to be somewhere else, and I wonder where that other place is. Is it to be in London, to which city the government has dispatched two of its ministers to make proposals concerning what the constitution of Canada should be? I would have thought it should have been here, and I would have thought that members of the House who had anything to say on this essential issue would want such an opportunity. Unfortunately, however, we are to be greatly disappointed.

Let us then go to the issue that confronts us with respect to the resolution before the House which gave rise to closure, and let us immediately dismiss some of the irrelevancies that have been raised. It is very clear that the party to which I belong has a firm and fixed view that the Constitution of Canada should be patriated. We also believe there should be a formula for amendments in the future. That formula has been described as "seven out of ten." I will not go beyond that, other than to mention that indeed there is no doubt that members of this party believe fundamentally in a bill of rights. It was a former prime minister from this party who introduced Canada's Bill of Rights which still stands. It may well be that there should be an amendment to that Bill of Rights changing section 2 so as to give the bill as it currently stands primacy over general laws in Canada. But we are dealing with something that is substantially different and upon which closure has been brought, that is, the concept that the charter of rights and freedoms which will affect all Canadians should be placed beyond the control of the House of Commons.

Today we heard a statement from the hon. member for Nepean-Carleton (Mr. Baker) which might initially have stunned some of the members. It was to the effect that should this resolution be passed, the Supreme Court of Canada, the highest court in the land, will no longer be that. What fundamental difference does that make to me as a member of Parliament? Am I indeed robbed of some great right? True, that would happen, but it does not concern me. The fact that this will no longer be the high court of justice for Canada is not as significant as the effect it would have upon the democratic process in Canada, because what we are doing here will destroy democracy.

Some hon. Members: Oh, oh!

Mr. Gamble: The hon. member who has never looked at the resolution laughs. That does not surprise me. What we have here is a proposition which will place in the hands of the Supreme Court of Canada—not the one that is here today that we all know, but the one that will be there 100 years from now and whose members we do not recognize because they have not yet been appointed—the right to determine the laws of Canada and legislate those laws because the process of legal interpretation includes legislation.

For a perfect example of that process we need only look to our southern neighbour where the laws passed in a constitutional form have been changed over the years as a result of judicial interpretation. The natural result of that, they say, is that there has been progress. The court has made those changes necessarily. But the fact is, there is a danger in adopting the process they have adopted to our situation without the safeguards they enjoy. There is not a judge of the Supreme Court of the United States who is not appointed without the sanction and approval, after due scrutiny, of the Congress of the U.S. There is no provision for such scrutiny in this resolution. In the United States, lower court judges are elected by the people. The people, directly or indirectly, control the administration of justice. Our system, simply put, is that one man, the Attorney General of Canada, will make the appointments. Whom does he appoint? We do not know, but I will tell you what the people do not know—that once appointed, no one can ever get rid of them. The people can get rid of my friends across the way, they can get rid of me, they can get rid of all of us, but they cannot get rid of the judges, and it is the judges who will legislate in Canada if this resolution is passed. The public should be made aware of it, but the government members opposite do not bother. They talk about the rights of the minorities. I heard the comment of the Solicitor General (Mr. Kaplan). He is in the House tonight. "The minorities must be protected," he said. That is true, but so must the majority. Who is protecting the democratic process? Who is speaking for the system that has evolved and from which we derive our right to be here and from which the people derive their right to get rid of us? No one does, because it does not concern them. That is the fundamental problem which the Liberal government does not address because it is something they do not want the public to know, and the sooner they can get this matter before the committee where it can be whisked away in the dark, the better they will like it.

Having commented upon the one fundamental problem which exists with regard to the concept of the resolution, let us now take the lid off the general garbage can and look at the trash that is contained therein. We are told by speaker after speaker for the government that, as a consequence of the adoption of this resolution, Canadians will be able to move from one part of Canada to the other, find residence and seek gainful employment. We have heard this evening from an hon. member on the government benches that he is aware of a piece of legislation of an obnoxious nature in the province of Quebec which precludes construction workers from the province of Ontario taking jobs in Quebec on construction projects, contracts which have been won by Ontario construction firms. Section 6 is held up as an answer to the problem and as a

panacea. One should read that section. Section 6.(2) allegedly grants relief, but one should read on to see what section 6.(3) indicates. It provides that none of the prohibitions set forth in subsection (2) shall be rendered unenforceable unless the purpose was primarily a discriminatory one designed to discriminate against the former province of the intended applicant for a position or job. The hon. member who raised this issue should have studied the law of the province of Quebec. He would have discovered that in fact this is the very justification the government uses to offend the principle this is supposed to correct. Section 6 protecting mobility rights is a sham and a fraud. It will not protect Canadians, and they should be made aware of that.

● (2150)

The hon. member for St. Boniface (Mr. Bockstael) expressed pleasure that after the passage of this resolution and the enactment of these provisions into our constitution, Canadians moving from one province to another might insist upon their children being educated in the official language of their choice. The great difficulty under section 23 with respect to Canadians moving from one province to another is that if they do not have school age children at the time of their move, they have no rights at all. The children are required to be in school. If a child is four or five years old and not yet in school, his parents might as well forget about that possibility because that child does not qualify. There is no protection there.

Interestingly enough, the real abuse to which members opposite have not directed any attention is that section 23.(1) establishes entrenched second-class citizens in this country. The hon. member for St. Boniface said he did not belong to the English majority or the French minority group in Canada. He indicated that he came from some other background. I welcome him to the underprivileged group because that is what he would be if he came to Canada from a country such as Italy where he did not speak either English or French; his privileges and rights would immediately have vanished. If this provision is passed in its offensive form, he would not be able to go into any province of this country and have his children educated in either English or French because he would have no rights. It is abhorrent that the government dared to present a proposal containing such unparalleled bias against new Canadian citizens. Once a person becomes a Canadian citizen, I believe he or she is entitled to all rights and privileges—not just some of them—which accrue to a Canadian citizen.

I cannot and will not support the entrenchment of prejudice and discrimination in the Constitution of Canada. I am appalled at the audacity of the Government of Canada in bringing forward a package containing such abuses. One wonders how the government ever contemplated the passage, without complaint, of section 41 of the resolution. Simply put, section 41(1)(b)(i) creates a special class of province. It is a class of province without identification in terms of the name of that province or of those provinces which at any time before the issue of a proclamation according to any previous general census had a population of at least 25 per cent of the total population of Canada. It so happens that the only two provinces which qualify under that subsection are the provinces of Ontario and Quebec. All other provinces are specifically identified by name. With respect to rights in connection with constitutional amendments, the other provinces need a combined population in their respective areas of at least 50 per cent of the total population of their area. The guide determining when the population count is to be taken with respect to what are referred to as the Atlantic and western provinces is the latest general census. Ministers opposite have created the grandfather of all grandfather clauses. They have created a privileged set of provinces in Canada which will never lose their right to refuse to consent to an amendment to the constitution.

I come from the province of Ontario, one of those privileged provinces. If I were to follow the example of some hon. members on the government side of the House from Quebec, I would sit down and keep my mouth shut. Apparently that is appropriate. But there is not a thinking resident in the riding of York North who would support such an abuse, who would be prepared to accept forever special treatment denied his fellow countrymen.

There is a drum sounding in western Canada. It is sounding discontent. The echoes of that drum have been heard in the House this evening and earlier. The government has heard it but will pay no attention. The government will not hear until that muted sound becomes a roar of thunder and descends on its head with a vengeance. They will not listen because they believe people are bluffing. The people of Canada want fairness and equity. They want to be treated the same regardless of where they live. If they are not, the slight inconvenience the government recently experienced in the province of Quebec will seem tame by comparison to the anguish it brings upon itself and the entire country. I urge the government to think carefully about second class provinces and about the need for fair play and equity. I urge them to reject what has been, upon examination, nothing but a statute of frauds perpetrated upon Canadians. It is not a statute of fraud in the usual legal sense, where fraud is to be prohibited, but a statute of fraud in the sense that it is to be encouraged and promoted and advanced at the expense of Canadians.

● (2200)

Some hon. Members: Hear, hear!

Mr. Gamble: Mr. Speaker, we are concerned with matters of grave national interest and I rise to speak hoping that in some small way some of my colleagues in this House and on the government side may pensively reflect upon what they are doing to Canada, recognizing that by taking the steps they are taking this evening they may cause irreparable harm to this institution and to this country. Accordingly, I ask them to reflect carefully upon what they do.

Thank you, Mr. Speaker.

Some hon. Members: Hear, hear!

The Constitution

[*Translation*]

Mr. Raymond Savard (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, I am very happy to be participating today in the debate on the constitution. A number of members have already spoken in the House and have expressed their desire to see their freedoms protected in our constitution. Today all of us can cherish the dream of giving the choice to the people of this beautiful and rapidly growing country and of opening the way to the realization of their hopes.

At the time of the Quebec referendum, the Prime Minister told all Canadians that when the referendum was over, we were going to patriate the constitution. Today, Mr. Speaker, our Prime Minister wants to carry out his promise, and we are being called traitors, sheep and all sorts of other names. I would like to say that I am proud to be a Canadian and to serve a Prime Minister who stands upright and who wants to build a future for the entire nation, to give it freedom of conscience and of religion, freedom of thought, freedom of the press and of information, freedom to live at liberty in a Canada where every citizen may move about without hindrance. We should not forget the billions of people who would give anything to have the freedom we enjoy in Canada.

I cannot understand the negative attitude of my friends on the other side, who are inventing all sorts of excuses and who seem to want to destroy this beautiful country. It is for this reason that I am making my contribution today. As a Canadian and as a spokesman for my fellow citizens, I wish to express to the House their feelings and their desire to see their individual rights and their language rights guaranteed everywhere in Canada, along with their basic and democratic right to have their children educated in their mother tongue. It is the duty of all hon. members to place the rights of Canadians before those of the state. And it is for these reasons that I appeal to all Canadians to help us to entrench all these rights in the new Canadian constitution.

Mr. La Salle: You will have to convince Mr. Ryan!

Mr. Savard: Mr. Speaker, I would like to mention an example which some of us experienced during the Quinquennale de la francophonie in Winnipeg. I had an experience during my visit to that area. I saw people who were very proud of speaking French but who, unfortunately, for fear of losing their jobs, were obliged to speak English. The same thing happens in the universities. Students attend courses in French, but as soon as they leave the university they go back to speaking English.

I was looking at a television program recently on the twentieth anniversary of French television in Winnipeg, in which we were shown how French teaching in the school would cease the minute the inspector came into the classroom. As far as I am concerned, I find this situation deplorable and unacceptable. Francophones ask neither favour nor privilege, but merely the right to be treated as full partners and not as second-class citizens. They have the right to live and to develop in all the provinces of Canada.

I should like also, Mr. Speaker, to mention the magnificent work of our Minister of Justice (Mr. Chrétien) and his performance during his meeting with the ministers. In my view, he is quite right in saying that we must follow the work of Mr. Diefenbaker and Mr. Thomas, for it is worthy of mention. But when I hear the Leader of the Opposition (Mr. Clark), I am afraid, and I am sure those two great men are turning in their graves.

Let us consider the right to economic mobility for our citizens across the country. What will happen to the right to life and liberty if we cannot move to or settle, work or invest in the province of our choice? Without this freedom, will our system become like those of totalitarian countries? As we know, the citizens of communist countries do not enjoy these rights; they don't even exist. In Russia, travel from one state to another requires a permit from the central government. Personally, I say that Canadians, in our country, have no intention of adopting this way of life, and on their behalf, I insist that this freedom, the right to mobility, be retained, because Canada is a free country from sea to sea.

With regard to economic union, Mr. Speaker, such union is important to the well-being of all Canadians, in addition to providing our vast and varied country with one of the highest standards of living in the world. The different regions and economic sectors must complement one another in order to conserve their resources, for without their mutual co-operation, Canada will become a country dependent upon other industrialized countries. Although the constitution in its 113 years has not kept pace with developments in society, I find it quite normal that the provinces should claim certain powers; if each one took only its share of the pie, it would be ideal. It is also normal that our government should retain those powers that affect the national interest and that concern the country as a whole. The new constitution should encompass this concept, while adapting to the evolution of the society to come. This action on the part of the government is justified, because there is no alternative. We have made a commitment to the people of Quebec, and we must now carry it out. We must have an amending formula binding the central government and all the provinces of Canada.

[*English*]

The Anglophones in my province have always had the opportunities and right to live and work in their language. They should have those rights guaranteed in our constitution, and their example should be made to all the other provinces. The rights and dignities of Francophones across this country should be held as dear as those of Anglophones in Quebec.

[*Translation*]

As we can see, the federal government has no intention of taking any power away from the provinces. During the recent discussions, the provinces wanted to negotiate these rights. I say that these rights are not negotiable. They belong to the men and women of Canada, and we must leave them what is theirs. It is now time to repatriate the constitution, with an amending formula, including every guarantee of the rights binding the federal and provincial governments, and to have a greater willingness to listen to those around us and to understand their needs. There is a need for greater generosity toward others. These factors are all equally important to the unity of the nation. Surely this is easy to understand. This is what we want for Canada. According to the opposition, it is an artificial Canada that the Prime Minister (Mr. Trudeau) envisions and would have us accept. Canada is a reality, and the hopes of Canadians are equally real.

The dream I spoke of earlier is one shared by all Canadian men and women—that of having all the freedoms and all the basic rights that we are believed to possess already in Canada. The provincial premiers are also agreed that we possess these rights. I can repeat the Prime Minister's question: if we have them now, why would they not want to entrench them in the constitution?

Last week, Mr. Speaker, I listened attentively as a member of the Opposition said that the Prime Minister was planting a time bomb in the very heart of the country and was preparing to demolish the Canadian federation. Well, I refuse to accept such a statement, which I consider an insult to the people of Canada, because the Prime Minister is one of the greatest men of Quebec and of Canada, regardless of what the opposition may think.

Mr. Speaker, the Prime Minister is one of our own, and no one can deny that, through his efforts, the position of Francophones has greatly improved. What is there to say about the adoption of the Official Languages Act, about the integration of Francophones at all levels of the public service across Canada? Through the force of his ideas and the firmness of his convictions, he has won the hearts of Quebeckers and has led them toward the kind of renewed federalism that is envisioned in this proposal.

• (2210)

[*English*]

The hour of decision has arrived. After 53 years, we are about to take the historic steps of bringing our constitution home, and giving all Canadians the rights, not privileges as some premiers would have it, that they deserve. That will be our legacy to future generations of Canadians, and that is why I will proudly vote in favour of the government's resolution before us tonight.

[*Translation*]

Politicians have now been trying to patriate the constitution for 53 years and all have failed. Now is the time to decide. We are going to take that decision and for the first time in our history the freedoms and fundamental rights of Canadians will be enshrined in a Canadian charter. We owe it to ourselves to patriate the Canadian constitution made in Canada by Canadians. We have the power and the duty to do so.

[*English*]

Hon. Don Mazankowski (Vegreville): Mr. Speaker, I participate in this debate with a degree of sadness and regret having regard to the fact that we have just had thrust upon this House one of the most repugnant and most destructive devices ever perpetrated on the democratic process. I am deeply saddened, because the debate that has taken place in this chamber for the last 24 hours interspersed over a couple of weeks or so is perhaps the most important historic debate I have ever witnessed in my 12 years as a member of the House. It is with a great deal of regret that I see it cut off prematurely having regard to its importance and the fact that some members who wanted to speak will not have that opportunity.

The government's action is the result of a move that is ruthless, arrogant and, I believe, cowardly. Parliament is now succumbing, as the hon. member for Provencher (Mr. Epp) has said, to the tyranny of the majority. The excellent debate we have had so far is coming to an end. There have been many excellent speeches made in this chamber. It is perhaps the best debate I have ever witnessed in my 12 years here. Many of the speeches have been delivered with deep conviction, deep feeling and in a sincere manner. But the government's actions have turned the debate into one of bitterness and division; the atmosphere has become poisoned.

It seems to me there is a pattern in the way in which this government has approached constitutional reform. It is treating this House in the same way as it treated the premiers. It has ignored the warnings and the legitimate grievances which have been expressed by members on both sides of the House. The government has ignored the participation of the members who have spoken with such deep conviction and with such deep feeling. This government, it is very clear, thrives on confrontation. This is not in keeping with the Canadian tradition or the spirit of confederation.

I feel very badly and very deeply about this kind of atmosphere, and it should not be prevalent when we are dealing with such a basic fundamental and important issue. We must ask ourselves, "Why the haste all of a sudden?" We hear from members opposite that the process has been ongoing for 53 years and suddenly, bang, it comes to an end. Several members have quoted from the infamous secret document that was leaked, the document that was for ministers' eyes only. There are a couple of points contained in that document which should be put on the record. The first deals with the concern the government felt over the provinces taking the matter to court. Their considered opinion is summarized in a couple of points which I would like to put on the record:

A provincial reference to a Court of Appeal would probably take one and a half to two years from the time of initiation until it was finally disposed of on appeal to the supreme court. While there could be advantages in such a delay there would be some potential disadvantages; the province could frame the reference question without our agreement and . . . could focus solely on whether the procedure is in accordance with the Canadian conventions rather than whether the patriation measure adopted is legal. Also, while the ultimate supreme court pronouncement would be postponed by this process, there would be the additional risk of an earlier, possibly critical, provincial court judgment.

They are almost assuming that it would spell trouble if the matter got into the courts. The document goes on:

There would be a strong strategic advantage in having the joint resolution passed and the U.K. legislation enacted before a Canadian court had occasion to pronounce on the validity of the measure and the procedure employed to achieve it. This would suggest the desirability of swift passage of the resolution and U.K. legislation.

That is what they are afraid of and there are other motives as well with which I will deal. I want to say in all sincerity that there was deep division within the country when this debate started and that as a result of the actions of the government over the past 24 hours, there is more division today. I say this with great regret. There is frustration, tension and some very intense feeling which has now been transferred into outright anger.

The government is ignoring that feeling. I was surprised at the comments of the hon. Parliamentary Secretary to the Minister of Transport (Mr. Bockstael) who downplays the feelings of the west. Mr. Speaker and my friends in the House of Commons, that gentleman is fooling you because he is not really reflecting accurately the views of western Canadians as I see them, and I travel western Canada quite a bit. That view is not shared by a very distinguished Canadian, a former premier of the province of Alberta who serves in the other place.

● (2220)

Let me refer to some of his comments. He expresses the misgivings he feels about the way in which the Prime Minister (Mr. Trudeau) is proceeding with respect to patriation. At page 920 of *Senate Debates* for October 22, Senator Manning is reported as follows:

I do not question the Prime Minister's belief that he has chosen the right and responsible course, but he is wrong—terribly wrong—and he is risking unnecessarily the danger of tearing confederation apart.

That gentleman knows a bit about this country, Mr. Speaker, and he knows about the west. This matter has also been referred to by the hon. member for Rosedale (Mr. Crombie), the hon. member for Cambridge (Mr. Speyer) and several members from the Atlantic, as well as the hon. member for York North (Mr. Gamble). Over the past summer these members travelled the west and sensed the feelings there. They sensed that, in general, westerners feel that many of their grievances have been ignored and that there are further injustices ahead as a result of the government's action.

Mr. Speaker, I find it very difficult to understand the position of the New Democratic Party. I believe they have sold their soul in an attempt to garner some short-term political gain. As well, I believe they have betrayed their constituents in western Canada, because in my view, the resource issue is now fuzzier than ever. It is unclear. It is *de facto* ownership taken away. I believe the New Democratic Party has played into the Prime Minister's hands.

The result will be interpreted in the west as once again relegating them to the colonial status of 50 years ago. That is a significant number, because rights were gained through the passage of the Natural Resources Transfer Act of 1930 after long struggle and intense deliberation.

It was as a result of the passage of that legislation and other, subsequent, legislation that the ownership of resources was transferred to the provinces, as to the other provinces in confederation. It seems to me that the actions of the Prime Minister and the Leader of the NDP (Mr. Broadbent) constitute a backward step with respect to a very important, vital and fundamental element as far as western Canada is concerned.

Some hon. Members: Hear, hear!

Mr. Mazankowski: Premier Blakeney is not buying the package. In my view, the New Democratic Party is ignoring that area of Canada which really rejected the Liberal party. People there declined to vote for the Liberal party, fearing something like this could happen. Those constituents who voted NDP in the last election will now have to swallow a Liberal policy.

The government and the New Democratic Party should not ignore some other facts which I want to place on the record. They should not ignore the fact that the minister in the other place who speaks for the province of Alberta does not support the amending formula contained in this resolution. Instead, he supports the Alberta position—the Vancouver formula. That is the position this party has adopted.

They should not ignore the fact that seven or eight provinces do not support the proposal, as is evidenced by the proposed court actions. They should not overlook the fact that day by day as this debate goes on and Canadians become more familiar with what is contained in the package, constitutional experts, editorialists and well-informed Canadians are openly expressing reservations about it. Notwithstanding this, the government has accelerated the pace at which it intends to proceed.

Why is there such concern in the country, Mr. Speaker? In my view there is concern because the proposal sets out to change the fundamental nature of Canadian confederation. Dr. Timothy Christian, a professor of constitutional law at Alberta University has referred to the package as a change which will move Canada closer to the American model. He states that the concept of binding referendums is a radical departure from parliamentary democracy.

What are some of the further concerns that bother me and other Canadians, Mr. Speaker? Substantive changes are proposed in the division of powers between the two levels of government. An amending formula is proposed which is not acceptable to the majority of provinces and, as has been pointed out on a number of occasions by speakers on this side, different classes of provinces are established for all time. The

equality of status is gone. As the hon. member for Rosedale said, the provinces of the west can never become first-class provinces. This is regrettable because it disregards the reality of the current growth trends.

An hon. Member: You are reading the section wrong.

Mr. Mazankowski: The hon. member says I am reading the section wrong. Well, there must be a lot of other Canadians who are reading the section wrong, if that is the case. I do not see any great wisdom coming from the hon. member, who tried to get up on a phony point of order today.

In my view it establishes different classes of citizenship. Clause 42 has been alluded to on a number of occasions. It is a club, and not merely a device for dealing with a deadlock. Hon. members opposite would be advised to read it over and over again. It empowers the federal government to remould a nation through federal manipulation. This arouses suspicion, Mr. Speaker. It prompts one to ask what the motives of the government are. Is the Prime Minister serious when he says he believes that the presidential system of government, like that of France, might be the best for Canada? Is that his motive?

I have referred to provincial resource ownership. There is a great deal of uncertainty about that issue, Mr. Speaker. And what about Canada's first citizens—treaty rights, claims, Indian women? That area is certainly not clear and the Indians have not been consulted. The guarantees are less than clear. I should like to quote from an article in *The Journal* of St. Paul, Alberta, on October 15. It begins as follows:

If, indeed, the federal government patriates the British North America Act, as it proposes to do, without consent of the Indian people and without entrenching Indian treaty rights in a new constitution, it is guilty of a serious breach of trust, according to Eugene Steinhauer, President of the Indian Association of Alberta.

Later, the article continues:

The Indian nations of Alberta have taken the position publicly on numerous occasions that they are opposed to patriation of the BNA Act unless the Indian people are guaranteed that their treaty rights will be entrenched in the new constitution.

The treaties which were signed in good faith between the Crown and the Indian people more than a hundred years ago recognized the aboriginal peoples of this country as 'nations', Mr. Steinhauer says, 'and these treaties were agreements by which these nations peacefully surrendered many thousands of square miles of land in exchange for small parcels called "reserves". These parcels, and the right to self-government, belong to the Indian people "as long as the sun shines, the river flows and the grass grows.'

Referring to the innocuous clause 24 of the proposed charter the article goes on to say:

'This is a deliberate sidestepping of what should be a strong and positive statement reconfirming our treaties,' Steinhauer says. 'Our rights must be clearly defined.'

I certainly support that statement, and I am sure my hon. friends do as well, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Mazankowski: What about the ownership of property, Mr. Speaker? When the Minister of Justice (Mr. Chrétien) introduced this resolution he said he was completing some of the work started by the late Right Hon. John George Diefenbaker to enshrine the Bill of Rights into the constitution.

Well, Mr. Speaker, there is a very glaring omission in so far as the charter of rights versus the Bill of Rights is concerned. In the charter of rights I do not see any mention of the right of an individual to life, liberty, security and the enjoyment of property. That is not in the resolution before us. And why, Mr. Speaker? Does that mean we can look forward to the wholesale expropriation of land in this country? Maybe. We know what some of the philosophical musings of the Prime Minister were in earlier days. Is the real thrust of the Prime Minister emerging in this package? These are very serious questions, Mr. Speaker.

An hon. Member: And there are no answers.

Mr. Mazankowski: I am sure that most Canadians do not realize that the right to enjoy ownership of property is omitted in this so-called entrenchment of human rights.

● (2230)

What about the right to life? That certainly should be basic and fundamental to a charter of human rights. Surely the right to life is the primary and basic human right on which all other rights depend. Without this right we can have no others, for a human being deprived of his life is deprived forever of all his other rights. The first duty of the state must therefore be the protection of human life, a duty which it owes to every human being before all else. Surely recognition of this, if Parliament is serious about preserving basic human rights, should involve immediately steps to end the legalized murder of unborn children in this country, about 60,000 of them annually.

I come now to the protection of minority language rights, English and French. What about new Canadians who do not have proficiency in English or French? Will they get any special rights under this proposition? The Minister of Justice (Mr. Chrétien) said that Canada is a country of minorities. He told us that this package would protect and guarantee the rights of minorities. How will new Canadians, who know nothing of French or English, be protected in this particular area? When we look at the composition of this country and the reality of Canada, we find that the population of the six eastern provinces is composed of British and French to the extent of some 80 per cent. The population on the prairies is composed of about 51 per cent who are of British and French origin. In more detail, 44 per cent are British, 7 per cent are French; 15 per cent are German and 10 per cent are Ukrainian. As well, there is a host of other minority groups. That is the reality of western Canada, Mr. Speaker. In my view, this proposition creates two classes of citizens.

When we set out to divide basic human rights, one thing becomes obvious. In the process of attempting to codify or define freedoms, you start limiting those freedoms. Our common law has allowed our traditions and customs to crystallize. To suggest that basic human rights are not already recognized in this reality is an overstatement of the fact.

In conclusion, if we want to preserve basic human rights, we must preserve this institution of Parliament because Parliament is a guardian of human rights. If we preserve this institution, we will preserve our human rights, but what we are doing today is destroying the role of Parliament.

Some hon. Members: Hear, hear!

● (2230)

Mr. John Evans (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, I rise today to participate in this debate in which we are asked to consider a resolution addressing the patriation of our constitution and including in its provisions a charter of rights and freedoms, entrenchment of the concept of equalization and an amending formula. As such, this resolution marks a turning point in Canadian history. I believe it provides a basis for progress in the future.

On Monday, October 6, 1980, the Minister of Justice (Mr. Chrétien) on behalf of the government introduced this historic initiative in constitutional reform, an initiative which will move Canada the final step on the road to self-rule and independence. It will finally break the constitutional log jam which has plagued Canada for far too long.

[*Translation*]

The Minister of Justice and Social Development (Mr. Chrétien) has provided an opportunity for every member to take up a great challenge. It is for us, the members of this House, to take up this challenge. We must combine the best ideas of yesterday with those of today, and use them to build a foundation for our future. I sincerely believe that the future of this great country actually depends on the success of our current efforts. These efforts and initiatives will point the way for renewal of the basis of our nation, and will bring new vitality to our institutions.

[*English*]

Not since those dedicated men took such momentous decisions 113 years ago has the clear need for action by the national government, in the interests of Canada and of all Canadians, been so obvious. While we would all prefer that that action be based on consensus among all levels of government—and I think I speak for all members of this House when I say this—such consensus is not at hand nor is it reasonable to expect that it can or will be in the foreseeable future.

An hon. Member: It is possible.

Mr. Evans: Therefore, the choice is for unilateral action or for no action at all. I contend that the latter alternative is clearly unacceptable to Canadians.

Let us look at the nature of the unilateral action which has been proposed. The resolution we are considering is composed of a joint address from the House of Commons and the Senate to patriate our constitution in some form. In the course of preparing such an address, a joint committee made up of members of both chambers of Parliament and from all sides of those chambers will be struck to consider the resolution. The committee will have the power to appoint subcommittees, to sit whenever necessary and to gather information from a variety of sources. At the conclusion of these committee hearings, recommendations will be made to the House and the Senate for further debate.

The mandate and the timetable for this committee are clear. Yet there are those who claim this procedure is not only a plot, but, indeed, a sinister attack on the federal system. In my view, the procedure we are following is neither of those things. Rather, it is a clear reaffirmation of our parliamentary system of government. It assures that the constitutional choices which face our nation will be made in Parliament by the representatives of all Canadians. They will be made by parliamentarians exercising their responsibility to the people of Canada. Far from attacking the federal system, the actions proposed by the government indicate an understanding of the federalism of our founding fathers. They indicate a concern for the future of Canada, a realistic view of government and an understanding of Canadian institutions.

As will be gathered from my remarks, I take exception to the view that Canada is a "community of communities" or an association of ten provinces whose governments are not only co-equal but, in a very real sense, superior to the national government. According to this view, the national government must not do anything with which the provincial governments disagree, and indeed must do anything the provincial premiers agree among themselves ought to be done.

Carried to its logical conclusion, the national government in such a Canada would be no more than a central secretariat to implement the biddings of the provinces. We would no longer be a federation but, rather, a loose grouping of several more or less sovereign states.

I reject this view of Canada, Mr. Speaker, as did, I contend, the Fathers of Confederation. Nothing could be further from the conception of the Canada which emerged from Charlottetown in 1864.

[*Translation*]

Mr. Speaker, our federal system was designed to enable the national government to take responsibility for the welfare of all Canadians. This objective is clearly defined in our constitution, which gives the central government power to act in order to maintain peace, order and good government. I might add that the central government even has the power to disallow provincial legislation. Confederation does not mean a weak, loose union, as some provinces and some opposition members believe; on the contrary, confederation means more than the mere sum of its parts.

● (2240)

[*English*]

The purpose of this confederation as conceived by the Fathers of Confederation was to establish an overriding national presence in northern North America with the ability to ameliorate disputes among the members of the union. It is this

heritage which all of us in this House have solemnly sworn to protect and to foster. It is this heritage which the resolution we are considering acknowledges. However, while our political system was based on principles of accommodation and amelioration, I believe these principles have tended to become blurred over time, to a large degree as a result of decisions taken by the Privy Council in London prior to the establishment of the Supreme Court in Canada, decisions which dramatically altered the confederation of our Canadian founders.

I sincerely believe we must move now to establish an alternative to unanimity as the decision rule for resolving fundamental national conflicts; we must move now to re-establish the fundamental principles upon which our confederation was founded, we must move now to arrest the drift towards regionalism and alienation which threatens the national interest. I sincerely believe that if we fail to do these things, if instead we opt for inaction in the name of immediate harmony, we will certainly see the dissolution of Canada in the future.

Never before, since 1867, have Canadians faced such an obvious choice. We can either act now to establish effective means to modernize and maintain the currency of our system, or we can watch the system break down under the weight of its current inflexibility.

The Leader of the Opposition (Mr. Clark) has postulated that we run the risk of breaking up this country by affirming the resolution put forward by the Minister of Justice. Yes, unilateral action is potentially divisive. Yes, there is a risk of discord.

However, if this is the case, how could the Leader of the Opposition, as he supposedly does, and as I believe he does, put the motion yesterday to unilaterally patriate and, not only that, but to impose an amending formula without any discussion between the government at the federal level and the provinces?

What is the basis of the risk that is at the bottom of the fear of the Leader of the Opposition. Is it unilateral action? Is it the imposition of an amending formula? That cannot be the basis of the fears of the Leader of the Opposition. His motion put forward both unilateral action and an amending formula.

The resolution before the House calls for an amending formula of unanimity for two years, during which time discussions can take place between the federal government and the provincial governments. We can come to an agreement on an acceptable amending formula. At the end of that time, the Victoria formula is there. If it is not agreed to among the provinces, the provinces can put forward an alternative. Those two alternatives can be placed before the people of Canada for their decision.

That is a much more reasonable and conciliatory approach than simply to say, because of what is assumed by hon. members opposite, that the Vancouver consensus is what all the provinces want, therefore we will impose it on them. That does not seem to be a reasonable thing to do. Therefore, I have to say that it cannot be the amending formula that is the cause of this great risk of dissension.

I looked at the speeches by the Leader of the Opposition, his opening speech and the speeches he made involving questions of privilege and so on. I ask myself: is equalization the basis of the risk? I noticed in the statement made by the Leader of the Opposition he said equalization was, in fact, a desirable thing. If it is so desirable, I wonder why it was not included in his motion yesterday. I believe the Leader of the Opposition sincerely thinks equalization should be in the constitution.

I therefore have to assume from his statements that equalization is not the basis of the risk which is going to tear this country apart. If it is not unilateral action, not the amending formula and not equalization, there is only one thing left. That is the charter of rights. I would have liked to have heard more discussion on the charter of rights, if that is the basis of our difficulty. If it is, why, in the last two and a half weeks, have we heard so little discussion on the charter of rights per se and where the problems are.

The hon. member for Vegreville (Mr. Mazankowski) made some interesting points this evening. He brought forward some rational observations. Hon. members opposite have seen me sitting in the chamber listening attentively to what they have to say. However, I have not heard a great deal of discussion on the charter of rights, which I have to conclude is the basis for the disagreement. Universal imposition of a charter of rights has to be the basis of the great risk which is going to tear the country apart.

I find some other difficulties. This evening the hon. member for Vegreville indicated his knowledge that the Indian people oppose unilateral patriation without guarantees of their fundamental rights. How could the hon. member for Vegreville last night support the motion put by the Leader of the Opposition to patriate the constitutional unilaterally without having those rights entrenched in the constitution?

Some hon. Members: Hear, hear!

Mr. McDermid: We will put them in when we get it back over here.

Mr. Evans: The hon. member says they will put those rights in when we get them back here. The hon. member for Vegreville made the point that the Indian leaders have said they do not want patriation at all unless those rights are in the constitution, guaranteed before it comes back. But knowing this, saying he supports that view, he supported the motion last night of the Leader of the Opposition.

We believe the resolution before this House is a course of action that holds far less risk than the alternatives proposed by the opposition of either no action or actions which would ultimately further regional separations. The government proposes unilateral action but this action is not divisive in itself since it does not affect the distribution of powers between the federal and provincial governments. It does provide, at last, a clear means for resolving our future disagreements and for clarifying our past disagreements which have been with us for

many years. As such, the government proposal minimizes the long-term risk of conflict and political paralysis.

It is clear that nation-building is neither a smooth nor easy process. Nor is it furthered by giving in on all fronts to regional demands in a search for harmony. Nation-building is fraught with trials and challenges, and, to succeed, these challenges must be accepted and trials faced. Neither inaction and indecision nor mindless capitulation can long be tolerated. Time is certain to bury those who refuse to face these fundamental facts of life.

● (2250)

If the Fathers of Confederation had adopted a wait-and-see attitude or a negotiate-forever stance, I am convinced that we would not today have the privilege of holding Canadian citizenship. If the fathers of confederation had adopted "a province-building at the expense of nation-building" attitude, Canada never would have been formed in the first place.

I say to the Leader of the Opposition that we have no choice but to renew our constitution now, and that in view of the clear impasse which we face as a result of the current unanimity rule, the federal government has no choice but to act unilaterally and decisively.

In the words of the Prime Minister (Mr. Trudeau):

> Now it is our time to repay our inheritance. Our duty is clear: it is to complete the foundations of our independence and of our freedoms.

After all, if it is not the role and responsibility of the national government, the government in which all Canadians are represented, to take action in the face of a clearly perceived need, then I ask hon. members opposite and hon. members on my own side, what is the role of the national government? I reiterate that decisive action in the national interest is indeed the role of the national government as perceived not only by ourselves but also by our founding fathers.

Much has changed since 1867, and the distribution of powers has shifted dramatically from this initial conception, but it is important in this debate to understand clearly that the initial conception of the distribution of powers between governments in Canada perceived the very real danger of political paralysis. To ignore the current fact of this paralysis would be to deny the wisdom of our founders.

The federal government has the responsibility and the duty to act in the national interest. The resolution before this House is consistent with this responsibility and duty. It is important for all of us to embrace the principles in this resolution. I sincerely believe that the risk of losing Canada is not presented by this resolution. Rather, it is presented by a continuation of the status quo.

Some hon. Members: Hear, hear!

Mr. Gordon Taylor (Bow River): Mr. Speaker, in all my life I have never seen so much hypocrisy as we have seen from the other side of this House. Hon. members opposite have been talking about being loyal to Canada, but not one of them, not even the Prime Minister (Mr. Trudeau), would stand up today when "O Canada" was being sung. When two Liberal members did stand up, they were beckoned to sit down. In other words, the party over there has become a bunch of Trudeau clones. Whatever Trudeau says, that is what they do. The people of Canada are catching on to this hypocrisy.

Another case of hypocrisy which is sickening to the people of Canada is that hon. members opposite get up now and praise the late Right. Hon. John Diefenbaker. When he was alive they insulted him and did everything they could to hurt him. They persecuted him. They thwarted his efforts. Now that he has passed on they are praising him. Such hypocrisy is sickening.

Hon. members opposite talk about having high principles. The other day when my hon. friend, the hon. member for Calgary East (Mr. Kushner), introduced a resolution asking that we support Terry Fox and those who are suffering and dying of cancer, the Liberals said no. They turned it down. I say, shame. They made a mistake that day. The hon. member gave them another chance. He introduced it a second time in order to help Terry Fox help the people who are dying of cancer, but the Liberals again said no. What high principles? What kind of outfit is this government which does not even want to help the cancer people of this country?

Besides hypocrisy, I have never seen anything more like a dictatorship than what we see on the other side of the House. I joined the Royal Canadian Air Force to fight against totalitarianism. I did everything I was told to do for three years. I never thought I would have to come back and fight totalitarianism in the House of Commons in Canada. However, that is what we are doing. We hear many fabrications and half-truths. We see efforts to fool the people of this country. It is no wonder hon. members opposite want closure. The people are getting their eyes opened, and if they had another week there would almost be a revolution in this country. There may be even now, because people are hearing half-truths from the government from the Prime Minister down.

During the election campaign the Prime Minister and Stuart Smith, the Liberal leader in Ontario, went from town to town telling the people of Ontario—endeavouring to brainwash them—that the oil and gas of Alberta belong to all the people of Canada. They forgot to say that the gold of Ontario belongs just to the people of Ontario. They forgot to say that the hydro of Quebec belongs just to the people of Quebec and that the timber of B.C. belongs just to the people of B.C. They defiled themselves by telling something which is completely contrary to the BNA Act. They said that these natural resources in Alberta, gas and oil, belong to all the people of Canada. They had to be elected by fabrication.

Here hon. members opposite talk about honesty and truthfulness. It is no wonder the people cannot believe the Prime Minister. It is no wonder they have no faith in the Prime Minister.

Some hon. Members: Hear, hear!

Mr. Taylor: With regard to half truths, the Prime Minister goes to the press and says this package he is presenting is the result of what the people of Quebec wanted when they voted against national sovereignty. That is a complete fabrication. Even Claude Ryan, the Liberal leader of Quebec, will not go along with that. He will take this government to court if the government of Quebec will not. Hon. members opposite stand up and ask the people to believe them. We cannot believe a thing the Prime Minister of Canada says.

Some hon. Members: Hear, hear!

Mr. Taylor: There are some hon. members opposite, including the hon. member from Manitoba, who tried to fool this House today that the people of western Canada are not thinking seriously about these things. I wonder why 600 people showed up at a separation meeting in Red Deer the other night. I wonder why the people of Manitoba, Saskatchewan and B.C. are organizing separation movements. One of them claims it has 13,000 members. They are completely fed up with what the Liberals are giving them in western Canada.

I want to give one example. Bob Giles was the editor and publisher of *The Watchman*, an Argenteuil paper, in the Argenteuil-Two Mountains constituency. He was the publisher and editor of the family business there that was started more than 75 years ago. Mr. Giles and his paper supported the Secretary of State and Minister of Communications (Mr. Fox) after his first nomination as a candidate to contest that riding right up until Mr. Giles left the province of Quebec. He was writing editorials against separation. He went out to Alberta in 1977 and became the publisher and editor of the Strathmore *Standard* in the Alberta Bow River constituency. Since that time he made a study of the alienation he saw all around him and the reasons people were becoming disgruntled with the federal government. He found out what it was all about. He became disenchanted with the present Prime Minister and the Liberal government. The other day he even purchased a cap to show that he was no longer going to support the Liberal government. He wants fairness in this country, and he is wearing a cap like the one I have in my hand now. On it it says: "Western Republic of Canada". He is not breaking away from Canada. We would not let the Prime Minister drive us out of this country. But Bob Giles is wearing this cap. I am not wearing it yet, but if we have much more of this totalitarianism, I will be the next one to put it on.

People in western Canada do not want—nor do they ask for—any special deal or special consideration. Their long-festering anger has been aggravated by the refusal of the Prime Minister and the Minister of Energy, Mines and Resources (Mr. Lalonde) to give Alberta a reasonable price for its oil and gas and by the Prime Minister and Stuart Smith endeavouring to brainwash central Canadians by telling them that Alberta gas and oil belong to all Canadians, which is a complete fabrication and a denial of the BNA Act.

● (2300)

The Prime Minister (Mr. Trudeau) promised the people of western Canada—and I was there and heard him at the western resources conference—that he would correct the unfairness about freight rates. Freight rates are at their apex in this country. We pay the highest rates going west and we pay the highest rates going east. The Prime Minister made a promise to the people of western Canada when he said that there was no reason why one quarter of the population should not have a fair deal. He promised them a fair deal in freight rates but he has done nothing about it. By dilly-dallying and leaving the grain transportation in the mess it was in 1979, he is ruining the farmers. He ruined our oil industry by establishing an export price for oil a few years ago. He has set back the industry four years. No wonder we are still paying millions of dollars for imported oil. Most of it is owing to the very actions of the present Prime Minister.

Some hon. Members: Hear, hear!

Mr. Taylor: Bob Giles, once a strong Liberal, now has taken a stand the other way. He wants fairness in this country. The only way he can get it, he thinks, is to establish a republic in western Canada. He asked me to give this cap to the Secretary of State and Minister of Communications (Mr. Fox) with his compliments in the hope that the minister will take it to the next cabinet meeting and show the Prime Minister what he is doing to Canada. He is breaking up Canada, he is dividing this country.

Mr. Speaker, I will not simply stand and say, "yes, yes" the way the Liberal members are doing, because I see the country being broken up.

An hon. Member: That is right!

Some hon. Members: Hear, hear!

Mr. Taylor: In 1968, the Prime Minister promised the people a just society, and he gave them the War Measures Act. In 1972, he promised them a new society, and he gave them record inflation and unemployment. In 1974, he promised no wage and price controls. He ridiculed the then leader of the opposition, the Hon. Robert Stanfield, and then he imposed wage and price controls, though not as it would have been done had Mr. Stanfield been elected. In 1980, he promised no increase in gas prices, and he gave them an increase. Everybody who goes to the pump knows that.

What about our natural resources? All we are asking for is a fair deal. We went through the depression years. I went hungry and I saw my mother go hungry in those years. I made up my mind, growing up with all that wheat in the fields and all that abundance, that there is no reason why men and women, boys and girls should be hungry in the midst of plenty. I made up my mind that I would do everything I could to make sure that no other Canadian would have to suffer that way. Then we found oil—not with the help of people in eastern Canada but with the help of Americans. Now things are looking a little better. Because we are doing well, we get

ridicule from the Minister of Energy, Mines and Resources and from the Prime Minister. They are angry because we are building up the heritage fund to make sure we never have to go back to those times again. They want to destroy our industry.

Some hon. Members: Hear, hear!

Mr. Taylor: They say we do not share. We have shared with every other province equally. In addition to that we have shared $17 billion by selling our oil and gas at a lower price to Canadians than the world price. I wonder if anybody who has gold in Ontario did that, or those who have hydro or those who have timber. We have paid the full price for our machinery. We have paid through the nose every time. You want us to continue to give and give. No wonder hundreds of people are wearing this cap. I want to tell you that if you continue this kind of thing, you will break up Canada and you will not have Canada to govern. You had better think it over pretty carefully.

Some hon. Members: Hear, hear!

Mr. Taylor: This fabrication and this hypocrisy is all we get. Here we have the Prime Minister and the Leader of the NDP telling the people that they are giving them something. Let us look at the BNA Act. It says that all lands, mines, minerals and royalties belong to the provinces. They already own them. Then look at the letter which the Prime Minister sent to the Leader of the NDP which warms the heart of the Leader of the NDP who then cuddles up to the Prime Minister. This is what the letter says:

—confirm the jurisdiction of the provinces with respect to exploration, development, conservation, and management of non-renewable natural resources—

There is nothing about ownership there. This is less than we have now under the BNA Act.

Some hon. Members: Hear, hear!

Mr. Taylor: Who are they trying to fool? They must think the people of Canada are illiterate. The people of Canada are not illiterate. There is another thing in that letter which warmed the heart of the New Democratic Party Leader. I am referring to the words "subject to full federal paramountcy" in the letter. They still want to have their hand in there to do what they like, even in that letter. No wonder Mr. Blakeney will not fall for that kind of thing.

Some hon. Members: Hear, hear!

Mr. Taylor: The people of Canada will not be doing it either. There is another thing I want to say. They do not even say what they want to manage. Is it management of prices or is it management of drilling? Mr. Trudeau does not say anything about that.

Some hon. Members: Order!

Mr. Taylor: His answer to a question today showed us the totalitarian concept of our Prime Minister. The Leader of the NDP asked the Prime Minister if he would nationalize the oil industry, and Mr. Trudeau's answer was "no, not at this time."

Mr. Deputy Speaker: Order, please. I should like to call the attention of the hon. member that it is not the practice of the House to refer to members of this House by their names. They should be referred to either by their constituencies or their ministries.

Mr. Taylor: Yes, Mr. Speaker. The Leader of the New Democratic Party and the Leader of the Liberal party are two of a kind. What was the answer of the Prime Minister? It was "not at this time". I tell the people of Canada: beware, because he will not say he will not nationalize. What he says is "not at this time." In his own book written a little while ago called, "Federalism, Nationalism and Reason—by Pierre E. Trudeau"—I have to say his name because that is what it says on the book—

Some hon. Members: Oh, oh!

Mr. Taylor: He wrote:

Thus when a tightly knit minority within a state begins to define itself forcefully and consistently as a nation, it is triggering a mechanism which will tend to propel it towards full statehood.

Here he is planning for that day. He spoke to the Montreal students about a French republic. He said it would be better for us to have a French republic. If he wants a French republic, why will he not stand up and say so? I have nothing againt a French republic, but why is he beating around the bush and trying to sneak it into the constitution for the British parliament to pass?

Then we heard a few other things the other day about there being no other alternative. That is nonsense. The premiers of this province are ready and willing. We could have had agreement, as Senator Manning said in his speech in the Senate the other day. If the package had not been put there with all the pet theories of the Prime Minister, there could have been agreement. He did it deliberately so they would not reach agreement. He is not fooling anyone. He did not want an agreement. He wanted to be a hero. But nobody thought he would try to sneak it over to England and have it passed by the British parliament. Oh, he is so embarrassed when he goes over there to ask for an amendment. The other day the Minister of Justice (Mr. Chrétien) felt so bad that tears almost streamed down his face because they had to go to the British parliament for an amendment. But where is that embarrassment now when he is asking for a whole package of amendments? The Minister of Justice and the Prime Minister (Mr. Trudeau) have each said there are no changes in the powers. I want to say that there is a change in the powers. They are projecting themselves into provincial jurisdictions. That is exactly what they are doing. The BNA Act puts education under provincial control, and the government is deliberately projecting itself into provincial jurisdiction. Education is a responsibility of the provinces. The regulations indicate that parents have the right to send their children to schools of their choice, whether English or French.

• (2310)

I sent a questionnaire out to the householders in my constituency. One question I asked was: Are you in favour of guaranteeing in the constitution the right of a minority group speaking either French or English to have their children educated in the language of the minority? Sixty-four per cent of the replies indicated they were not in favour of putting this into the constitution. The second question was: Do you consider it sufficient to trust each province to provide such facilities where the need exists? Seventy per cent said, "Yes, we are prepared to trust each province". Putting that in the constitution will be counterproductive. It will make people who believe today that the government is forcing French down their throats, say, "There, I told you; they are even asking for an amendment to the BNA Act".

Let me tell the House what the province of Alberta is already doing. It is providing full services for children of French parentage from Grade I to university, wherever the numbers require it. The provincial department and the school boards are co-operative, the private and separate school boards are co-operative. They provide education for Ukrainians and Germans.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member but his time has expired.

Mr. Maurice Harquail (Restigouche): Mr. Speaker, I am pleased to participate this evening in this most important debate. We have all expressed our respect for this institution. When we think about this institution, we recognize that it involves the adversary system. But when one witnesses what was presented in the House tonight and all other remarks made by members of the official opposition respecting this important matter, one wonders about the adversary system.

With respect to the hon. member for Bow River (Mr. Taylor), the most charitable comment one could make is that he coloured the issue of the constitution very well, indeed. I say "coloured" and not "covered" because he did not address himself to the issue before the House tonight.

Some hon. Members: Shame!

Some hon. Members: Hear, hear!

Mr. Harquail: I immediately agreed with the hon. member for Winnipeg North Centre (Mr. Knowles) when he invited members of the House to speak about the issue at hand. He invited hon. members to speak about the constitution, not what we have witnessed here—innuendo, name-calling and misrepresentation of the worst kind. That is what we have seen in the House of Commons. There is one word for that type of demagoguery. It is despicable. That is the word for it.

We could get into the same type of response. If we want to pretend that this institution is supposed to work that way—that we do not discuss bills or the issue before us, that we attempt to mislead Canadians, we can do so, especially with the advent of television. Hon. members opposite have not explained that this is not a bill, that it is only a motion, that we will refer it to committee and it will come back.

Some hon. Members: It is not a motion.

Mr. Harquail: It is a resolution. We are moving motions with respect to the resolution.

Mr. Epp: It is not a resolution.

Mr. Harquail: They do not tell Canadians—

An hon. Member: You do not know what it is.

Mr. Harquail: They do not tell Canadians through the media that there will be a continuing debate and freedom of expression in this House, which is what this very institution stands for.

Mr. Clark: When? How much?

Mr. Harquail: I have the privilege of doing that tonight. I am able to express myself without their interruptions. This is what the House of Commons is all about.

Some hon. Members: Hear, hear!

Mr. Harquail: The right to be heard is the basic, fundamental principle of the House; members opposite should take some lessons—

Mr. Clark: Mr. Speaker, on a point of order—

Some hon. Members: Sit down!

Mr. Clark: —I wonder if the hon. member who is speaking would answer the following two questions for me.

Some hon. Members: Oh, oh!

Mr. Clark: How is the right to speak guarded by the imposition of closure?

Mr. Lalonde: That is not a point of order.

Mr. Clark: How many days of debate will be guaranteed in this House of Commons after a report from committee?

Mr. Harquail: Canadians gave the gentlemen who just spoke a great right when they gave him the title of "Right Honourable." I should think that he would want to think before he speaks and give some respect to that right.

Mr. Clark: Answer the question!

Mr. Harquail: I will answer you in the way you should be answered. When I have finished my time in which to speak, I will be happy to—

Mr. Deputy Speaker: With all due respect, the hon. member should address his remarks to the Chair.

Mr. Clark: Please.

Mr. Harquail: I am sorry, Mr. Speaker. This institution is what debating is about. If I were to debate with the right hon. gentleman, I would suggest that he should speak with the hon. member for York North (Mr. Gamble) who has some suggestions about his performance in recent times, if I remember correctly.

Some hon. Members: Hear, hear!

Mr. Harquail: That is what concerns the right hon. gentleman. That is what preoccupies the right hon. gentleman, especially with the type of advice he received tonight. That is why he is concerned, that is why he is grabbing for straws. He has been on every side. I could not imagine any other position he could take on this issue. He has been on every side of the waterfront. That is what he has been doing. He does not say that we came back here early, that we reconvened the session earlier than planned. He does not mention that.

An hon. Member: A 24-hour debate.

Mr. Harquail: They are on this 24-hour kick. Do they think they can mislead and fool Canadians?

An hon. Member: Not as well as you can.

Mr. Harquail: Do they think they can fool Canadians as the House leader for the official opposition tried to do this afternoon? The hon. member for Winnipeg North Centre tried to twist what Madam Speaker had said in this honourable chamber and tried to tear away the respect we all have for the Chair. Is that what it is supposed to be all about—anything at all costs? Is that the position being taken by the opposition?

Mr. Clark: It is your policy.

Mr. Harquail: With respect to the constitution—

An hon. Member: You have no respect.

Mr. Harquail: We all believe in a good foundation. Usually one starts with a foundation. I would have thought premiers, Canadians and parliamentarians here would want to co-operate to bring the constitution back here. We have our Canadian flag and we have our national anthem, O Canada. For the last 53 years of federal-provincial conferences we have seen delaying tactics. First we got the flag, more recently we got O Canada, and now we are getting down to discussing the constitution. I think that explains the situation very adequately for Canadians. Because of the adversary system, they feel they must fight every issue—the flag, O Canada, Canada itself and the constitution—just for the sake of being able to say that they have been a good opposition. Especially when it is as plain as the noses on their faces, can they not see the light and understand what Canadians want?

• (2320)

Mr. Kilgour: Mr. Speaker, on a point of order. Members on this side of the House will agree to say nothing further during the hon. member's speech if he will agree to say something to the House.

Some hon. Members: Oh, oh!

Mr. Harquail: Mr. Speaker, that intervention is typical. It is a waste of the time of the House and it is not fair. At one time the hon. member was, I believe, the parliamentary secretary to the House leader and I would have thought he would have picked up a little in the short time he was in that position. You do not raise frivolous points of order and take up the time of another speaker to do it. I respectfully request him not to do that.

What are we witnessing here? There is a section in the Criminal Code which talks about inciting. I submit that some of the comments which have been made in recent days, and especially today, by previous speakers on the opposite side of the House, fall dangerously close to inciting Canadians—spreading fear about the threat and danger of what is going to happen to Canada.

An hon. Member: You cannot incite with the truth.

Mr. Harquail: I would like to read from a recent letter to an editor signed by a Canadian from Jasper, Alberta. It says:

> I have been visiting Ottawa for some weeks and have followed carefully the political speeches of the various party leaders.
>
> Since my home is in western Canada and I am reasonably familiar with the views of our fellow citizens out there, may I say that the artless naiveté of Mr. Joe Clark with respect to the possibility of western Canada separating from the rest of the country on account of the constitutional question is pure hallucination.

That is the truth. The letter goes on to say:

> Where would we go on our own? We are in no way prepared to defend ourselves in case of a war. Would we wish to be gobbled up by the United States? We know that the American states have much less independence and rights than have the provinces of Canada.

And these will be protected when we patriate the contitution, protected to an even greater extent. The writer of the letter goes on to say:

> It is little wonder that Canadians quickly got the low-down on our Joe and dumped him promptly.
>
> I read that magnificent letter of Prof. Arthur Lower of Queen's University and I agree with him completely. Truly, "If you, Mr. Prime Minister, succeed in holding us together and preventing the provinces destroying us, no name in Canadian history will go down in greater honour than yours."

And the letter is signed by J. R. Dietrich, of Jasper, Alberta.

An hon. Member: Which newspaper?

Mr. Harquail: I am prepared to say where I received the information. It was in *The Citizen.*

We have all travelled across this country and we all have a very deep sense of pride in being Canadian. Part of my work in the last six years has taken me to the west. I have relatives and, yes, I have friends there. They are true Canadians, they are in a majority and they are not talking about separation. They are talking about the future of this country; that is what they talk about because they are sincerely dedicated to keeping the country together. That is what I support. That is what I

like about westerners; they are not afraid to say they are proud to be Canadian. Whether you are in British Columbia, Alberta, Saskatchewan or Manitoba, that is what Canada is all about.

I would like to say something with respect to the all-important aspect of entrenching rights, which is one of the main questions in this debate. I live in northern New Brunswick, which borders *la belle province de Québec*, on the banks of the Restigouche River, and I went to the school board so that my sons could learn the second language. And, yes, some 15 years ago I was told: No, but we might allow you to put them in an immersion course; we only need 16 students and if we could just borrow your son he would round out the members for the class. I had no intention of accepting that. I wanted my sons to go into a pure French class and to really get the feel of the second language, the French language. I am happy to tell you that because of my perseverance I won my case with the school board and all my sons have gone through the elementary classes—right up to grade 7—in French, not in an immersion class but in a pure French class. And my three sons are beautifully bilingual today. That is what I believe in.

[*Translation*]

When I was young I did not have the opportunity to learn French, the second language of our country, because our schools were English.

Mr. Speaker, for a long time in my public life I have supported the position of the Right Hon. Prime Minister (Mr. Trudeau) in so far as the Acadians of New Brunswick are concerned. Yes, I will defend the Acadians of New Brunswick! Yes, I will defend the basic rights of the French language in the constitution! That is my position, without reservation!

[*English*]

That is why I am very pleased to have the privilege of standing in my place tonight to say that this is what I have offered and told my people we would work for—not only for the rights of language, but for cultural, educational and all the other fundamental rights which we have been talking about and which are so very important to the future. That is the aspect which is important to the future survival of this country. We do not have to go around drumming or dreaming up some imaginary story in order to spook or scare Canadians about what is going to happen in this country.

I implore all members of this House to show some respect for this institution, to try to see the other members' points of view. Many of us have had the opportunity to travel outside Canada. I am sure that you, Mr. Speaker, are aware of the feeling you have when you return to Canada, where we have freedom, where we can walk the streets without fear for life and safety. That is the greatest aspect of this country and one we should preserve and protect. I do not need to delay the House by enumerating all the countries where you cannot do that. I just wanted to draw attention to it tonight because I have had occasion to travel in other countries and am so delighted to get back to Canada. When you see people getting down to kiss the very soil, you recognize that that is the feeling you have when you come back to this great country. We know the reasons why we are proud to be Canadian. It is because of the rights we have and because we are willing to take up our responsibilities and accept our duty. We intend to see to it that once the constitution is back we will have free debate.

Mr. Speaker, we see the Leader of the Opposition (Mr. Clark) saying, one minute, that he agrees we should bring back the constitution. The next minute he is saying he doesn't like the way we are approaching the situation. He should make up his mind.

Let me conclude with a quotation from the Institute of Research on Public Policy. It says:

> The problem has been that in recent years the traditional economic links between the Canadian provinces have been eroding. In my opinion that erosion could, if not reversed, threaten our very survival as a nation.
>
> If we are to succeed in our quest for a strengthened nation and a renewed Canada then we must begin by making a commitment and a conscious decision not only to rework constitutional arrangements but to build solid economic relationships among the regions of Canada. We need a new set of economic and political relationships which can accommodate our existing strengths across the country—in the maritimes, in Quebec, in Ontario and in the west—in such a way that we reinforce each other in a genuine partnership that creates a stronger and more united whole and a more united country.

In concluding, I hope we will not abuse the rules of this House and not abuse the television coverage that is going out to the people in such a way that the only word that can be applied is "misleading". It is misleading in almost every aspect on all fronts with respect to the subject matter which we have been debating since we returned from the summer recess. What I would like to see is a sensible, realistic approach to the responsibilities and the work which we are called upon to do here.

● (2330)

While we are talking about rights—and it does not matter whether I take the time on a question of privilege or a point of order or on another occasion—what about the question of television within this House? As a result of television, this House is no longer what it once was. In many instances, it is now a television studio. One of the deals was that we would not have editing or abuses of the service of bringing the message to Canadians which they are perfectly entitled to receive. Now members opposite want to extend television beyond the House into other areas. But that subject might best be left for debate at some other time. I cannot recall that during the short time I have been here we have debated the pros and cons of televising the debates of this House or agreed that we would allow people and the media outside the chamber to play with the debates. That is not my understanding of the original plan. We will have a chance to come back to this matter another time. However, it is an example of people treading upon other people's rights and of people misleading other people. It is divisive and a great threat to this country and it is something which I, in the coming months and years, will work to correct.

In the meantime I would like to express my appreciation to at least some of the members who have courteously allowed me to express myself in this free, democratic institution. I would hope that as we go on to the work in committee and as

we come back to this chamber, each and every member will have had the opportunity to express himself, or herself, through that cherished, precious right of freedom of speech which relates to the very work we are doing in terms of the constitution and all the work we will carry out once the constitution is brought back in terms of the amending formula.

Mr. Clark: Mr. Speaker, returning to my point of order—and I know the hon. member would not want to mislead the House or the public—I would remind him of his undertaking to reply to my two questions at the end of his remarks. I would like him to explain to us how freedom of speech is guaranteed by the imposition of closure. Second, and this matter is of very real interest to all members of the House, he spoke about the opportunity for full debate once the matter is out of committee. Will the hon. member tell us now how many days and weeks of full debate in the House of Commons the Government of Canada is prepared to guarantee once the proposal comes back from committee? The hon. member claims to be interested in the right of parliamentary debate, so these points should be of interest to him, and I know he wanted the opportunity to respond.

Mr. Harquail: Mr. Speaker, I want to express my appreciation to the Leader of the Opposition for giving me the opportunity to speak once again. I would like to explain to the Canadian people that we have rules in this House. Standing Orders 75A, B and C have on many occasions been misquoted in a misleading fashion. Standing Order 75C has been referred to as closure. It was never closure. This is closure, but all those other times we were not on closure. With respect to the other question, I would have thought the right hon. member would have learned the lesson as Prime Minister to respect his House leader. Our House leader answers for our party and he will give indication to members opposite about the decisions by government, which has been elected to govern, as to how much time will be allotted for the debate and when we will debate, and I suspect the right hon. gentleman respects that.

Mr. Clark: That means we will have closure again.

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, it is with feelings of pleasure and regret that I stand in this House tonight to speak on the constitution and the future of Canada. The regret is that I have only 20 minutes to speak. I hear hon. members opposite saying that all they need is another westerner. We just heard the hon. member for Restigouche (Mr. Harquail) talk about the freedom of this House and now some members are saying that all they need is another westerner. I can tell hon. members opposite that we in western Canada feel that we are a part of Canada. We are proud of Canada and we intend to tell the people of Canada about our feelings and how we want to stay in Canada.

Members are allowed only 20 minutes to speak on the Constitution of Canada. The future of our country, the future of my children, my grandchildren and my great grandchildren will be decided by members who will speak for a brief 20 minutes. We have had only 24 hours of debate. Some of my hon. friends on this side will not have an opportunity to speak this evening. Many of them will be denied that right because of the gag rule, because of closure, because of the stifling of free speech which has been imposed upon this House.

Yesterday the House had the opportunity to debate and vote on a motion proposed by my party which would immediately patriate, immediately domicile in Canada, the Constitution of Canada. It could have been brought home with an amending formula agreed upon by the ten premiers of Canada and then debated in this House until we had a Canadian constitution for Canadians. We all know what happened. We have not changed our ideas about Canada. We have not changed our ideas on getting the constitution home, but the government voted against our proposal.

Not only did the government vote against it, but so did members of the New Democratic Party. The loudest objection which we heard yesterday from members of the government was that our proposal would allow some provinces the right to opt out if there was a federal intrusion on their jurisdiction. It would have allowed them to decide whether or not they would like to be included in a federal instrusion on their jurisdiction. They said that was not right.

The people of Canada not only elect members to the House of Commons, but they also elect members to the legislatures and they, too, are Canadians who represent their people and they, too, have a right in Canada. When I entered this House a year ago, I had many things in mind. I entered it with a great deal of respect for all members but particularly for those of long service. Some of those whom I respect have a legend which goes before them. One such member is the hon. member for Winnipeg North Centre (Mr. Knowles) who is known as a great citizen and an upright supporter of the free speech.

Yesterday when this government imposed closure on us, that supposedly hon. member whom I respected did not stand when it came time. He sat in his place and allowed the House of Commons to be gagged without uttering a word. The people from Saskatchewan, Kindersley-Lloydminster constituency which I represent and the people from all the other constituencies, which are represented by members of my party and members of the New Democratic Party, have a belief in Canada and want to stay in Canada. I was pleased when the Prime Minister made the announcement that the constitutional resolution would be represented in the House. The hon. member for Yorkton-Melville (Mr. Nystrom) and the hon. member for Prince Albert (Mr. Hovdebo), though we are not of the same political party and have several differences of opinion, expressed the feelings, the desires and concerns of their constituents.

The hon. member for Prince Albert is quoted in the Prince Albert *Daily Herald* of Friday, October 3, as saying, "Prime Minister Trudeau's move to patriate the British North America Act is a study in cynicism". He said that the Prime Minister was trying to patriate without provincial consensus, that he ignored the issues and that a provincial consensus was needed if the federal government was going to continue to

pursue its options. I agree with the hon. member for Prince Albert, Mr. Speaker, but I regret that I have not heard him speak on this very important matter in the House. I would like to think that he will continue to represent the wishes of his constituents.

The hon. member for Yorkton-Melville (Mr. Nystrom) stood in his place in this House and in a fine and eloquent manner spoke of the pitfalls and inequities that he saw in the resolution. As to sections 42 and 46 concerning the amending formula he said it was not proper that under this resolution the right could be given through an amending formula and taken away through a manipulative referendum which denied the basic partnership and essence of federalism. That is what he said in this House. I hope members of his party continue to talk that way because I believe they truly represent their constituents. That is what we hear. That is what the hon. member for Winnipeg North Centre was saying when he said we should set aside our differences. I agree with those two members of the NDP but I should like to ask whether there are other members who feel that way and who may not have spoken in the House. Only one member from that party spoke on the resolution today. As I understood the hon. member for Winnipeg North Centre, he was speaking on an amendment or a point of order.

Mr. Knowles: Mr. Speaker, a point of order. Does the hon. member not realize, with respect to our stand on closure, that we voted against it today solidly? Does he not realize that I did make a full 20-minute speech today, including our attack on closure? The hon. member for New Westminster-Coquitlam (Miss Jewett) made a full 20-minute speech and we have another one to come. Would the hon. member not like to get his facts straight?

Mr. McKnight: Mr. Speaker, I certainly retract my remarks about the matter on which the hon. member for Winnipeg North Centre was speaking, but sometimes we hear 20-minute speeches from the hon. gentleman on other matters. I do apologize to the hon. gentleman.

The hon. member for Kootenay West (Mr. Kristiansen) spoke as well, and I referred to his speech earlier today. In effect he was saying, "My leader said that we support in principle most, if not all, of the items in the resolution," but then he went on to say, "with regard to resources taxation." He then quoted the former premier of the province of British Columbia, Mr. Barrett, as saying:

British Columbia is prepared to share all the oil and natural gas rights granted to it by the constitution if the Government of Canada would put under public control all of the oil and gas in the country.

That is very nice, for the people of British Columbia. Then he added the comment that it appears the NDP are willing and want the province to maintain jurisdiction over natural resources, that is, unless the federal government would promise to nationalize all the natural resources—then they would give it all to them. I am sure the people of British Columbia would be very interested in that proposition.

This Liberal-democrat coalition will be bringing in a supposed amendment which is not acceptable to any but the Prime Minister and the leader of the New Democratic Party. It is not acceptable to the premier of Saskatchewan who was quoted today as saying that this move has made it more difficult for the provinces to bargain. There was a big hullabaloo about the right to indirect taxation. But most of the resources from Saskatchewan are not exported to other parts of Canada, Mr. Speaker, they are exported outside the borders of Canada. So indirect taxation does nothing in those circumstances.

Mr. Blakeney has already found a way to get around indirect taxation by imposing an income tax at the wellhead which has diminished, and will continue to diminish, the search for oil in our province. In that way, the potential of this country to become self-sufficient in oil will be jeopardized.

We speak of Canada as being more than just a federal government. Several members—and not just members of my party—have spoken about this resolution. One province accepts it; two are not sure and seven are considering action in the courts. Senator Manning has spoken out in the other place against the resolution and the political minister for Alberta in the other place, the Minister of State for Economic Development (Mr. Olson) is reported in the *Vancouver Sun* of October 11 as follows:

Economic development Minister Bud Olson, the lone Albertan in the federal cabinet, said Friday he does not favour Prime Minister Pierre Elliott Trudeau's constitutional amending formula.

The senator told student Liberals at the University of Alberta that his "personal preference" is for the Alberta amending formula.

So it is not just members of this party who oppose the motion, Mr. Speaker. We want to know why we have to change the system under which we have been governed. We want to know by what right the only acceptable viewpoint is that of the Liberals. More than that one viewpoint must be represented.

Let us examine what that Liberal viewpoint represents in Canada, Mr. Speaker. There is a total of 282 seats in this House and at the present time there are a number of vacancies. The government has 143 members and a majority of 33 seats. The province of Quebec has sent 72 members to the government benches—

An hon. Member: Seventy-four.

Mr. McKnight: —and over 86 per cent of Liberal members are from the central provinces, Quebec and Ontario. Only 20 Liberal members come from the eight other provinces combined, two of them west of the Ontario-Manitoba border. So what about rural Manitoba, Saskatchewan, Alberta, British Columbia, the Yukon and the Northwest Territories?

An hon. Member: There are NDP members.

Mr. McKnight: I hear a member on the government side saying it is all right because the NDP supports them. I should like to tell hon. members opposite that from the information I have and the speeches I have read in this House, I gather that

not all NDP members support the government. I commend them for that and for speaking out for their constituents.

We have heard a great deal about the intense emotions involved in this question and we have been accused of using scare tactics and inciting, when all we are trying to do is gain the attention of this government.

I think everyone recognizes that the premier of my province is a very conservative individual, a quiet man who goes out of his way not to overstate a case. As a matter of fact, I think the premiers of western Canada have gone out of their way to understate the feelings and strong concerns of the people of western Canada. In an interview, Premier Blakeney was asked:

How do you sense the mood of the country now and how dangerous is this continuing acrimony, do you think, in terms of national unity?

He replied:

Well, I think the mood of the country is building into a confrontational mood.

● (2350)

Later on in the interview Mr. Blakeney said:

—we have a situation which is beginning to be more than disquieting. In fact, it begins to be dangerous.

The question was then put to him as follows:

Dangerous to the continuous existence of Canada as we know it now?

The answer given by Mr. Blakeney was:

Yes, I mean dangerous to the continuous existence of Canada. I don't want to overstate that—

Referring to the constitutional talks this summer, later in the interview, Mr. Blakeney said this:

With respect to the agreement of the package there was a rough and ready agreement by the premiers on all of the items in the constitutional package—

I ask hon. members what does this tell us? It tells us that there was agreement among ten provinces. But who could not agree? The federal government could not agree, Mr. Speaker. Mr. Trudeau could not agree. The "incredible sulk" could not agree. He wanted to sulk and go away in his corner so that he could write his own constitution. The premiers did not break up that conference, The federal government did.

There is more to what has been said about the problems in western Canada. I noticed the hon. member for Restigouche was reading from a newspaper. Now I would like to read an article written by Mr. Stan Roberts, ex-Liberal MLA for the province of Manitoba, who is presently executive director of Canada West Foundation. He said:

Trudeau was acting tonight as though he was president of a unitary state.

Now you know why he is an ex-Liberal MLA for Manitoba, Mr. Speaker. The article continues:

Ottawa's initiative can do nothing but increase separatist's sympathies in the west, he warned. This will fan the flames. It's like pouring a little of our well-known Alberta crude on the fire.

But the hon. member for Restigouche took great pride in reading a letter which appeared in a newspaper in Ottawa, supposedly written by someone in Alberta. I have a letter which appeared in the *Edmonton Journal* which was written by someone from Penticton, British Columbia. I think some of my NDP colleagues would be interested in it. The letter reads:

A great destiny awaits Western Canada if it severs the Gordian knot but unless we do rise to the occasion we will forever remain central Canada's milch cow, forever under its political and economic control, eventually, perhaps, to be ruled by Emperor Trudeau in a totalitarian state.

If we search through the newspapers, Mr. Speaker, I am sure that we could all find letters to editors stating some of the views that we have put forth.

I say to members opposite, and to the Government of Canada, that we are trying to make you understand. We are trying to have you help us. We want your help. We want you people to help us, as I tried to make clear in my own way when I stood in this House and asked the people of Quebec to stay in this country because we wanted them. We wanted them then and we want them now. We want to stay with them as Canadians. But, Mr. Speaker, we need your help and the help of members opposite. I stood in this House and condemned a long-time friend because he is leading a unionist party of Canada that has, as its goal, the breakup of Canada. I did not enjoy condemning a friend. I know how the people of Quebec felt when they had to condemn friends. But I will stand in this House and condemn the Prime Minister (Mr. Trudeau) and his party if they break up Canada because I hope that some day my daughters and sons will be able to come to this House of Commons and have the opportunity to represent their part of Canada in a nation of Canada as we know it, and as we continue to want it.

Some hon. Members: Hear, hear!

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, as I enter this debate tonight on this motion, I think back to the part of Canada where I was born. I remember the old people saying that some day in Canada we would have a flag. They also said that some day our constitution would be patriated to Canada.

Some hon. Members: Oh, oh!

Mr. Whelan: Some day it will be brought to its rightful home. Needless to say I never thought that I would be part of the institution that would debate the flag issue. I can remember that debate. Mr. Speaker, we used closure then. I can remember some of the people on the other side of the House crying.

Mr. Dick: After five weeks.

Mr. Whelan: I remember the wild stories of what was going to happen to this country of ours. I was part of that decision and I was proud. I am proud every day that I walk by the House of Commons and see Canada's flag flying on top of the peace tower.

Some hon. Members: Hear, hear!

Mr. Whelan: I will be just as proud that I am part of bringing the constitution to its rightful home in Ottawa. Some of us have travelled around the world. We are the big helpers

to the developing countries. Every now and again we hear the little remark that we are still a colony.

Some hon. Members: Oh, oh!

Mr. Whelan: We hear people say that we do not have our constitution at home. Here we are, the great mature country called Canada, and we are scared of something—I do not know what it is—of fear itself is about the only way I could describe it. But I do not understand some of the things that are being said about bringing the constitution here and about the way it is being done.

One can look at the records and see how often prime ministers and leaders of this country, of every political faith, Conservative and Liberal, ever since 1921 have tried and tried to bring the constitution to its rightful home, where it has never been, and failed because they could never come to an agreement.

I hear this talk about closure. I think it is so funny when that group over there talks about the rights and privileges of Parliament. My God, Mr. Speaker, they loved Parliament so much they were not going to let us use it last year because they kept us out of this place so long.

Some hon. Members: Hear, hear!

Mr. Whelan: Never in our history since confederation from the time an election was called until the House of Commons reconvened, the lovers of freedom and the lovers of democracy on the other side of the House did not even want to let us use this great institution. They wanted to run a country without Parliament. It was the longest time since confederation—

An hon. Member: That is not true.

Mr. Whelan: Now these are the people, the great freedom-lovers of Parliament. One of the members earlier—I forget his name and his riding—he talked about Alberta. He talked about us being a group of dictators and he said all kinds of horrible things. I could not help but think about an article I read in the paper the other day. It concerned one member of Parliament in Alberta who was brave enough to disagree with that great democratic institution called the Conservative party of Alberta. What did they do? They threw him out.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Whelan: They threw him out because he disagreed. He could no longer be part of that great democratic party, the Conservative party of Alberta under Peter Lougheed. He could no longer stay there because he disagreed. Was it because they had a minority position? They don't have any opposition. They now have one more member in the opposition. I believe that brings them up to six in the opposition, so he is going to sit as in independent. I bet he is happy. At least he can say and do what he wants. He can be free and independent.

• (2400)

We use the British parliamentary system. We hear them talking about closure. Who has used closure most in Canada? The Conservative party. Who has been in power least? The Conservative party.

Some hon. Members: Hear, hear!

Mr. Whelan: Closure has been used in the House of Commons 18 times, ten times by the Conservatives and eight times by the Liberals. Just imagine if they had been in power as long as us. They probably would have used it 100 times, if you went by the percentages.

Some hon. Members: Oh, oh!

Mr. Whelan: What a phony group, what a phony group! The hypocrisy of it! There must be a better word to describe them than that. There probably is in the other official language. I have been criticized for travelling around Canada. I am probably the most travelled Canadian, the most travelled parliamentarian. I have been in an elected position since I was 21 years of age. That will be 36 years I have been in an elected position, either on school boards, municipal councils or as a member of Parliament.

An hon. Member: That's 25 years too long.

Mr. Whelan: Why do I stay in the House of Commons?

Some hon. Members: Why?

Mr. Whelan: Mainly because of the democratic function that takes place. They re-elect me all the time and keep sending me back.

Some hon. Members: Hear, hear!

Mr. Whelan: The other reason I run is because I have become so fearful of that group over there and what they would do to this country. Just imagine. When we go across the country and talk to Canadians or around the world and talk to other people, what do they say? You are from Canada, the people who are the best housed, the people that have the best way of life in the world, the highest standard of living, the highest standard of earning of any people in the world. There are more people living on the same plateau in Canada than any other country.

Canada is the envy of the world. I was recently in British Columbia, the Fraser Valley, Chilliwack, Abbotsford and other places. I visited farmers and other ordinary citizens of that area. The people there come from many different parts of the world, so we talked quite a bit about the constitution. They talked about Canada, because they are just ordinary people like their Minister of Agriculture. They told me that when they came to Canada, if anyone had told them they were going to a province named Alberta, Ontario or Quebec, they would not have known where they were going, though they knew they were going to Canada. They said they do not understand what is going on, they do not understand this debate. They told me

they want us to get it over with, finish it, and bring the constitution back to Canada.

That was in Chilliwack, Dauphin, Ste. Rose du Lac, Russell, Yorkton, Margo, Kamsack and Regina. When I was in Regina, they had a walk-up microphone poll. Even that showed they were in favour of what we are doing.

Mr. Hnatyshyn: They must have talked to the only three Liberals there.

Mr. Whelan: It was a fairly high percentage. I have a brother in Regina.

Mr. McKnight: What's his profession?

Mr. Whelan: I will tell you his profession. He is in the insurance and real estate business.

An hon. Member: What party does he belong to?

Mr. Whelan: He is retired from the New Democratic Party, by force.

Some hon. Members: Hear, hear!

Mr. Whelan: I want to tell you this. He was a minister in the present government of Saskatchewan. He is no longer a minister there. He said to me "Gene, don't you forget this. I am a Canadian first and I will fight to help you. I will volunteer. I won't charge you one penny".

Some hon. Members: Hear, hear!

Mr. Whelan: He said, "I will do anything I can to make sure this Canada we know stays together". We have heard people talk about poverty. I can remember in Canada when we did not have medicare, hospitalization and so on. The member who just spoke talked about what we are going to do to this country. There were nine of us raised on mothers' allowance, if you can imagine what that was like during the dirty thirties. I remember that. In what other part of the world could one achieve one of the highest positions in the country with that kind of a background, besides Canada?

Some hon. Members: Hear, hear!

Mr. Whelan: My ancestry is what? Irish, French, Welsh, and Indian. I have a Hungarian sister-in-law, a Roumanian brother-in-law, a German brother-in-law, a Finnish sister-in-law, a wife of German-Yugoslav ancestry and I live in an Italian neighbourhood.

Some hon. Members: Hear, hear!

Mr. Whelan: There is no other country with the make-up of people that we have who have built this country from sea to sea, 4,000 miles. We have people from all over the world building and sharing together to make us the envy of the world, this country of Canada. Now some of them would have a community of communities, I believe they call it. That is not what we want in Canada. We want the Canada that we know and love. We want the Canada which that guy Jean Chrétien fought so hard for in the referendum in Quebec.

Some hon. Members: Hear, hear!

Mr. Whelan: I can remember when that minister came to the House. He only spoke one language. He does much better than I, he now speaks two. When he came here, he used to practice his English. One day he said to me, "Eugene, I want to have lunch with you so that I can practise my English".

Some hon. Members: Oh, oh!

Mr. Whelan: I said to him, "Jean, you are welcome but it won't be English, it will be Whelanese you hear". He is the minister we all admire. He fought like no one else in the Quebec referendum. Now they are trying to say that the Minister of Justice, who is leading the battle here, has changed, the man who took that strong stand in Quebec for Canada. They say he has changed. They know that is not true. He is the same strong Canadian he always was.

Some hon. Members: Hear, hear!

Mr. Whelan: When talking about television in this chamber today, members opposite said they want television in committee. The chairman of the agriculture committee then told me that his committee is also entitled to television coverage. I agree. There is nothing more important than food production and agriculture. We saw a display in the House today that I am sure would not have taken place if we did not have television in the House of Commons. They stood up and sang "O Canada", the former prime minister with his hands in his pockets.

Some hon. Members: Oh, oh!

Mr. Whelan: The former prime minister stood up with his hands in his pockets. Television will show that. What a show! He did not even sing the words to "O Canada".

Some hon. Members: Oh, oh!

• (0010)

Mr. Whelan: I can remember my first trip to western Canada when I was a teenager. We went to western Canada. For what? To help. That was the time they used to get young easterners to go on excursions. It was to help harvest the wheat. It was an experience I never forgot. I spent four and a half days riding on a train to go, of all places, to a beautiful part of Canada, Alberta. My address was High River, Alberta. My brother visited the former prime minister's father in that town. Even then I did not find Alberta any different from Come By Chance, Port Hardy, Vancouver Island, Nipawin, Kamsack, Wetaskiwin or wherever. Canadians are not very much different from each other. They want the basic things of life.

Mr. Andre: So why treat them as second-class citizens?

Mr. Whelan: They want shoes on the baby and bread on the table. They want a form of security. That means some kind of job so that they can earn their own way in Canada. They can do that by sharing, not by saying "greed" or "We want more than the rest of you." They cannot do that by saying, "We do not want to share the way we build Canada" or "We do not want to be in a position where perhaps we are better off and share with someone who is not so well off." For instance, what good is the heritage fund piled high?

Mr. Andre: You are piling it high right now.

Mr. Whelan: On the farm we have piles, and we know that if we do not spread it around, it does not do a bit of good.

Some hon. Members: Hear, hear!

Mr. Whelan: The same is true in our society with money. You cannot corral it in one part of the country and not distribute it properly in the rest of the country. That is not the way Canada was built. We shared these things to build a country which is—and I know I am repeating myself—the envy of the world. Our way of life is the envy of the world. We are the best housed and the best educated. We have the best of the whole world. Some talk of another Utopia. If there is a better part of the world, I want to go and see it some day. I could describe Canada, as a new Canadian in my area described it the other day. He was watching television and listening to his children talk about the debates they read, young educated people who are more fortunate than their dads. He was an immigrant from Italy, and he said to me, "Gino, I would like to make a comparison. The world is one great big roast beef, and Canada is the best slice of that roast beef". I have heard no one here describe it any better than Biase Di Pasquale, a neighbour of mine who is proud of his accomplishments in this country. He is so proud that he trusts the people who have been in power longer than the other party in Canada. He trusts his Gino because he knows his Gino.

Some hon. Members: Hear, hear!

Mr. Kilgour: Mr. Speaker, the minister has a moment or two left. I wonder if he would permit a question.

An hon. Member: Let him finish. You have been interfering all night.

Mr. Whelan: Mr. Speaker, I understand that I have about three or four minutes left. I go as Minister of Agriculture to World Food Council meetings, the FAO and the OECD in Paris. At any world food meeting respect is paid to Canada. I know it is not paid to me because of who I am. It is because of what I represent. I represent that country called Canada which is looked on not as a huge military power or a huge power which is trying to impose some political philosophy on anybody else but as a country which enjoys the most freedom of any country in the world.

Ours is the country which is much envied. People want to come here and be part of this country called Canada. Yes, I am proud to be a Canadian, and I will do everything I can to make the people of Canada understand what this debate is about. It is about bringing our constitution to its rightful resting place. I will do my best to explain in the humblest of language because I do not think anyone uses more humble language than I do. I do not know how to use any other language. About 95 per cent or 90 per cent of the people of Canada are something like your Minister of Agriculture, Mr. Speaker. They have had rough lives. They have had tough lives. They do not have that much education, but they do appreciate Canada, and they want it to stay as it is.

Some hon. Members: Hear, hear!

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I appreciate the opportunity to take part in the debate on the constitution, especially since many of my colleagues who would wish to speak have had that right denied them by the imposition of closure. I object to the government's refusal to hear what my colleagues have to say and to the unjust limitation of debate on an issue of such basic importance as the constitution.

Along with other New Democrats I agree with the need to bring our constitution home. I would be happy to see a charter of rights and the principle of equalization enshrined in our constitution. Coming from British Columbia, I am glad that New Democrats were able to get the Prime Minister (Mr. Trudeau) to agree to provincial control of resources. Six years ago I saw how the federal government prevented that right and how it hampered the economy of British Columbia under Premier Barrett because it refused to grant that right. Provinces need these rights so that they can develop their own economies without being hobbled by Ottawa.

However, while I support many of the features in the constitutional package, I join with my colleagues in deploring the inadequacies in the charter of rights and its failure to recognize the rights of women and natives.

I wish to direct my remarks particularly to the charter's failure to recognize and enshrine the rights of Canada's Indian, Inuit and Metis people. If we look at the charter we see that it lists in great detail the rights the government considers important. We have inherited many of these rights from centuries-old traditions. They are so deeply interwoven in the fabric of our society that perhaps they do not need to be enshrined, but they are enshrined, and they are spelled out.

Other rights, such as those relating to language, are new and not yet universally accepted. Again, these rights are spelled out in detail.

However, when we come to native rights, what do we find? We have a fuzzy non-statement about non-rights. Section 24 of the charter of rights says, and I quote:

> The guarantee in this charter of certain rights and freedoms shall not be construed as denying the existence of any other rights or freedoms that exist in Canada, including any rights or freedoms that pertain to the native peoples of Canada.

That is all there is, "any rights or freedoms that pertain to the native peoples of Canada". George III did better than that. In the proclamation of 1763 he said, and I quote:

—it is just and reasonable, and essential to our interest, and the security of our colonies, that the several nations or tribes of Indians with whom we are connected, and who live under our protection, should not be molested or disturbed in the possession of such parts of our dominions and territories as, not having been ceded to or purchased by us, are reserved to them . . . as their hunting grounds.

Mr. Malone: We want George III!

● (0020)

Mr. Manly: We know what George III said. The Indian people of Canada want that proclamation attached to the constitution as a schedule. Recognition of aboriginal rights was one of the causes of the American revolution because protection of Indian lands rankled those Americans who were already afire with the idea of manifest destiny. The American Declaration of Independence objected to the action of George III in raising the conditions applying to new appropriations of lands.

We all recognize that George III was not an original thinker. He was simply following what had been standard practice for European nations since their first encounters with North America. Claims of sovereignty by European powers were really claims to be able to treaty with local Indian nations for the land. It was generally accepted that Indians had aboriginal rights to the land that could not be arbitrarily denied. Three possible methods were established for obtaining title to land. The first was by occupation of vacant lands. Recent studies of hunting, trapping and food gathering patterns across Canada have shown that in spite of the vastness of our country, almost every part of it was used by the native people. There was no empty or unused land in Canada.

The second way was by way of what was called the just war. I do not know of any just war by which Indians in Canada were vanquished and lost their rights or their land. The third method was by purchase with consent of the owners. In many parts of Canada the Crown did enter into treaties with the native people. The Indian peoples granted certain rights to the Crown and in return they were promised certain rights. As recently as July 5, 1973, Queen Elizabeth II told the Indian people:

You may be assured that my Government of Canada recognizes the importance of full compliance with the spirit and terms of your treaties.

The rights of Metis people were also recognized in these treaties and also in the Manitoba act of 1870. Thus, across Canada, native people have both aboriginal rights and treaty rights which, at different times, have been recognized and guaranteed by the Crown. But the proposed charter of rights glosses over this by talking about "any rights or freedoms that pertain to the native peoples of Canada." The charter lists other rights in specific detail. It denies native rights by vague generalities. Because of their minority position in our society, native people have a greater, not a lesser, need to have their rights enshrined.

The government has argued that we need a charter of rights because we cannot entrust rights to the changing whims of legislatures. I ask you: What people have suffered more legislative infringements on their rights than the Indian people? Amendments to the Indian Act passed by this House of Commons over the past 100 years have hampered the Indian people in every facet of their lives. Freedom of religion was interpreted to mean freedom to decide which church would send in missionaries, and I speak of the former missionaries in Indian villages. Traditional religious and cultural practices, such as the potlach, native dancing and dancing societies, were forbidden.

Earlier in our century, the act required Indians to get permission from the Indian agent to go to exhibitions, rodeos and dances. They needed permission from the superintendent-general to collect money for their organizations, a way of discouraging those organizations from pressing the government in connection with land claims. Indian people lost their status without their consent. In other situations, people were given Indian status and included in band membership with a share in the meagre resources of the reserve without permission of the band involved.

These are some of the things Canada's Parliament has done to the rights of Indian people. They know full well, therefore, that they cannot depend upon legislatures to maintain their rights. These rights must be recognized and enshrined in the constitution.

Some hon. Members: Hear, hear!

Mr. Manly: The Indian people today still remember the 1969 white paper which would have stripped them of all their rights. This 1969 white paper was the catalyst which brought them together with a great many organizations and helped them to advance to the level of political involvement in which they find themselves today. But as they look at the proposed charter of rights, they see clauses in it which would have the same effect and which would leave them without rights, without protection and without even the basic, minimal recognition which they have at present. The Prime Minister has promised the native people that they could be participants in all constitutional amendments which concern them. What could possibly concern native people more than the entrenchment of their rights? Yet Indian people were not consulted about the charter of rights. In their absence, a vague clause was inserted which does violence to their rights.

Last week, the Prime Minister said that as soon as the constitution is brought back to Canada, native rights will be one of the first items on the agenda. What hypocrisy! The Prime Minister knows full well that by placing Indian rights on a post-patriation agenda, he is denying these people their last chance to obtain justice.

Some hon. Members: Hear, hear!

Mr. Manly: Section 50 states very clearly that any amendment to the Canadian charter of rights and freedoms can only be made in accordance with sections 41 or 42. Obviously the Prime Minister is not willing to trust his cherished language rights to the vagaries of such a process because he knows it would be almost impossible for such rights to be adopted. In the same way, he must know that if Indian rights are not

recognized and enshrined now, they never will be, not so long as we have people like Premier Hatfield who denies the very concept of aboriginal rights. If we believe in native rights, we must act now. In committee we will be moving and supporting amendments to achieve this. We take the Prime Minister at his word that he will be willing to accept amendments.

Some hon. Members: Hear, hear!

Mr. Manly: The other night, the Minister of Transport (Mr. Pepin) asked for a spirit of compromise. I ask the government if, in that spirit of compromise, whether it will change its position and recognize the basic rights of our native people so that they are not compromised right out of the picture. I ask the government to include as schedules to the constitution such documents as the treaties and the royal proclamation of 1763 which will assure the native people that their native rights are not being denied.

In conclusion, Mr. Speaker, let me point to a fact that is often ignored when we speak about Indian people. We often hear the statistics about poverty, unemployment and poor health. We watch television documentaries about substandard housing and the failure of the educational system. We know all about the negative side of Indian life, and every six months or so it becomes a two-day wonder for the media. What we do not hear or see is the positive side—that there is something good about being Indian. For hundreds of years Indian peoples in North America have refused to assimilate or lose their identity as Indians. In spite of poverty, discrimination, bad housing conditions, the lack of opportunity on reserves and denial of their rights, they hang on to their Indian identity and culture. There is something good for them about their Indian culture. Obviously they have something very valuable.

● (0030)

What they ask from Canada is a recognition of their rights so that they can maintain their identity and the culture which is so important to them. They ask for their rights so that they can build a decent economy which will enable them to maintain their status, rights and culture with some dignity. Native people do not believe that being Indian, Métis or Inuit must go hand in hand with poverty. I believe Canada needs the contribution native people can make to our social fabric. We can learn from them. We have the wealth and resources in this country to afford a pluralistic society. We do not all need to fit into the same mold. The native people of our country can only make a contribution if we recognize their rightful place in our society and give them their due.

On behalf of the more than one million native people of this country, I appeal to the government to recognize and entrench the rights of native people so that they can take their full place in Canadian society, and, furthermore, so that Canada can achieve its destiny as a nation of justice and opportunity for all people.

Some hon. Members: Hear, hear!

The Constitution

Mr. Bill Kempling (Burlington): Mr. Speaker, I had hoped to follow the hon. member for Essex-Windsor (Mr. Whelan) because he gave one of his usual speeches which did not say very much. Had he given his speech on a manure spreader, it never would have had a bigger load. To stand in the House of Commons and ask people to believe when he travels around the world that people say, "Oh, you are from Canada, that country which has its constitution in London" is just pure nonsense. How can anyone be expected to believe that?

An hon. Member: Express it in farm terms.

Mr. Kempling: I must remember the decorum of the House. I cannot express it in farm terms.

It has been written that when the British Parliament had the BNA Act before it in 1867, the act passed in 30 minutes because a much more urgent matter was waiting to be introduced. That matter was an act dealing with the licensing of dogs. It was a much more urgent matter than the constitution of Canada. The reason it took only 30 minutes to pass was that the British House had full knowledge that several years of discussion had preceded the writing of the act. The Parliament of Westminster knew that such discussion had taken place. Some of it was very bitter, but in the final analysis a consensus was reached and they felt justified in passing it in 30 minutes.

We have heard many members on the other side say that the country has been confounded, put in a strait-jacket or what have you, for 53 years. I had a resumé done by the parliamentary library of the constitutional conferences from 1927 to 1980. Anyone reading it would realize that it is just not so, the country has not been tied. There have been many, many instances where there has been complete consensus. In fact there were two occasions when the premiers and the federal authorities agreed unanimously to suspend further discussion on the constitution because they had more urgent matters before them, most of them dealing with the economy. Anyone who tries to persuade the people of Canada that somehow we have been strangled and tied for 53 years is perpetuating a fraud.

The first time the provincial premiers met, shortly after confederation, it was to deal with a revenue matter. They met to deal with revenue-sharing because the provinces had given up tariffs to the federal government and the federal government had expanded, in lieu of tariffs, a per capita grant. They met because the rising population in the provinces was such that the revenue was just not adequate. This is really what we are talking about today. When we get down to brass tacks, we realize we are talking about revenues again. The federal government is in a revenue bind. It just does not have enough revenue coming in. It does not want to go the honest route of taxation, as my party endeavoured to do. They are trying to put a claim on provincial revenues so that they will not have to raise federal revenues as much as they probably should.

This debate has taken some rather strange twists and turns today. Members have told us we took up too much time on points of order and questions of privilege and that is one of the reasons why the President of the Privy Council (Mr. Pinard)

brought on closure. If one looks at the record, one will find there was a total of 86 minutes, or one hour and 26 minutes, in the full 24 hours of this debate devoted to questions of privilege and points of order. That is really not very much time. If that is one of the reasons for bringing on closure, it is an absolute fraud.

It has been argued that there is a crisis in the country. The crisis is in the minds of the Prime Minister (Mr. Trudeau) and those around him who perceive the difficulties in the country as a crisis. There is no crisis in the minds of the people outside. In my eight years as a member of Parliament—and I know many members have been here longer—I have never had a constituent ask when the Constitution of Canada would be changed or tell me that it should be changed.

An hon. Member: You ought to travel with Gene.

Mr. Kempling: He encounters it outside of the country. The hon. member for Davenport (Mr. Caccia) participated in the debate the other day. It was a good, measured speech, but he left the impression that the four million or so immigrants who have come to Canada since 1945 are demanding that the charter of rights be written into the constitution. I cannot believe that people who came here from Uganda, Chile, Poland, Hungary, India, Tibet, the Caribbean, Viet Nam, Great Britain, any country in the western world or the mid-east, are asking for a charter of rights to be put in the constitution. That is just not so. They came here because we offered a better form of government, a better livelihood and more security than they ever had in the countries they left.

Some hon. Members: Hear, hear!

Mr. Kempling: They came here from dictatorships. They recognized that there was freedom here. I do not think one of them came here with a burning desire in his gut to change the constitution of Canada. That is a fraud as well.

● (0040)

We have expressed our views on closure and our concerns about the committee stage. We have heard members opposite say: put this debate to the committee. Members on this side have expressed their views on that aspect to some extent. But why are we reluctant to see it go into committee without having our full say? The reason is that we have watched how the committee system in this House works over the years. We have watched the way in which those experts on the other side have manipulated the committees of the House of Commons. I would ask you, sir, to sit in a committee of the House of Commons and watch them play the game of the clock. You know how that is done. The minister appearing before the committee arrives a few minutes late, which takes up ten minutes. Then the chairman decides to read a report of the standing committee and that goes on for another ten or 15 minutes. Then the minister reads an opening statement which can take another ten or 15 minutes. Maybe the minister's assistant is with him and he will be asked by the minister if he wants to make a statement. That goes on for yet another ten or 15 minutes. Then with the points of order and the general razzmatazz back and forth, the next thing you know an hour of a two-hour committee meeting is over. That is what we are afraid of. That is why we want to know the terms which will govern the committee. That is why we are asking that the committee proceedings be televised. That is why we want it broadcast—so they cannot play games, so they cannot play the game of the committee.

We have watched it, sir. We have seen committees of the House of Commons sit knowing that a member from our side was to propose an amendment. Before he could do so, the government members left the committee so that there would no longer be a quorum. We have watched that game being played and that is why we are concerned that this committee should receive the proper attention it deserves.

Members opposite have suggested that this measure is like an ordinary bill, that we have first reading, second reading and then reference to committee, after which it comes back for report stage and third reading upon which debate continues. We do not believe this. The government House leader has not told us how long the debate will go on after the report comes back to the House. He will not say.

Mr. Pinard: There is no limit.

Mr. Kempling: Now he says there is no limit.

Mr. Clark: But there will be closure again.

Mr. Kempling: That is right. We know there will be closure again. We know the games they play. We know what to look for. We have tried to the best of our ability in this debate to expose the games they play so that the people of Canada will see the way they manipulate the business of the House.

The other point I wish to make is that very few people in Canada have read the British North America Act. There is hardly a person in the country who has read the reference which is before the House. So you have a population which does not know the act, does not know the reference, but which is being persuaded by subliminal advertising, in many cases, to urge their members of Parliament to amend the constitution. That is a fraud.

What the Leader of the Opposition (Mr. Clark) and my colleagues on this side of the House have been asking is that the committee be allowed to travel across Canada to hear the views of Canadians, those Canadians who do not know what is in the BNA Act, who do not know what is in the resolution which is before the House. That is what we want. We have put an amendment forward which would allow the committee to travel so that Canadians in all parts of Canada can be heard. That matter has yet to be ruled on but I do not have much confidence that our requests will be agreed to.

We have this matter before us now, a motion to refer a proposed resolution to committee. And we know the games they play in committee. The subject matter which is being discussed is not broadly understood across the country by the

people of Canada. I am sure the committee will not be allowed to travel to hear the views of the native people and others in various parts of the country. That is what really upsets members on this side.

Listening to members opposite—and I think I can say this because I am from Ontario—what disturbs me most is how little they understand about the feeling in western Canada. I have spoken with my hon. friends here who are from western Canada and I think I am a fair judge of their character, sincerity and honesty, and I do not think I have ever seen so much emotion from members as I have seen from the members of our caucus who come from western Canada. They are really concerned and upset.

This summer I travelled twice to western Canada and I spoke with the people there. I sensed the feeling of frustration. And when members stand up and talk about separatism in the west, I believe them. I believe the forces are gathering out there and if we fail to listen to them it will be a tragedy.

I see from an article in the newspaper tonight that the Prime Minister is threatening further closure on this debate so that he can meet his deadline.

A few months ago the province of Quebec was engaged in a referendum. Members opposite came to us and asked for our support. They asked us to go into Quebec with them. The Leader of the Opposition went into Quebec and appeared on a platform with the Minister of Justice (Mr. Chrétien). Other members of our party also went into Quebec to speak for the No forces. The chief government whip came to me, as whip for our party, time and time again and said to me: I have so-and-so who wants to go into Quebec to campaign for the No forces, could we have a "pair" for him? And I know he will tell you that we co-operated. I told him we would give him a "pair" any time any member opposite was going into Quebec to speak for the No forces. We kept our word every time.

Some hon. Members: Hear, hear!

Mr. Kempling: What we are asking here today, and what we have been asking for in this debate is that we be afforded the same courtesy.

There is a serious situation in western Canada. I really do not think members of the government party understand how serious it is. We are asking for time to continue this debate. We are asking for time to get out to the people in western Canada and speak to them. We are asking for time for the committee to travel across the country. We are asking, in all sincerity, that the committee be allowed to travel so we can test the depth of the concern in western Canada and let those people be heard before we make the final changes in the constitution. That is all we are really asking, sir.

● (0050)

Let me conclude by saying that in a democracy constitutions come up from the people, not down from the government. Today, that process, by the imposition of closure has been stopped. Therefore, I cannot support the motion that is before the House at this time.

Mr. Deputy Speaker: The Chair recognizes the hon. member for Kitchener (Mr. Lang), but would like to bring it to the attention of the House that at this time, according to the provisions of Standing Order 33, no members will be recognized after one o'clock. Any member recognized prior to that time has the usual time limit.

Mr. Clark: Mr. Speaker, on a point of order, during the remarks by the hon. member for Burlington (Mr. Kempling), who indicated his concern that there would be limits placed upon the debate after the matter came out of committee, the government House leader called across the floor and said, "There is no limit". That is to say there would be no limit on debate in this House of Commons after the matter came out of committee. Obviously, that is of real importance. Would the government House leader rise and give us a categorical assurance that there would be no limit upon the opportunity of the House of Commons to debate this matter after the report of the committee.

Mr. Munro (Hamilton East): That isn't a point of order.

Mr. Deputy Speaker: If the government House leader wishes to rise on the point of order, the Chair will recognize him, but the Chair has recognized the hon. member for Kitchener (Mr. Lang).

Mr. Pinard: Mr. Speaker, the Right Hon. Leader of the Opposition has a very learned House leader, and I am sure that he can learn a lot from him about the rules of the House of Commons.

Mr. Peter Lang (Kitchener): Mr. Speaker, as a new member of Parliament I feel very privileged to participate in this debate and to have the opportunity to share with hon. members of this House some of the thoughts and views I feel are germane to this discussion on the constitution. In order to acquaint myself with many of the constitutional issues that are now before us, I have had to conduct myself for the past few months not unlike a student who is cramming for an important exam.

In the process though, I have run across some insights which I think would be useful to this debate. One in particular stands out in my mind. It reads and I quote:

> I confess that I do not entirely approve of this constitution at present, but sir, I am not sure I shall never approve of it, for, having lived long, I have experienced many instances of being obliged, by better information or fuller consideration, to change opinions even on important subjects, which I once thought right, but found to be otherwise. It is therefore that, the older I grow, the more apt I am to doubt my own judgment of others.
>
> Nevertheless, I doubt whether any other convention we can obtain may be able to make a better constitution; for, when you assemble a number of men, to have the advantage of their joint wisdom, you inevitably assemble with those men all their prejudices, their passions, their errors of opinion, their local interests, and their selfish views. From such an assembly can a perfect production be expected?
>
> It therefore astonishes me, sir, to find this system approaching so near to perfection as it does; and I think it will astonish our enemies, who are waiting with confidence to hear that our counsels are confounded like those of the builders of Babel, and that our states are on the point of separation, only to meet hereafter for the purpose of cutting one another's throats. Thus I consent, sir, to

this constitution, because I expect no better, and because I am not sure that it is not the best. The opinions I have had of its errors I sacrifice to the public good.

This quote is from a man who was an entrepreneur, a philosopher, an inventor and a world renowned statesman. The speaker was Benjamin Franklin, the place was the constitutional convention in Philadelphia in 1787, almost 200 years ago.

The situation Franklin described is remarkably similar to the one we as members of Parliament are confronted with in considering this constitutional resolution. Like those who framed the American constitution, we have inherited a legacy of failure upon failure in our attempts over the past 53 years to achieve a national consensus on the constitution. We must not let the quest for some elusive constitutional perfection paralyse the need and responsibility we have to govern Canada effectively.

If we are to learn the lessons of history, it is clear we have to push forward for constitutional renewal despite the cries of those who would consider this resolution for a little bit longer in this House of Commons or a little bit longer in committee or a little bit longer with the provinces.

What may seem like an arbitrary timetable for the constitutional resolution is actually the only realistic course of action for our government to take in the wake of the Quebec referendum. If the government chose to delay the process any longer we would clearly be abdicating our national responsibility. A promise was made to the people of Quebec and the people of Canada on the question of constitutional renewal and that promise must be kept. Indeed, the wishes of The Canadian people themselves are the paramount consideration in the government's policy of constitutional renewal.

A Gallup poll conducted outside Quebec before the referendum indicated that a full 68 per cent of those surveyed preferred a renewed federalism, while only 32 per cent opted for our present constitutional arrangements.

As the motion put forward by the hon. member for Edmonton East (Mr. Yurko) demonstrated when it received the unanimous support of this House, there is unanimous consent to the principle of patriation with an amending formula within this Canadian Parliament. Virtually all Canadians agree that we as an independent and sovereign nation should not have to turn to the Parliament of another independent and sovereign nation to change our constitution. Many premiers, and this was underlined by the statement made over the weekend by the premier of New Brunswick, also endorse in principle the concept of patriation.

The second parallel which I would like to draw between confederation and the establishment of the BNA Act is that the situation in preconfederation days compares to that of the present time. We had the Atlantic region, Canada east or Quebec or lower Canada, and Canada west which was Ontario. The leaders of these regions could not agree on an agreement to form one single federal government, and it was through the perseverence and persistence of George Brown that an all-party committee was formed in 1864. He, as the chairman of that committee, played a leading role in drafting the document which later became the British North America Act. This is not the first time a committee has been asked to discuss and make amendments and consider drafts for the constitution. This is how the original BNA Act was drafted. So I do not understand all the consternation and temper tantrums of the Tory party over sending this resolution to committee.

Mr. Speaker, I see that it is drawing near to one o'clock, but some of my colleagues have asked me to continue and I will.

Some hon. Members: Hear, hear!

Mr. Lang: Ensuring that the national interest is safeguarded is the core of our responsibility to the people of Canada. It is clear that patriation is in the national interest. To make patriation more than a symbolic gesture, the inclusion of an amending formula is imperative. For almost a month we have heard some of the premiers and some of the members of this House condemn the government's initiatives on the constitution as dictatorial, unCanadian. The Leader of the Opposition (Mr. Clark) told us it threatens to "break the fundamental balance which has been at the heart of our federal system ever since the Canadian nation was created."

Let us consider this statement for a moment and examine it carefully, particularly the words "ever since the Canadian nation was created". The Right Hon. Leader of the Opposition seems to forget that when the Fathers of Confederation were in the process of founding this nation a civil war was raging in the United States. As the hon. member for Sault Ste. Marie (Mr. Irwin) pointed out in his speech, Sir John A. Macdonald was very clear about the need for a strong central government in order to overcome the fatal flaw in the American system which was only resolved after millions of lives had been lost.

• (0100)

It should be evident, despite the attempt of the Leader of the Opposition to rewrite history, that the fundamental balance he speaks of is not so much a balance as a distribution of powers between two levels of government with the central government predominant. At least that is the way the Fathers of Confederation saw it. The evolution of Canadian federalism has been a slightly different story, though. Over the years, the provinces have acquired more power as the federal government has attempted to take into account their needs and concerns. And it has been nearly 53 years since the federal government tried to reach agreement with the provinces on an amending formula. Meanwhile, our independent status was confirmed by the statute of Westminster in 1931. In the Second World War, Canadian forces fought for the first time under Canadian generals. In 1949, the Supreme Court became the final court of appeal in Canada, instead of the British court, and in the same year Parliament acquired the power to amend certain areas of our constitution. In 1952, for the first time, a Canadian was appointed Governor General. In 1965, we adopted our national flag and earlier this year, we formally adopted a national anthem. It is a combination of patriation and an amending formula that is now the key to full independence—freeing ourselves from the last vestiges of colonial status.

Some hon. Members: Hear, hear!

Mr. Lang: The process has been a gradual one. But the forces who advocate Quebec separatism did not spring up overnight either. And when the final vote was tallied on the night of May 20, it was clear that we had a job to perform. To dilly-dally any longer on the question of constitutional reform would have been a fatal error. There are times for compromise and negotiation, and there are times for action. This is a time for action pure and simple.

Some hon. Members: Hear, hear!

Mr. Lang: But that is not the only reason we must proceed quickly. As the Minister of Justice (Mr. Chrétien) pointed out in his very eloquent address, we must act now in order to provide the momentum for further reform. Canada has far too much economic potential as a nation to let it be continuously stalled and sidetracked by an unending process of constitutional negotiations. The purpose of this constitutional resolution is to remove the doubt, the uncertainty and the deadlock that have plagued past constitutional talks. This demands leadership and leadership demands courage. The Liberal party lacks neither, Mr. Speaker, so to conclude, I would like to ask the members opposite to leave go their doubts, their fears and their divisiveness. No constitution is perfect. But however perfect or imperfect the constitutional resolution before us is, all members of this House must recognize that a constitution is an act of faith—faith in the Canadian people, faith in the generations of Canadians who will carry on in the spirit of tolerance and equity that has largely characterized our past, and will hopefully characterize our future.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: Order! order! order! In accordance with the provisions of Standing Order 33—

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: In accordance with the provisions of—

Mr. Wenman: Mr. Speaker, I demand the right to be heard.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Wenman: Mr. Speaker. Mr. Speaker, I demand my right to be heard. I—

Mr. Deputy Speaker: Order, please!

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Cossitt: Mr. Speaker—

Some hon. Members: Oh, oh!

Mr. Cossitt: Mr. Speaker—

Mr. Wenman: I demand the right to be heard here. I will not sit down until I have been heard.

Mr. Deputy Speaker: Order, order!

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Wenman: I demand protection from this House of Commons. I demand from the Governor General of Canada—I demand to speak now.

Mr. Deputy Speaker: Order, please. Order, please!

Mr. Wenman: I demand my right to speak and I am going to speak. The Bill of Rights of Canada is being—this is a mockery. It is a mockery, Mr. Speaker, because of the very bill that we discussed. I demand that we have the freedom to speak in this House. This is a hypocritical bill. My right is being denied to me—not only my right but the right of everyone who has spoken in this House. Mr. Speaker, I demand my right. I will not be seated until I have been heard.

Mr. Deputy Speaker: Order, please. The House will recognize the hon. member for Pembina (Mr. Elzinga) on a matter of privilege. The hon. member for Pembina on a question of privilege.

Mr. Peter Elzinga (Pembina): Thank you, Mr. Speaker. I demand on behalf of myself and my colleagues the opportunity to participate in this debate. We have a responsibility to those individuals who have elected us and I wish to exercise that responsibility.

Some hon. Members: Hear, hear!

Mr. Elzinga: The Prime Minister gave a commitment in his news conference that all us members of Parliament would have an opportunity to participate in the discussion on our constitution. He has reneged on that promise.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: I invite hon. members to be seated. I am hearing one member on a question of privilege and surely courtesy to their colleague requires that they allow the hon. member I have recognized to have the floor. Would the others please be seated? I am recognizing the hon. member on a question of privilege. Surely his colleagues will at least extend that courtesy.

Mr. Elzinga: Thank you, Mr. Speaker. The Prime Minister in his conference indicated that all members of Parliament would have an opportunity to participate in this debate. It is obvious that we who come from all those parts of Canada other than central Canada feel a basic need to speak in this

debate because effectively this resolution makes second class citizens of all those individuals outside Quebec and Ontario.

Some hon. Members: Hear, hear!

Mr. Elzinga: This resolution further confirms the feelings of westerners in developing that feeling of alienation. It is a belief held by many that this Prime Minister is aggravating the situation. We hope to have an opportunity to participate to assure them that they do have a voice in the constitutional debate and this voice has been muffled and closed by the closure motion brought in by the Liberal government opposite.

Some hon. Members: Hear, hear!

An hon. Member: Question!

Mr. Wenman: Mr. Speaker, I demand—

Mr. Cossitt: Question of privilege!

Mr. Deputy Speaker: The Chair finds there is no question of privilege, that the Standing Orders of the House of Commons have been observed. The Standing Orders of the House of Commons have been observed. It is my duty at this point—

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: —to interrupt the proceedings—

Some hon. Members: Oh, oh!

Mr. Cossitt: This man is a dictator!

Mr. Wenman: You may not. We must be heard. The hon. member for Fraser Valley West will speak in the debate.

Mr. Deputy Speaker: Order!

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: —raised by the hon. member—

Some hon. Members: Oh, oh!

Mr. Cossitt: Who runs this country?

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: Order! Order, please!

Mr. Cossitt: A question of privilege.

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: Order, please. Order, please. Order, please. Order! Order, please.

Mr. Wenman: I will not be seated.

Mr. Deputy Speaker: Order! Order! Order, please. The hon. member for Pembina (Mr. Elzinga) has been recognized on a question of privilege and the Chair has listened and is going to rule on the matter the hon. member has raised.

The Chair finds, after listening carefully to the hon. member for Pembina that the provisions—

Some hon. Members: Oh, oh!

Mr. Cossitt: Mr. Speaker—

Mr. Deputy Speaker: Order, please. Will the hon. member for Leeds (Mr. Cossitt) please sit down? Will the member please take his seat?

Some hon. Members: Oh, oh!

Mr. Cossitt: No!

Some hon. Members: Oh, oh!

Mr. Wenman: No!

Mr. Cossitt: I demand to speak!

Mr. Wenman: I demand my right to speak on the Constitution of Canada for the people of my riding. We have not been heard. Hon. members on the other side have not been heard either.

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: The Chair has listened to the matter of privilege raised by the hon. member for Pembina and is ruling that there is no valid point of privilege established, that the Standing Orders of the House of Commons are being observed.

Some hon. Members: Oh, oh!

Mr. Wenman: I demand the right to speak. It is my duty to protect my rights as an hon. member.

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: It is now my duty to interrupt the proceedings and put forthwith all questions necessary—

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: —to dispose of the motion now before the House.

Some hon. Members: Oh, oh!

Mr. Wenman: We demand the right to speak now.

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: I will put the question. The question is on the amendment of the hon. member for Carleton-Charlotte (Mr. McCain).

Mr. Wenman: I demand the right to speak!

Mr. Cossitt: Mr. Speaker—

Some hon. Members: Oh, oh!

Mr. Wenman: Mr. Speaker, we want the right to speak—

Some hon. Members: Oh, oh!

• (0110)

Mr. Cossitt: Mr. Speaker, we want the right to speak.

Some hon. Members: Oh, oh!

Mr. Wenman: I demand the right to be heard, Mr. Speaker.

An hon. Member: No!

[*Editor's Note: At this point some members left their seats and approached the Chair.*]

An hon. Member: I demand the right to be heard on the constitution.

Mr. Deputy Speaker: Order, please. I call to the attention of the hon. members that they can make speeches only from their places in this House.

I call to hon. members' attention that according to the rules and practices of this House they can only be recognized from their places. Hon. members cannot be recognized from other places.

An hon. Member: I demand the right to be heard!

Mr. Deputy Speaker: Order, please. I call to the attention of hon. members Standing Order 12(2), which reads as follows:

When Mr. Speaker is putting a question, no member shall enter, walk out of, or across the House, or make any noise or disturbance.

An hon. Member: I demand the right to be heard!

An hon. Member: We want the right to speak!

Mr. Deputy Speaker: Order, please. I ask hon. members to take their places in the House and observe the rules of the House.

An hon. Member: I demand the right to be heard!

Mr. Siddon: This is our constitution at stake.

An hon. Member: This is a free country. I have the right to be heard.

An hon. Member: Stand up for democracy.

Some hon. Members: We have the right to be heard.

An hon. Member: What goes on here? How does this man, Trudeau, run the whole country singlehanded like this?

Mr. Deputy Speaker: I must invite hon. members to show respect for this institution by returning to their places. I invite hon. members to return to their places in this House.

An hon. Member: I demand the right to be heard.

Mr. Deputy Speaker: I invite hon. members to return to their places.

An hon. Member: The Prime Minister has misled this House.

An hon. Member: I demand the right to be heard.

Mr. Chrétien: Where is the leadership on the other side?

An hon. Member: I demand the right right now to speak on the constitution.

An hon. Member: This is freedom of speech?

An hon. Member: Where is the War Measures Act?

Mr. Deputy Speaker: Order, please. I ask hon. members to return to their places.

Mr. Dick: Privilege!

An hon. Member: Bring the constitution home.

An hon. Member: What about the Vancouver consensus?

An hon. Member: Privilege!

Mr. Deputy Speaker: All those in favour of the amendment, please say yea.

Some hon. Members: Yea!

Mr. Deputy Speaker: All those opposed, please say nay.

Some hon. Members: Nay!

Mr. Deputy Speaker: In my opinion, the nays have it.

(*And more than five members having risen*):

Mr. Deputy Speaker: Call in the members.

The House divided on the amendment (Mr. McCain) which was negatived on the following division:

• (0200)

(*Division No. 17*)

YEAS

Messrs.

Althouse	Darling	Hawkes
Andre	Deans	Hees
Baker (Nepean-Carleton)	Dick	Hnatyshyn
Beatty	Dinsdale	Hovdebo
Benjamin	Domm	Howie
Blenkarn	Ellis	Jarvis
Bosley	Elzinga	Jelinek
Bradley	Epp	Jewett (Miss)
Broadbent	Fennell	Keeper
Cardiff	Fraser	Kempling
Carney (Miss)	Fretz	Kilgour
Clark (Yellowhead)	Friesen	King
Clarke (Vancouver Quadra)	Fulton	Knowles
Coates	Gamble	Kushner
Cook	Gass	Lambert
Cooper	Greenaway	La Salle
Cossitt	Gustafson	Lewis
Crombie	Halliday	MacKay
Crosbie (St. John's West)	Hamilton (Qu'Appelle-Moose Mountain)	Malone
Crouse	Hamilton (Swift Current-Maple Creek)	Manly
Dantzer	Hargrave	Mayer
		Mazankowski
		McCain
		McCuish
		McDermid

Messrs.

McGrath
McKenzie
McKinnon
McKnight
McLean
McMillan
Miller
Mitchell
(Mrs.)
Mitges
Munro
(Esquimalt-Saanich)
Murta
Neil
Nickerson
Nielsen
Nowlan
Nystrom
Oberle
Ogle
Orlikow
Patterson
Rae
Reid
(St. Catharines)
Riis
Robinson
(Burnaby)
Roche
Rose
Sargeant
Schellenberger
Scott
(Hamilton-Wentworth)
Scott
(Victoria-Haliburton)
Shields
Siddon
Skelly
Speyer
Stewart
Taylor
Thacker
Thomson
Towers
Vankoughnet
Waddell
Wenman
Wilson
Wise
Wright
Young—113.

NAYS

Messrs.

Allmand
Appolloni
(Mrs.)
Axworthy
Bachand
Baker
(Gander-Twillingate)
Beauchamp-Niquet
(Mrs.)
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Bussières
Caccia
Campbell
(Miss)
(South West Nova)
Campbell
(LaSalle)
Chénier
Chrétien
Collenette
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
De Bané
de Corneille
Demers
Desmarais
Dingwall
Dion
Dionne
(Chicoutimi)
Dionne
(Northumberland-
Miramichi)
Dubois
Duclos
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd
Gray
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette
(Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe
(Charlevoix)
Lapointe
(Beauce)
LeBlanc
Leduc
Loiselle
Lonsdale
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Maltais
Marceau
Massé
Masters
McCauley
McRae
Munro
(Hamilton East)
Nicholson
(Miss)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Penner
Pepin
Peterson
Pinard
Prud'homme
Regan
Reid
(Kenora-Rainy River)
Roberts
Robinson
(Etobicoke-Lakeshore)
Rompkey
Rossi
Roy
Savard
Schroder
Simmons
Smith
Stollery
Tardif
Tessier
Tobin
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Whelan
Yanakis—134.

Madam Speaker: I declare the amendment lost.

[*Translation*]

The question is on the main motion. All those in favour will please say yea.

Some hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Madam Speaker: In my opinion, the yeas have it.

(*And more than five members having risen*):

Madam Speaker: Call in the members.

The House divided on the motion (Mr. Chrétien) which was agreed to on the following division:

(*Division No. 18*)

YEAS

Messrs.

Allmand
Althouse
Appolloni
(Mrs.)
Axworthy
Bachand
Baker
(Gander-Twillingate)
Beauchamp-Niquet
(Mrs.)
Benjamin
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Broadbent
Bujold
Bussières
Caccia
Campbell
(Miss)
(South West Nova)
Campbell
(LaSalle)
Chénier
Chrétien
Collenette
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
Deans
De Bané
de Corneille
Demers
Desmarais
Dingwall
Dion
Dionne
(Chicoutimi)
Dionne
(Northumberland-
Miramichi)
Dubois
Duclos
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Frith
Fulton
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd
Gray
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette
(Mrs.)
Hopkins
Hudecki
Hovdebo
Irwin
Isabelle
Jewett (Miss)
Johnston
Joyal
Kaplan
Keeper
Kelly
Killens (Mrs.)
Knowles
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe
(Charlevoix)
Lapointe
(Beauce)
LeBlanc
Leduc
Loiselle
Lonsdale
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Maltais
Manly
Marceau
Massé
Masters
McCauley
McRae
Miller
Mitchell
(Mrs.)
Munro
(Hamilton East)
Nicholson
(Miss)
Nystrom
Ogle
Olivier
Orlikow
Ostiguy
Ouellet
Parent
Pelletier
Penner
Pepin
Peterson
Pinard
Prud'homme
Rae
Regan
Reid
(Kenora-Rainy River)
Riis
Roberts
Robinson
(Etobicoke-Lakeshore)
Rompkey
Rose
Rossi
Roy
Sargeant
Savard
Schroder
Simmons
Skelly
Smith
Stollery
Tardif
Tessier
Tobin
Tousignant
Trudeau
Turner
Veillette
Waddell
Watson
Weatherhead
Whelan
Yanakis
Young—156.

NAYS

Messrs.

Andre
Baker
(Nepean-Carleton)
Beatty
Blenkarn
Bosley
Bradley
Cardiff
Carney (Miss)
Clark
(Yellowhead)
Clarke
(Vancouver Quadra)
Coates
Cook
Cooper
Crombie
Crosbie
(St. John's West)
Crouse
Dantzer
Darling
Dick
Dinsdale
Domm
Ellis
Epp
Fraser
Fretz
Gamble
Gass
Greenaway
Gustafson
Halliday
Hamilton
(Qu'Appelle-Moose Mountain)
Hamilton
(Swift Current-Maple Creek)
Hargrave
Hawkes
Hees
Hnatyshyn
Howie
Jarvis
Jelinek
Kempling
Kilgour
Kushner
Lambert
La Salle
Lewis
MacKay
Malone
Mayer
Mazankowski
McCain
McCuish
McDermid
McGrath
McKenzie
McKinnon
McKnight
McLean
McMillan
Mitges
Munro
(Esquimalt-Saanich)
Murta
Nickerson
Nielsen
Nowlan
Oberle
Patterson
Reid
(St. Catharines)
Robinson
(Burnaby)
Roche
Schellenberger
Scott
(Hamilton-Wentworth)
Scott
(Victoria-Haliburton)
Shields
Siddon
Speyer
Stewart
Taylor
Thomson
Towers
Vankoughnet
Wilson
Wise
Wright—83.

● (0205)

[*English*]

Madam Speaker: I declare the motion carried.

It now being 2 a.m., this House stands adjourned until 11 a.m. pursuant to Standing Order 2(1).

At 2 a.m. Friday, October 24, the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, October 24, 1980

The House met at 11 a.m.

• (1105)

ROUTINE PROCEEDINGS

[*English*]

THE CONSTITUTION

CALL FOR TEST OF PROPOSED RESOLUTION IN SUPREME COURT—MOTION UNDER S.O. 43

Mr. W. C. Scott (Victoria-Haliburton): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In light of the decision of six provincial governments to challenge the validity of the constitutional resolution of the federal government in the provincial courts, and in view of the serious divisions which have already been created in Canada among governments and private citizens over this issue, I move, seconded by the hon. member for Parry Sound-Muskoka (Mr. Darling):

That the government test its proposals in the Supreme Court of Canada so as to shorten the time during which Canadians will remain in doubt as to the constitutionality of the government's approach to constitutional change.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

CALL FOR GUARANTEE JOINT COMMITTEE WILL TRAVEL ACROSS CANADA—MOTION UNDER S.O. 43

Mr. Walter McLean (Waterloo): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the action of the government to suppress constructive criticism in the House of its constitutional proposals by invoking closure on the House this morning, and in view of the fact that recently major women's conferences, organized to review the constitutional proposal, were cancelled with the government's complicity, I move, seconded by the hon. member for Yukon (Mr. Nielsen):

That the government guarantee that the special joint constitutional committee be required to travel across this country, to ensure that not only women but native peoples, minority groups and others whose rights will be restricted by the wording of this constitution will be permitted to have their concerns heard.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

• (1110)

DISARMAMENT

AFFIRMATION OF COMMITMENT—MOTION UNDER S.O. 43

Mr. Bob Ogle (Saskatoon East): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. On the occasion of United Nations Day and the start of disarmament week in Canada, and at a point in world history when mankind spends more than 20 times as much on instruments of destruction—some $500 billion annually—as it does on official development assistance to his neighbours in poorer lands, I move, seconded by the hon. member for Regina East (Mr. de Jong):

That this House affirm its commitment to disarmament as a primary objective of our foreign policy, and that it call upon the Government of Canada to actively pursue the "strategy of suffocation" outlined by the present Prime Minister to the United Nations special session on disarmament, namely, (1) a comprehensive test ban to impede the further development of nuclear explosive devices; (2) an agreement to stop the flight-testing of all new strategic delivery vehicles; (3) an agreement to prohibit all production of fissionable material for weapons purposes; and (4) an agreement to limit and then progressively to reduce military spending on new strategic nuclear weapons systems.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE CONSTITUTION

RIGHT OF MEMBERS TO BE HEARD IN JOINT COMMITTEE—MOTION UNDER S.O. 43

Mr. Len. Gustafson (Assiniboia): Madam Speaker, I rise under the provisions of Standing Order 43 on a very serious matter. The Prime Minister (Mr. Trudeau), in invoking closure, has deprived many western members of the right to be heard on the constitution in this House. Given the serious matter of the Prime Minister's responsibility with respect to western alienation, I move, seconded by the hon. member for Moose Jaw (Mr. Neil):

That this House allow all members to be heard in the committee so that the Prime Minister's concerted effort does not further divide this country.

S.O. 43

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

RIGHT TO SPEAK—CALL FOR CONDEMNATION OF PRIME MINISTER—MOTION UNDER S.O. 43

Mr. Dave Nickerson (Western Arctic): Madam Speaker, whereas probably the most important right enjoyed, at least prior to this date, by Canadians has been the right to be heard through their elected representatives in Parliament on important national issues; and whereas the Prime Minister (Mr. Trudeau) has violated this basic constitutional right through the insidious and odious use of closure on, of all matters, the constitutional debate, I move, seconded by the hon. member for St. Catharines (Mr. Reid) and all the other members who were denied the right to speak:

That this House condemns the Prime Minister for his wanton abuse of the time-honoured rights and ancient privileges of Parliament.

Some hon. Members: Hear, hear!

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

INVOCATION OF CLOSURE—CALL FOR CONDEMNATION OF PRIME MINISTER—MOTION UNDER S.O. 43

Mr. Doug Neil (Moose Jaw): Madam Speaker, I, too, rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the fact that the arbitrary and inexcusable action of the government of invoking closure denied a majority of members of the House of Commons the exercise of their right to rise in the House of Commons and speak on behalf of their constituents, and in view of the fact that the Prime Minister (Mr. Trudeau) publicly had given an unequivocal undertaking that all members of the House, from all parts of Canada, would be given the opportunity of expressing their views, I move, seconded by the hon. member for Assiniboia (Mr. Gustafson):

That this House condemns the action of the Prime Minister and those of his advisers who yesterday made a mockery of our democratic system which so many Canadians fought and died for.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

STANDING ORDERS

S.O. 33—CALL FOR REFERENCE TO STANDING COMMITTEE—MOTION UNDER S.O. 43

Mr. Bob Wenman (Fraser Valley West): Madam Speaker, I rise on a matter of most urgent and pressing necessity. Recognizing that the most fundamental and basic right of any member of the House of Commons is his ability and his right to speak in the House of Commons, I move, seconded by the hon. member for Vancouver Quadra (Mr. Clarke):

That this House immediately refer the study of Standing Order 33 to the Standing Committee on Privileges and Elections, either for the purpose of revoking the order completely, or to modify the order so that it will allow the majority of members of Parliament to speak before it is invoked, and that all members of Parliament should have at least a brief opportunity to speak before it is voted upon.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1115)

COMMUNICATIONS

U.S. SATELLITTE SIGNALS—CALL FOR MORATORIUM ON PROCEDURES PROHIBITING RECEPTION—MOTION UNDER S.O. 43

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the fact that the Minister of Communications (Mr. Fox) recently announced a crackdown on the reception and redistribution of U.S. television satellite signals and that the minister has promised an alternative Canadian package for inadequately served areas before the end of this fall, I move, seconded by the hon. member opposite for Cochrane (Mr. Penner):

That the minister declare a moratorium on further enforcement procedures until (a), so-called inadequately served areas are explicitly defined, and (b), a high quality Canadian satellite package is provided as an alternative to U.S. signals.

Madam Speaker: For presentation, this motion requires unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE CONSTITUTION

AMENDMENTS TO DRAFT RESOLUTION FOLLOWING REPORT OF JOINT COMMITTEE—GOVERNMENT POSITION

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, in the absence of the Prime Minister I direct my question to the government House leader, if I can attract his attention. The government House leader will know that on page 890 of Senate *Hansard* of October 21, the Hon. George McIlraith, who for three years was a distinguished Liberal government House leader in this chamber, raised the concern that the procedures being followed by this government in the constitutional reference may prevent Parliament from acting on any amendments of substance to the committee report.

Senator McIlraith's point is that the special joint committee will be dead once it reports and that neither chamber can instruct members of the other chamber to accept amendments. That position was put forth three days ago by a former government House leader in this House, who is now in the other place. No doubt the government House leader has had a chance to consider that matter since his colleague, the government House leader in the Senate, said that it would be given urgent consideration.

Will the President of the Privy Council now tell the House of Commons what is the government's response to Senator McIlraith's concern that no changes can occur in the draft resolution after it emerges from the committee?

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I am unaware of the request made by Senator McIlraith. All I can say to the Leader of the Opposition is that the committee will consider the resolution at the committee stage. That is its mandate. The committee will be empowered to make the appropriate amendments to the resolution. Moreover, we have already agreed to some amendments suggested by the New Democratic Party and we have publicly stated on several occasions that we were quite receptive to any constructive amendment so that in our opinion the committee will be indeed empowered to amend the resolution before submitting its report to the House of Commons.

[*English*]

Mr. Clark: Madam Speaker, the government House leader missed, either deliberately or by accident, the point of the question. I must say I find it difficult to believe that a matter which was raised three days ago to his counterpart and colleague in the other place, the Senate House leader, has not come to his attention, but if he says that it has not, naturally I must accept his word.

What guarantees can the government House leader give the House of Commons that there will be an opportunity to amend the resolution after it comes from committee? I am not referring to amendments in that committee which is tightly controlled by a government majority. I am talking about the rights of this whole House of Commons. The distinguished Senator McIlraith has raised questions suggesting that, in his view, it will not be possible for the House of Commons or the Senate to change the report that comes from the committee. In other words, debate in this full House is over on the question. What is the minister's response to that most serious allegation made in the Senate by his predecessor as Liberal government House leader, to which his colleague, the government leader in the Senate, gave an undertaking to have a full response three days ago?

• (1120)

Miss Jewett: Think of something, Allan.

[*Translation*]

Mr. Pinard: Madam Speaker, the Leader of the Official Opposition says that he is not interested in seeing amendments introduced in committee because of its government majority. May I remind him that we have the same majority on the floor of the House of Commons. I fail to see the logic in his argument for refusing to consider amendments in committee because of our majority there since, in the final analysis, we also have a majority in the House of Commons.

With regard to the opinion he wants from me, yesterday he requested others and I referred him to his learned House leader. I shall be happy to advise him on what will happen once the committee report has been tabled, depending on its contents, because the hon. member now is assuming what it will contain. I want the committee to feel entirely free to do its work as it sees fit. I respect both Parliament and the committee. Theoretically, and in principle, the committee will have the right to come to a conclusion which is not known to us now.

But, in his question, the Leader of the Opposition assumed that the committee will recommend that the joint resolution be presented to the Queen and the British parliament. That is hypothetical, but even then I am willing to tell him what I think, to give him my opinion as the government leader. Once the report is made, should it so recommend, the House will be presented with a motion to that effect. The debate will be on the motion to accept the report. That is nothing new, it has been done before and I have mentioned it before; we have been explaining it for three weeks now. I am convinced, in any event, but I hope the Leader of the Opposition understands.

That report which will be considered by the House will allow the latter, if it so wishes, to make other amendments to the resolution, and to ask that it be deferred once more to the committee for further amendments.

So my understanding of the procedure on this subject and the one which I already discussed with his own parliamentary leader is as follows: in an indirect manner, the House can do what it could do if it were dealing with a resolution, that is to say, through the motion, refer the report back to the commit-

tee so that the committee could amend it in such and such a manner. The House will know the reason for the request, from the Conservatives, incidentally, to refer the report for the purpose of bringing in a very specific amendment and so it will be in a position to debate the question.

Yet, by the very nature of this procedure, indeed it is still the committee which will have to make the amendments. That is exactly the procedure. Things would have been different had we had before the House—

An hon. Member: Order!

Mr. Pinard: If my colleague wishes to get a complete answer, I will continue. If he prefers not to get full answer he will continue to remain in the dark.

Had we put this resolution directly before the House the opposition could not have taken advantage of the three-stage debate that we are now having. Then, of course, the resolution itself could have been amended on the floor of the House. And thanks to the government majority we would not have been bound by any proposal whatsoever. Yet we chose the option of referring it to the committee because we respect this institution and because it gives hon. members more opportunities to express their points of view at three stages rather than only one.

[*English*]

Mr. Clark: Madam Speaker, there were a great number of "ifs" in that answer that will never come to pass. The government House leader knows that the committee to which he would return the matter, if there were amendments, will no longer exist. That committee ends on the twelfth day of December. It is dead; absolutely *functus*; it no longer exists. He should consult his colleague, Senator McIlraith, on that point. But it is a clear point: there is no committee to which Parliament can refer back amendments.

My question is a very simple one. It is based upon the principle that Parliament might want to amend the substance of the report that comes from the joint committee. Will Parliament have the power to amend the substance of the report that comes from the committee?

● (1125)

[*Translation*]

Mr. Pinard: Madam Speaker, I just explained to the Leader of the Opposition that at this stage it is necessary to speculate about the content of the committee's report to express an opinion about it. I do not think it is normal to answer purely hypothetical questions, but I have been nice and considerate enough to explain to him the way I see the whole situation. He just repeated the very same question. In these circumstances, I must tell him: Let us wait until we appoint the committee. But if he were wise, careful and above all sincere, he would use the opportunity which the committee offers him to propose the constructive amendments he has in mind, if any, to facilitate progress on the constitutional issues and help renew federalism.

[*English*]

Mr. Clark: Madam Speaker, we will be in committee proposing amendments, but the matter which might arise, as it has very often in this House of Commons, is that after the committee reports this Parliament may, in its wisdom, decide to change what the committee recommends. That has happened before. The procedure which the government has established, does not, according to Senator McIlraith, provide us with that opportunity. The minister has three times declined to answer my question, perhaps because he does not know. I presume the government had a legal opinion on which it based this most unusual procedure.

I have two simple questions, we do not need long answers. The first is this: Does the government have a legal opinion on the question raised by Senator McIlraith? I will rephrase the question so it is clear. Does the government have a legal opinion guaranteeing the right of Parliament to change the substance of the committee report after it has come from committee? If so, will the government House leader in the interests of civilized procedure in this House—I am sorry to borrow the hon. member's word—table that legal opinion?

[*Translation*]

Mr. Pinard: Madam Speaker, I just gave an opinion to the Leader of the Official Opposition and I told him that we chose to follow the avenue which will allow the largest possible number of members on both sides of the House to propose amendments to the resolution which will be examined by the joint committee of the House and the Senate when, at last, that committee is allowed to form and meet.

[*English*]

REQUEST FOR GUARANTEE TO MEMBERS OF RIGHT TO SPEAK

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, in view of the rather convoluted and esoteric answers given by the government House leader, may I direct my question to the Deputy Prime Minister, who I presume is also the Acting Prime Minister. In view of the unprecedented anger and confusion caused to the House of Commons—which is probably unique even in his long parliamentary experience—can the Deputy Prime Minister assure myself and other members in this House that there will be ample opportunity for members to speak, as was intimated but not guaranteed by the Prime Minister yesterday when he used the word "indeterminate", which is a weasel word if I ever heard one? I think the Prime Minister said there will be an indeterminate time for us to look into this matter later.

May I have the basic guarantee from this respected parliamentarian that indeed members of the House of Commons—every one of them—will have an opportunity to speak in this chamber on the paramount importance of the country's constitution, as they so obviously want to do? Can he give us that guarantee without any equivocation?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I do not think it has ever been a principle of parliamentary democracy that every member of the chamber should speak on every item which comes before the House.

Mr. Clark: What about the constitution?

An hon. Member: We have a right to speak.

Mr. MacEachen: That has never been a principle that I have observed in this House of Commons.

We are organized on the party system. Usually parties take positions and these positions are presented by many members in the House. I subscribe to the notion, and so does the government, that there should be ample opportunity for every point of view to be expressed. The hon. member will realize that, in addition to the debate which has already been terminated, there will be an opportunity in the committee for members of Parliament representing the various parties to present their views. That committee report will come back, it will be debated in the House of Commons, and a further opportunity will be given to members to express their views.

Mr. Clark: Can Parliament amend its substance?

Mr. MacEachen: I believe that that procedure is very much in the parliamentary tradition as I have observed it in the House of Commons during my period of time.

● (1130)

Mr. MacKay: Madam Speaker, I regret to say this, but I believe the House will agree I was right when I used the adjective a "weasel" promise. Not only did the Prime Minister on national television make it perfectly clear, but he emphasized and re-emphasized that every member of Parliament would have an opportunity to debate fully this matter, as was the case with the flag debate and other matters of interest and importance, and now his Deputy Prime Minister is equivocating. I simply want an assurance and perhaps a definition of what the Prime Minister meant by the word "indeterminate". Are we now to be told that there will not be the opportunity here in the House of Commons for all members who wish to contribute something to his country's constitutional debate, but they will have to go to the committee or go through some other procedure to do it? Will the Deputy Prime Minister simply give us his undertaking on behalf of this government that every member of Parliament from every region and every province of this country can speak on the constitution? Will he do that?

Some hon. Members: Hear, hear!

Mr. MacEachen: Madam Speaker, the hon. member is espousing the principle that on this particular resolution every member in the House of Commons should have an opportunity to speak.

Some hon. Members: Hear, hear!

Mr. MacEachen: It seems to me that if the hon. member and his party were serious in reaching that objective, they would have accepted the proposal made by the government to extend very extensively the hours of sittings of the House so that more and more members could be heard.

Some hon. Members: Hear, hear.

Mr. MacEachen: Let me tell the hon. member, through you, Madam Speaker, that we are still prepared as a government to consider ways by which we can increase the number of hours, the number of sittings and the days of sittings so that as many members as possible can speak, and possibly reach the ideal of every member speaking. However, there is no way that can be done if hon. members opposite refuse to co-operate in extending the hours of sitting, and in taking up the valuable time allocated by fruitless and pointless questions of privilege and points of order.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Madam Speaker: Order, please.

Mr. MacKay: Madam Speaker, the Deputy Prime Minister knows this perfectly well, and I ask him this very seriously. Is he telling the House—I see he is not even paying attention. That is typical, Madam Speaker. Is the Deputy Prime Minister telling the members of this House that even if we had acquiesced in this very extraordinary procedure on a matter as important as this, we would have had time, no matter if we sat all night, fully to discuss this most important matter before he brought in closure? He has defeated his own argument by bringing in closure before anybody could possibly have fulfilled the conditions he has just enunciated.

Mr. MacEachen: Madam Speaker, the hon. member knows perfectly well that there are three stages. We have completed one stage. There is a second stage in committee, and a third stage when the report comes back from the committee.

Mr. Clark: What happens then?

Mr. MacEachen: If the hon. member is serious about giving additional members an opportunity to speak, let him encourage his party to make some arrangement so that additional hours and sittings can be arranged.

* * *

THE BUDGET

POSSIBLE LEAK OF CONTENTS—REQUEST FOR DENIAL FROM MINISTER

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, I should like to direct a question to the Minister of Finance based on a story in this morning's *The Globe and Mail* by Jeff Carruthers which would seem to represent a leak of the budget the minister proposes to bring in Tuesday night.

In view of the fact that such advance information as to what is to be in the budget could have repercussions on the stock market, could permit some people to make huge sums of money and throw things into a bit of a tizzy, will the Minister of Finance declare categorically that the story in this morning's *The Globe and Mail* is incorrect, that this is not a forecast of his budget of Tuesday night?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): As the hon. member knows, Madam Speaker, prior to every budget there are speculative stories relating to the budget. That happened last December when there were innumerable stories as to what would be in the budget. That has happened on this occasion. I have a long list of newspaper articles containing speculation as to what may or may not be in the budget. That is a normal process and it does not require the Minister of Finance either to confirm or deny the rich, often erroneous, speculation that occurs.

Mr. Knowles: Madam Speaker, in view of the fact that this story lists seriatim at least 15 specific points in very precise terms and very precise detail, will the minister keep this in mind when he brings down his budget and, if there has been a leak, will he take steps to find out how that came about?

Mr. MacEachen: Madam Speaker, we will not be able to deal with that possibility until after the budget has been delivered. Obviously at that time if there appears to have been any leak, which is a matter quite apart from speculation, action will be taken. However, because the speculation is so diversified and wide-ranging in all newspapers—there is not just the article by Mr. Carruthers; there is a variety of others—it would be difficult for the speculation, in some cases at least, not to be right—for example, the date of the budget.

Mr. Knowles: Madam Speaker, in view of the fact that one of the most important items in Mr. Carruthers' story is to the effect that there is to be an export tax on natural gas and electricity, and in view of the serious nature of this, will the minister deny categorically that he has any intention of imposing such a tax—

An hon. Member: You want to know what is in the budget.

Mr. Knowles: I want the minister to deny that there is a budget leak—particularly when it is in the minister's power, by increasing taxes on the multinationals, which have had a 65 per cent increase in their profits in the last nine months, to get the funds he needs without the offensive tax which Mr. Carruthers says the minister is going to produce?

Some hon. Members: Hear, hear!

Mr. MacEachen: Madam Speaker, the same question was raised recently at the meeting of ministers of finance when a number of ministers asked me to forswear at that point the possibility of an export tax. What I will say today is what I told them, namely that it is an option that is available to the Minister of Finance, that it is fully within the constitutional authority of the Government of Canada to levy such a tax, and it is an option which is being considered at the present time.

* * *

STANDING ORDERS

S.O. 33—REQUEST FOR REFERENCE TO STANDING COMMITTEE

Mr. Bob Wenman (Fraser Valley West): Madam Speaker, in order that the rights of private members on both sides of this House will not be further offended, and in view of the fact that Standing Order 33 effectively restricts the freedom of speech of duly elected members of Parliament, will the government take steps to remove or to modify the rule by referring it to the Standing Committee on Privileges and Elections?

● (1140)

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, the suggestion made by the hon. member concerns 1/116 of the kind of reform we would welcome in this institution, because the Standing Orders of this House contain 116 items. On the other hand, I have a suggestion to make. Standing Orders 75A, 75B and 75C when applied are termed as closure by the opposition, but they are really used to limit the debate and to extend it more than a full day if we wish. The hon. member knows full well that these Standing Orders cannot apply to a motion, only to a bill, because they only concern the different stages of a bill. So I suggest it would be a positive step—and I am open to this suggestion if the hon. member wants to make it—to include in Standing Orders 75A, 75B and 75C motions as well as bills. This would have enabled us in this case to allow more than a full day while restricting the debate at this first stage of the constitutional issue. So, according to his suggestion, Madam Speaker, if, on the one hand, we are quite open to parliamentary reform, and I want to indicate to my colleagues that something is forthcoming in this regard, it would also be advisable to consider applying the provisions of Standing Orders 75A, 75B and 75C to a motion in addition to a bill.

* * *

[*English*]

THE CONSTITUTION

REQUEST FOR ASSURANCE CLOSURE WILL NOT BE REINVOKED

Mr. Bob Wenman (Fraser Valley West): Madam Speaker, of course I would welcome any move toward parliamentary reform, and I thank the minister for agreeing to consider such an initiative.

An hon. Member: And respect.

Mr. Wenman: I respect Parliament, my friend, and I hope you do the same.

Some hon. Members: Oh, oh!

Mr. Wenman: In his press conference yesterday the Prime Minister hinted at the use of closure to limit debate on further stages of this proposal or motion which will be returned to the House. Can the Deputy Prime Minister assure this House that the Prime Minister and the Government of Canada will not, during the forthcoming procedures, invoke closure again? In fact, closure should not be invoked until the parliamentary reform suggested by his colleague is completed. Can he give us the assurance that all members will have the right to speak and that closure will not be invoked in further stages?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member knows as well as I do that the rule invoked yesterday is a part of the procedure of the House of Commons.

Mr. Knowles: Brought in by the Tories in 1913.

Mr. MacEachen: The hon. member for Winnipeg North Centre has properly reminded us that the closure rule was brought in by the Conservative party.

Mr. Crombie: Not for the constitution.

Mr. MacEachen: I remember also that Mr. Diefenbaker, before he became prime minister, stated that he would abolish the closure rule, but during his period as prime minister he forgot all about it.

Mr. Clark: He never used it.

Mr. MacEachen: He left the closure rule on the books, and when the present House leader for the Conservative party brought in his paper on parliamentary change, to my recollection he did not include any indication of abolishing closure.

EXPRESSION OF VIEWS OF MEMBERS BEFORE JOINT COMMITTEE

Mr. Chris Speyer (Cambridge): Madam Speaker, my question is addressed to the President of the Privy Council. In view of the fact that the parliamentary committee which is to be established will consist of a relatively small number of members, probably five or six from our party and two from the New Democratic Party, and in light of last night's closure when 200 members were denied the right to speak about the fundamental arrangements which govern this country, would the minister please advise this House as to how these members are to make their views known to the committee so that the committee will have the advantage of knowing those views when reporting to this House? In particular, is any consideration being given whereby members have to ask to be witnesses before a committee of Parliament?

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, those are questions which could be easily answered by the parliamentary leader of my hon. colleague. However, I am pleased to remind him that, with the assistance of the hon. member for Winnipeg North Centre I suggested to his party to sit longer hours when there would be no Liberal speakers and when we would have only Progressive Conservative speakers to participate in the debate, and that his own caucus rejected that offer.

We mentioned earlier through the Deputy Prime Minister that we were prepared during the third stage, once the committee has reported to the House, to discuss an extension of the debate hours and also an extension of the days for the debate on that matter. So we are prepared to negotiate all those questions, and to give more time to all hon. members who want to participate but we want the opposition to prove its good faith by accepting at least the reasonable offers we made them.

[*English*]

Mr. Speyer: Madam Speaker, the conduct of the government with respect to this debate has entrenched bitterness, it has not entrenched rights.

My supplementary question is to the same minister, and it pertains to the constitution, which is the public social contract which underpins the terms on which Canadians live together. Does the minister not believe that this basic arrangement, which keeps people living together in a state hopefully of harmony, deserves a maximum amount of scrutiny, certainly more than the Bank Act or any other bill which comes before the House? Why have we not been given an opportunity to debate fully the constitution of our country?

[*Translation*]

Mr. Pinard: Madam Speaker, may I remind the hon. member that it was his own leader who urged us not to deal with this very important question but rather with economic matters when Parliament resumed? We thought that this institution was capable of working on more than one important matter at a time. We also thought this institution was capable of showing the Canadian public that, through its committees, it could tackle concurrently constitutional, economic and energy issues.

So if some members of the opposition want to show the Canadian people it is possible to paralyse Parliament, they may succeed temporarily but I can guarantee that over the long term common sense will prevail and the public will realize that Parliament can function, can face the realities of the eighties, and also that we have the power and the capacity to cope with important issues such as the constitution, the economy, energy and all others to which he referred. All that is required for the House to function really well and for each member to enjoy complete freedom of expression is a little co-operation and good faith.

[*English*]

THE BUDGET

INQUIRY WHETHER NATURAL GAS EXPORTS TAX WILL BE IMPOSED

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, I would like to return to the matter of the budget which was raised by the hon. member for Winnipeg North Centre, because it affects my constituents right in their pocket books.

My question is to the Minister of Energy, Mines and Resources, and concerns the proposed energy export tax which we on this side of the House firmly oppose. I wonder if the minister is aware that the National Energy Board's own figures show that the export tax would fall four and a half times heavier on western gas exports than, say, other exports such as electricity, and therefore is discriminatory against one area of the country.

Mr. Andre: Since when have you cared?

Mr. Waddell: Madam Speaker, I do not have to take lectures from the Conservatives in this area.

Mr. Clark: What about Ed Broadbent and his sweetheart deals?

Mr. Waddell: Just be quiet and listen to my question.

Some hon. Members: Oh, oh!

Madam Speaker: Order, please.

Mr. Waddell: In light of the delicate political situation in the west, which the minister must understand, and in light of the fact that there is a gas bubble in the United States—they are not taking all our gas now—why is the minister's government stubbornly, and stupidly in my view, going ahead with this proposed export tax?

Mr. Malone: I heard a bubble.

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I regret that my hon. friend has been subjected to abuse by the hon. member for Calgary Centre, but we on this side of the House are used to that from the hon. member.

Some hon. Members: Oh, oh!

● (1150)

Mr. Lalonde: My hon. friend has been speculating on the content of the budget. I suggest to my hon. friend that he wait for the budget and then he will be able to reach his own conclusions. I have indicated previously that the government was concerned to ensure that there would be fairness in our energy policy which will be announced. I hope that when the hon. member looks at it, he will find it to be a fair policy for all Canadians, including western Canadians.

Mr. Waddell: I thank the minister and I should like to tell him that I take lots of abuse from my colleagues to the right, but I would like to have some answers from him. He can stand up and just deny that he will bring in the tax. Let me suggest to him—and I wish he would respond to this—that a government like his government can get hooked on a tax like this because they will crave more and more of the revenues. The National Energy Board is now talking about a new pricing formula so that we can lower the price of gas and sell more to the United States. Will the minister stand in his place now and rule out the possibility of the Government of Canada decreasing the price of Canadian gas in the U.S. market?

Mr. Lalonde: Madam Speaker, I think it would be rather foolhardy while the National Energy Board is proceeding with a review of the situation and having consultations with the provincial governments concerned and the industry to prejudge any of the recommendations that may come out of this study. We will see what the recommendations are and those recommendations will be made public. I am sure there will be an opportunity to discuss them and the government will take a decision if specific changes are recommended.

I can tell the hon. member that at the present time I am not considering changes to the existing formula. However, if there are improvements that are necessary, I think it would be stupid on the part of the government not to wait for those recommendations.

* * *

[*Translation*]

ROYAL CANADIAN MOUNTED POLICE

ALLEGATIONS OF WIRETAPPING

Mr. Henri Tousignant (Témiscamingue): Madam Speaker, I would like to direct my question to the Solicitor General of Canada. In view of information released by CBC this morning alleging that the Royal Canadian Mounted Police has wiretapped the legislature of British Columbia, is the minister aware of that incident and if so what does he intend to do?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I can say that the policy I follow is this: first, the Royal Canadian Mounted Police obeys the law. What the RCMP did in this case and in the case of the Yukon, is that it appeared before the courts each time to secure a warrant. Second, it respects the privileges of all legislatures and those of the Canadian Parliament as well. The problem is to know which privileges have to be respected in the various legislatures. It is not always clear. In the case mentioned by the hon. member, it was discovered later on, after a committee meeting, what were the privileges of that legislature. So I sent a letter to all speakers across the country to ask them or their legislatures what privileges they wanted the RCMP to respect. When they send me their answers, I can assure the House that we will

certainly be prepared to respect the respective privileges of the legislatures.

* * *

[*English*]

THE CONSTITUTION

OPPORTUNITY FOR MEMBERS TO MAKE REPRESENTATIONS TO JOINT COMMITTEE

Mr. Doug Neil (Moose Jaw): Madam Speaker, as one who was denied the right to speak in the debate on the constitution, I have been rather disturbed by some of the answers given this morning by the House leader. The Prime Minister gave an undertaking, not only to individual members but to the citizens of Canada, that their representatives would be entitled to speak in this debate. That has been denied us.

Some hon. Members: Hear, hear!

Mr. Neil: My question is directed to the Deputy Prime Minister and it is similar to the question put to the House leader. Will I, as an individual member, have the opportunity of making representations to the committee or will I have to be a member of that committee before I can do so? It is a very simple question and I would like an answer.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the committee will be established. It is master of its own proceedings and it can decide—

An hon. Member: What nonsense!

Mr. MacEachen: —to bring in any member of Parliament. It has been obvious to me for quite some time that members of Parliament who are not members of the committee have been able to be present and have also been permitted to make their views known.

Mr. Neil: I have a short supplementary question. I wonder if the Deputy Prime Minister is prepared to examine the procedure and perhaps make some changes which will guarantee the members of the House of Commons the right to make amendments to the proposed resolution when it is returned to the House.

Mr. Clark: Amendments of substance.

Mr. MacEachen: No, Madam Speaker, I am not proposing to propose amendments to the Standing Orders of the House. The government House leader has already dealt with that question. When the report comes out of the committee, it will be possible for the House to determine what it wishes to do with it. But I am sure the hon. member is sincere in expressing a desire to have his views heard, either in committee or in the House of Commons, and personally I am quite sympathetic to that point of view.

Mr. Neil: Then demonstrate your sympathy.

Mr. MacEachen: But I suggest to the hon. member that there should be a way to accommodate both the desire of the government to facilitate the passage of this resolution and the desire of hon. members to participate. If his party is prepared to negotiate in good faith in order to make appropriate arrangements in the way described by the House leader, then he will find that we will negotiate in good faith also.

Mr. Clark: That is trickery. Appropriate arrangements on his own terms. That is nonsense.

OPPORTUNITY FOR MEMBERS TO DEBATE JOINT COMMITTEE REPORT

Mr. Joe Reid (St. Catharines): Madam Speaker, further to the questions asked this morning I should like to add another question and I direct it to the government House leader. From the time of the introduction of this constitutional resolution, we have heard a good deal of glowing comments with respect to fundamental rights and the necessity to entrench those rights against arrogant governments and politicians. We had a fine example of that just recently.

Following the committee's discussions, will I as a member of this House have an opportunity to participate in the debate after the committee has reported to the House, having been one of those who was denied the opportunity by the actions of that arrogant government to speak in this constitutional debate, one in which the Prime Minister invited all members of Parliament to participate?

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I repeat that we will show the same open-mindedness as at the first stage, when we asked the Progressive Conservative Party to negotiate a time schedule which would make it possible for a larger number of its members to deal with this issue. Once again, I reiterate this offer. We are willing to negotiate in good faith, as we have always done in the past, and we expect now the Progressive Conservative Party to co-operate even more to make it possible for its backbenchers—I strongly urge the Leader of the Progressive Conservative Party to listen attentively to these representations—to express their views. I advise him that I will make offers to his House leader to increase the time allotted for discussion, even adding a few days, if necessary, so that a larger number of hon. members may be heard. I hope, therefore, that we will obtain more serious co-operation, and that good faith will prevail more than it has up to now.

[*English*]

Mr. Reid (St. Catharines): Madam Speaker, my question is directed to the same minister. Since the reason for the introduction of closure was the economic measures that the government wanted to introduce, may I ask why the minister did not introduce those economic measures last week, this week or even today, and why is the Prime Minister not in his place today if these economic measures are so important?

[*Translation*]

Mr. Pinard: Madam Speaker, as the hon. member is well aware, we will have a budget speech Tuesday night. The offer we made the Conservatives and which they refused was to sit till midnight on Monday to debate the constitutional proposal. We made the offer but they refused. Given that refusal we had no other alternative but to take our responsibilities and respect the Canadian public and act as we did.

Madam Speaker, I draw the attention of hon. members across the aisle to the fact that we have had two elections in one year, that there are 30 bills on the order paper, that we must have nine opposition days before December 10, seven of which will be between November 14 and December 10, and six of those being Committees of the Whole House.

We must have six and one half days to debate the budget speech. Yet we must also continue to govern the country. We must also take our responsibilities. That is why, Madam Speaker, we acted as we did in order to give Parliament, through its committee, the opportunity to consider the constitutional proposal while, at the same time, assuming our responsibilities toward the Canadian public which expects a lot more from its elected representatives than purely delaying tactics such as the ones we have seen in the last few days.

* * *

● (1200)

[*English*]

FISHERIES

CANADA-U.S. WEST COAST SALMON TREATY—OPPORTUNITY TO DISCUSS

Mr. Ted Miller (Nanaimo-Alberni): Madam Speaker, I should like to direct my question to the Minister of Fisheries and Oceans. The minister will be painfully aware of the difficulty Canada is having in getting ratification of the east coast fisheries treaty. Also he will be aware of some of the sacrifices fishermen on the east coast have already been asked to make in getting any approval from the negotiating committees.

This week in Seattle, Washington, the negotiating committees for the United States and Canada met to discuss a treaty which will have a joint management of the west coast salmon industry. Does the minister feel that the treaty on the west coast is important enough to have a parliamentary debate before any Canadian government ratification occurs? Will he guarantee to give some assurance to the House that before any ratification is undertaken by the government we will have a chance to discuss the treaty which may be signed?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, certainly I recognize the sacrifices made by Canadian fishermen on the east coast. The Secretary of State for External Affairs has made that point very strongly and clearly. As for the possible west coast agreement, I have not yet been debriefed on the results of the negotiations that took place this week.

An hon. Member: What do you mean by "debriefed"?

Mr. LeBlanc: I hope to do this over the weekend. I do not think the procedure in Canada is the same as that in the United States. For that reason I do not think I can answer in substance the hon. member's invitation to have a debate of the type which would lead to a vote on ratification or non-ratification. As the hon. member well knows, I favour full discussion of these questions in a parliamentary committee. I am sure we will find a way to air fully the views of members on all sides of the House.

ALTERNATIVE METHODS OF NEGOTIATION

Mr. Ted Miller (Nanaimo-Alberni): Madam Speaker, perhaps the minister is aware that one of the difficulties in the Canadian public's mind is that they do not have enough information. They are not aware of the kinds of sacrifices Canadian fishermen have already undertaken.

I should like to direct my supplementary question to the Secretary of State for External Affairs. Recently at a conference on "Approaches to Foreign Policy—Differences and Similarities" the minister made the following statement:

> In Canada, parliamentary approval is sought only for some of the very most important treaties, and treaty negotiation and ratification is a matter of executive authority as an element of the royal prerogative.

Also the minister indicated that they were looking at alternatives to the present method of negotiating treaties. Does he feel this treaty is important enough to be dealt with in Parliament? Has he decided on any mechanism by which we can delay our decision in the House or by his government until the United States Senate has given its approval?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, that is a question which has not yet been considered by the government nor in all its implications even by myself, because we are not far enough along the road yet for that decision to be warranted.

* * *

OFFICIAL REPORT

DELAY IN TRANSLATION OF YESTERDAY'S ISSUE

Madam Speaker: With the permission of the House, I should like to make two brief statements. I want to inform the House that *Hansard* will be available later today; we have had problems with translations. It is not that the translators did not work very hard in order to allow us to have *Hansard* this morning, but because of the circumstances of which all members are aware, the staff was rather thin, some of them had worked for approximately 48 hours in a row, and people were very, very tired. Therefore, there will be a delay in the publication of *Hansard* today, but we hope things will be re-established very rapidly.

I think hon. members would want me to thank those people who have worked hard to translate *Hansard* so that we can have it.

Some hon. Members: Hear, hear!

* * *

HOUSE OF COMMONS

PRESENCE OF SECURITY GUARDS BEHIND CURTAINS IN CHAMBER

Madam Speaker: I have another statement about security guards. I have been made aware of the presence of security guards behind the curtains, and I have initiated an inquiry as to why they were positioned there, and for what reason. I will want to investigate that matter thoroughly and report to the House as soon as I can.

* * *

PRIVILEGE

MR. BEATTY—ENERGY ADVERTISING CAMPAIGN

Madam Speaker: I have before me a question of privilege which is not completed; I deferred it for two days. As I said the other day in the House, after having read the statements of the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty), I wanted to ascertain whether the Chair needed to be further informed on that particular question of privilege.

I found in the statement of the hon. member that indeed he had pursued the government for the substance of a document written by a public servant, and also for the substance of campaign ads on energy. But, he did not really relate the substance of these documents to the specific matter of parliamentary privilege. Therefore, I should like to hear the hon. member for Yukon (Mr. Nielsen), and I should like to ask him if he would try, for my guidance and in order to be helpful to the House, to relate more closely the substance of those documents and those ads to the matter of parliamentary privilege, so that I may be able to establish whether there is a prima facie case of privilege.

Hon. Erik Nielsen (Yukon): Madam Speaker, you no doubt saw, at the same time as I rose when this matter was first raised by the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty), that the hon. member for St. John's East (Mr. McGrath) was also rising to participate in the argument before you.

I have discussed this matter with the hon. member for St. John's East, and in the interest of saving the time of the House on this question, he will be speaking for both of us.

Hon. James A. McGrath (St. John's East): Madam Speaker, I will endeavour to be brief because some of my colleagues have other matters of considerable urgency which they wish to raise.

Very briefly, the question of privilege raised by the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty) bears a certain similarity to a question of privilege which I raised earlier, on which Your Honour has ruled and to which Your Honour has alluded, as well as the question of privilege raised by the Right Hon. Leader of the Opposition (Mr. Clark). What concerns us is the narrow interpretation by the Chair of privilege in so far as the use of intimidation is concerned.

It would be my argument, with great respect, if Your Honour were to view the arguments presented by my colleague and indeed by myself on previous occasions in that context, that we now have a new dimension in this country which has a direct bearing and influence upon our proceedings in this House. That new dimension is the mass media and the access of the Government of Canada to that mass media, indeed the access we have as a Parliament to the mass media through the use of television cameras now in this House.

● (1210)

You will recall, Madam Speaker, that when my colleague presented his question of privilege he referred to a memorandum which had been issued by a senior official of the Department of Energy, Mines and Resources. That memorandum referred to the debate which would take place in the House on energy policy, and I quote from that memorandum:

The underlying strategy in this communications plan is to achieve three goals, in sequence:

1. Take control of the energy debate.
2. Retain that control through action and leadership.
3. Remove "energy" from the list of highranking national concerns.

Now, we know there has been the sum of some $5.6 million already spent on a campaign to take control of the debate. We also know that one of the target groups of that advertising campaign is the official opposition, so identified in the memo.

It has been argued by the Minister of Energy, Mines and Resources (Mr. Lalonde) that the memo was not accepted. But we know from the public record, by the person who wrote the memo, that we do not know what parts of the strategy contained in the memo had in fact been accepted by the government and implemented, because he refused to state this directly in reply to a question put to him in an interview. It seems to me that if the government is to be permitted, through the use of public funds, voted by this House, to gain control of a debate through the manipulation of the mass media, with the official opposition as one of the target groups, in my opinion is a serious breach of the privileges of this House.

Some hon. Members: Hear, hear!

Mr. McGrath: That is just as much intimidation as we had in the past where a member could be physically intimidated by one means or another. The means of intimidation are now through the manipulation of the media by the government, and the control which the media could exercise on public opinion and, hence, on the members of this House as a target group in terms of the government "taking control of the debate". I believe that is a very serious matter. I believe that it has

tremendous consequences for parliamentary democracy down the road. It is almost Orwellian in its consequences. It is in that sense that my colleagues and I would like Your Honour to look at the question of privilege raised by my colleague, because we believe it to be a serious and substantive matter.

If the Chair, in its wisdom, with the learned advisers which Madam Speaker has at her disposal, is to examine this question of privilege in the narrow and ancient confines of the interpretation of privilege, as laid down by Beauchesne, May and our own procedures, then, of course, you will rule that there is no prima facie case of privilege. But if Your Honour will examine the question of privilege in light of present day reality and the propensity of this government, by its own admission, to use public funds to manipulate and control public opinion and, indeed, to go even one step further, by designating in a memo of a senior official of the government, the official opposition as one of the target groups of such a manipulative advertising campaign, then Madam Speaker will readily see why we want to press this matter, why we feel it is a matter of considerable concern, and why we graciously submit to Your Honour that you take it under advisement and that you view it in that context. Failure to do so, Madam Speaker, in my humble submission, will only bring on further questions of privilege because the government has already indicated its intention to persist in what I consider to be gross misuse of public funds.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I can note very briefly that I know that the Minister of Energy, Mines and Resources (Mr. Lalonde) has given his point of view and explained the facts. He has said very clearly that he has denied the facts on which members opposite have based their question of privilege. They have alleged the existence of a memorandum from an official to justify their argument, and for his part, the minister has clearly said that this memorandum has been rejected and that it is not being used or followed. Moreover, according to the minister, the official involved has admitted publicly that what he had recommended had not been followed but, rather, rejected by the minister.

Having said this, Madam Speaker, you are faced with members who maintain the opposite. You are also faced with a minister whose word must be believed and who has stated to the members who raised this question of privilege that they have no reason to feel concerned because the memorandum in question and the recommendations made by the official have been rejected, as the official himself has confirmed.

That being so, Madam Speaker, I would like to limit my comments to a procedural matter since the facts have been clearly pointed out by the Minister of Energy, Mines and Resources.

I would like to refer to citation 16 on page 11 of the fifth edition of Beauchesne's Parliamentary Rules and Forms:

> The privileges of Parliament are rights which are "absolutely necessary for the due execution of its powers". They are enjoyed by individual members, because the House cannot perform its functions without unimpeded use of the services of its members—

The quotation used by Beauchesne was made by Sir Erskine May in his "Treatise on the Law, Privileges, Proceedings and Usage of Parliament," nineteenth edition, London, 1976, page 67. This is the definition of our privileges. In paragraph 17 which follows, in light of this very restricted definition of our privileges, Beauchesne states, still on page 11:

> A question of privilege ought rarely to come up in Parliament.

This is easy to understand, Madam Speaker. On page 12, of Beauchesne's fifth edition, citation 19(1) states, and I quote:

> A dispute—

and here it is even more relevant:

> A dispute arising between two members, as to allegations of facts, does not fulfil the conditions of parliamentary privilege.

Now, that is exactly the case before us. Since it is fundamentally a difference of opinion about facts, it cannot be a breach of privilege affecting hon. members. It is a matter of debate and, at any rate, it is certainly a breach of privilege even if the facts were admittedly as defined in citation 16 I quoted earlier.

So the present situation is quite familiar to you, Madam Speaker, namely that, of course, it is up to the House to decide if there is a breach of privilege. Your role, as indicated in Beauchesne's citation 84, on page 27, is to rule whether a prima facie case can be established. The current parliamentary practice offers numerous precedents, and one only has to refer to the proceedings of the last couple of weeks to the effect that divergent opinions on facts are matters for debate rather than questions of privileges. That is why, in this case, I respectfully submit that this is a matter for debate and that there is absolutely no basis for the question of privilege.

[*English*]

Madam Speaker: If there are no further interventions I will reserve judgment on this particular question of privilege. I thank the hon. member for the arguments he has put forward. He has made a serious effort to relate the question of privilege to the matter of parliamentary privilege and I thank him for that because that is, of course, most helpful to the Chair.

In the circumstances I will also reserve my ruling on the question of privilege which has been raised by the Right Hon. Leader of the Opposition (Mr. Clark), which is not similar but very close. I have notice of other questions of privilege by other hon. members.

• (1220)

MR. THACKER—IMPOSITION OF CLOSURE

Mr. Blaine A. Thacker (Lethbridge-Foothills): Madam Speaker, I rise on a question of privilege which I would like you to consider, and it arises out of the events of yesterday and shortly before yesterday. I claim that the imposition of the

closure rule on the resolution dealing with the constitution violates my personal privilege as a member of this House to attend here and to speak for my constituents. My claim is that I am restricted to the narrow point of the constitution.

As you know, Madam Speaker, if this resolution comes into force, the whole social fabric of our country will be changed. As the hon. member for Cambridge (Mr. Speyer) has pointed out, we do have a social contract. I submit that there will be many changes in the future, and I would like your advice. I believe that it is a violation of our privileges as members to be able to speak because we are limited to the narrow point of amending our Canadian constitution.

When I came here as a new member I read Beauchesne, particularly the section in the fifth edition dealing with "Principles of Parliamentary Law", which states:

To protect a minority and restrain the improvidence of a tyranny of a majority; . . . to give abundant opportunity for the consideration of every measure, and to prevent any legislative action being taken upon sudden impulse.

I clearly feel that I have the right to speak. I am sure that you are aware, Madam Speaker, of the section in the BNA Act which gives to my constituents the privilege to elect a person to come here and represent their views. I have referred you to Beauchesne and the long-standing customs and traditions of this House.

The Prime Minister (Mr. Trudeau) claimed to Canadians that their member would be able to speak, and therefore I claim that privilege because of the law and because I represent a minority region, and because the government is acting on sudden impulse. This resolution reduces my constituents, the province of Alberta and the other provinces, from a position of equality on constitutional amendment to a position of perpetual second-class status.

The resolution imposes rights over our long-standing common law tradition. For example, section 42 in the resolution has the potential to destroy the protection which heretofore was inherent in my provincial government, and section 44 interferes with the protection which my constituents have heretofore had through the Senate. I have studied the resolution, listened to the speeches, and consulted with my constituents by letter, telephone, and personally, and I have prepared very carefully a speech of some 21 pages in which I attempt to point out to hon. members opposite the very deep feelings we have in the west about this resolution and the potential downside for us.

We are dealing with the constitution. It is a document which will go on forever. I believe that I have a privilege and that my constituents have the right to have their views put before this House so that my children and grandchildren will remember, 100 years and 200 years down the road, that their member at least had an input. I believe that closure has blocked that privilege. I submit that there is a prima facie case of privilege and I therefore move:

That the whole question of closure related to the narrow point of the constitution be referred to the Standing Committee on Privileges and Elections.

We look to you personally, Madam Speaker, because this matter will go on for many, many decades, to create some new law with respect to constitutional amendments.

Madam Speaker: At the outset, I would remind the hon. member that Standing Order 33 does not make any exception as to the subject which may come under closure. I believe that part of his argumentation was based on the fact that we are dealing with a particular subject and that he would have liked to have had a chance to express himself at length on that particular subject. Of course, that is the right of all members of Parliament, and our rules are devised in order to allow members to express themselves. Those rules have been voluntarily imposed on the House by the members and they are accepted by all the members.

At some point, and at certain times, members feel that these rules are restrictive and, indeed, they are. But if they are restrictive to some, these restrictions are designed to protect others so that they too can express themselves. A very simple example is the 20-minute, 30-minute, and 40-minute rule which is applied to various speeches. One member might find that 40 minutes is restrictive and, indeed, it is as far as he is concerned. But that rule is designed to allow other members to express themselves because that also is a right of this House.

The matter to which the hon. member is referring has been voted upon in this House. I have merely executed a decision of this House. Closure had been voted into this House. Once that is done the procedure follows, and I try to apply it as best as I can interpret it. My feelings, and I have been very careful throughout this last day, yesterday, to be as fair as possible, because I know how important it is when such a measure is proposed to the House, are that everything should be done in order and in conformity with our Standing Orders.

I have applied my efforts and my best attention to see that everything was just so in the course of yesterday. I must tell the hon. member that my feeling is very strong, that everything which went on, which members might or might not like, was done strictly according to our Standing Orders. Therefore, I am very sorry to say that I cannot find a question of privilege in the hon. member's question.

* * *

BUSINESS OF THE HOUSE

PRESENTATION OF BUDGET

Mr. Pinard: Madam Speaker, on a point of order, pursuant to Standing Order 60, I request that you designate an order of the day to permit the Minister of Finance (Mr. MacEachen) to present his budget at 8 p.m. on Tuesday, October 28, 1980.

PRIVILEGE

MR. LEWIS—NOTICE OF QUESTION OF PRIVILEGE

Mr. Doug Lewis (Simcoe North): Madam Speaker, in view of the fact that you have undertaken to investigate the matter of the security police in this House last evening, or earlier this morning, I am content that my question of privilege stand down until you have had an opportunity to report to this House.

MR. OBERLE—STATEMENTS MADE BY MR. MacEACHEN

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, my question of privilege is with regard to references that were made in the course of the question period earlier today by the Deputy Prime Minister (Mr. MacEachen) in response to a question by the hon. member for Central Nova (Mr. MacKay). I am very concerned about the matter, as I am sure the Chair will be, because the two members involved, particularly the Deputy Prime Minister, calculate their words very carefully. The Deputy Prime Minister, as we know, is always very deliberate in his statements.

Why I am concerned and why I feel that I have a question of privilege is because I think that I clearly understood the Deputy Prime Minister to say that there were discussions between the House leader of the official opposition and the government House leader with respect to extended hours and extended days on the constitutional debate. I do not have the blues, but I intend to check them. Certainly it is misleading of the facts as they were told to me by my House leader.

This is not the usual debate. Members in this chamber were glued to their chairs and were glued to every word that was uttered in this House by members on both sides. It is a debate that will fundamentally and ultimately change the way of life of Canadians, the relationships between individuals and minority groups with their governments and with their state. We were all in the chamber.

The Deputy Prime Minister knew full well that even to suggest that there was an offer of extended hours was utter nonsense because, even though the government planned through entrenchment of rights, to do certain things that are nothing more than a utopian dream, such as to eliminate discrimination all at once, they will not be able with this measure to extend the hours of the day which are 24 for members of Parliament and every other citizen of this country.

● (1230)

We were in this chamber from two o'clock in the afternoon until ten o'clock at night, every day. There was just no way that a member could do his work in his office and discharge his responsibilities to his constituents in the time allowed. A member cannot sit in this chamber 24 hours a day; there are other things that have to be done, so that was nonsense because the Deputy Prime Minister knew this. When he said there was an offer to extend the days, that was misleading the House. It could leave the impression throughout the country that this party was not co-operative. I want to be very sure that the Deputy Prime Minister was not being deliberate when he said this. I am concerned because, as I have said, the minister is usually very calculated and very deliberate in all he says.

There was no opportunity for members of this House—as you know, Madam Speaker, I had the opportunity. I was one of 17 members of the official opposition who had the opportunity to speak, but all the rest of my colleagues did not.

It is not in the interests of restoring order, respect and decorum in this House, for the Deputy Prime Minister to make statements which are obviously misleading and, I will not at this moment use the word "deliberate" but I shall reserve the right to do so once I have had the opportunity to examine the blues.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): On that point, Madam Speaker, I presume the hon. member, if he was not mistaken altogether, was really alluding to the Deputy Prime Minister and not to the leader of the government; since he was looking at me while speaking, he may have mistaken one for the other. Be that as it may, I was here when the Deputy Prime Minister answered the question and I myself had to answer some of the questions on the matter; I want that to be very clear.

No one on this side of the House said that extra days had been offered to the opposition for the first stage. What the Deputy Prime Minister said was that we would be willing to negotiate for the third stage; I said the same thing, that is we would be willing to extend the hours and, if need be, allow extra. But when my learned colleague refers to the offer made for the first stage, which ended during the night, then, as we said, and I call upon the hon. member for Winnipeg North Centre (Mr. Knowles) to vouch for it, since those proposals were made to each of the respective caucuses of the three parties—in fact, the hon. member for Winnipeg North Centre made the proposal himself—to allow the House to sit yesterday, Thursday, from 6 p.m. to 8 p.m., and from 10 p.m. till midnight, then all day Friday, that is today, during normal hours, Monday at dinner time from 6 p.m. to 8 p.m. and 10 till midnight, provided the vote on the motion passed last night, was taken Tuesday afternoon, before the budget speech. That is exactly what the proposal entailed that was made at the meeting of the House leaders and which we agreed would be submitted to our respective caucuses. Obviously, the NDP accepted the proposal. It came from them. We, on our side of the House, were also willing to accept it. It was the Tories who refused it. Those are the facts, I hope that can satisfy and placate my learned colleague; that is what we said and I cannot believe the Deputy Prime Minister would say anything different with regard to the first stage.

When the Deputy Prime Minister spoke of extra days, it was in terms of the third stage; he said that we would be willing to

negotiate an extension of the deadline, the hours of debate, even if it meant having to sit extra days. I reiterate the same offer.

[*English*]

Hon. Erik Nielsen (Yukon): Madam Speaker, I think I should wrap this up by putting something on the record that the government House leader did not put there. As he is aware, I attended that House leaders' meeting when that offer was made. At that time I indicated that the proposal would likely not find favour in our caucus unless the days were extended, because we had 43 or more members who had yet to speak. Obviously the hours proposed were not going to accommodate 43 plus members who still had to speak and who had indicated their desire to speak on the measure. Additional days were therefore required. I thought that should be added to the explanation just given by the government House leader.

Madam Speaker: The hon. member for Esquimalt-Saanich (Mr. Munro) on the same point.

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, my comment in this connection is that when one is speaking of the right of members of Parliament to express the views of their constituents, there is no matter of negotiating. The words "rights" and "negotiations", as far as members of Parliament are concerned, should not be used in the same sentence.

As my colleague, the hon. member for Yukon (Mr. Nielsen), mentioned, there is the possibility of extending the number of days. Certainly, in a matter as important as the constitution of this country which will determine the shape, size, form, and manner of living in this country for the next century, and perhaps more, this is surely a matter where all members of this House should have an opportunity to speak in the normal hours of debate of this House.

I will not accept the word "negotiation" in terms of the exercise of my right to be heard in this House, Madam Speaker.

Madam Speaker: Order, please. I understand the hon. member for Prince George-Peace River (Mr. Oberle) wants to look at *Hansard* to see whether the first answer which was given to him conforms with what he thought he heard. I do not know whether the explanation given now by the hon. President of the Privy Council (Mr. Pinard) satisfies him as to what was said—I am not saying he is satisfied with the substance of it but as to what was said, and the further explanation given by the hon. member for the Yukon.

Am I to understand that the hon. member for Prince George-Peace River is giving me notice that he might bring up the question of privilege once he has seen the blues?

Mr. Oberle: Madam Speaker, if the Acting Prime Minister said that an offer was made to add days to the constitutional debate, I reserve the right to raise this question again.

[*Translation*]

Mr. Pinard: Madam Speaker, in conclusion, since my learned colleague from Yukon has commented on the nature of the negotiations on the proposal, I may add, since this also concerns the point of order raised by the other hon. member, that when our proposal was rejected, he was not present at the one o'clock meeting Wednesday afternoon in my office, it was rather—

Madam Speaker: Order. I think that such information might extend the debate. The hon. member wishes to refer to the official report to see whether the answers really agree with what he thinks he has heard. I feel that the exchange has gone on long enough and I want to see what the hon. member will decide on Monday.

Mr. Pinard: Madam Speaker, I merely wish to point out that I asked for a counterproposal, but none was forthcoming. There was therefore no question of extending—

Madam Speaker: I think that was quite clear. Thank you.

ROUTINE PROCEEDINGS

[*English*]

EXCISE TAX

PETITION RESPECTING NATURAL GAS AND HYDROELECTRIC POWER—MR. SIDDON

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, during the past three and one half weeks, over 30,000 residents of British Columbia have signed a petition in which they expressed their absolute rejection of any attempts by the Government of Canada to impose a federal excise tax on the export of natural gas and hydroelectric power from British Columbia.

On behalf of my constituents, and many other British Columbians, I present to this House the signatures of 8,640 Canadians and residents of British Columbia who are absolutely opposed to any form of federal excise tax being imposed upon the natural gas and other natural resources of British Columbia.

I might add, Madam Speaker, it is through no help from the NDP that we obtained these signatures. I was presented with a grand total of 25 signatures by that party after they studiously avoided the question for several weeks.

Members of this House know that any such tax on the resources of British Columbia would violate a basic condition of my province's entry into confederation, that condition being that the resources of British Columbia shall belong in perpetuity to the province—

Madam Speaker: Order, please. I believe I have a number of petitions today. I must remind hon. members that they are

allowed to present their petitions but not to enter into debate. The presentation should be kept extremely short—and when I say extremely short, I mean generally within a minute.

Mr. Siddon: Madam Speaker, I shall close very succinctly. I just wanted to say, pertinent to the petition, that the revenues therefrom were to be used for the development of communities, opportunities, and services to the people of British Columbia.

Therefore, Madam Speaker, on behalf of these petitioners I ask for serious consideration of their strong appeal to the Prime Minister and to the Government of Canada through this House of Commons.

● (1240)

PETITION RESPECTING NATURAL GAS AND HYDROELECTRIC POWER—MISS CARNEY

Miss Pat Carney (Vancouver Centre): Madam Speaker, with your permission, I would like to present a petition signed by 1,765 British Columbians who, having due regard for the constitutional guarantee made to British Columbians under the British North America Act which promises that all natural resources within B.C. belong to the province, express their absolute rejection of any attempt by the Government of Canada to impose a federal excise tax on the export of natural gas and hydroelectric power from British Columbia. This petition represents the results of a one-day blitz and is representative only of the deep feeling in my constituency.

On behalf of my petitioners, I ask for serious consideration of their request by the Government of Canada.

PETITION RESPECTING NATURAL GAS—MR. MUNRO (ESQUIMALT-SAANICH)

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, I, too, rise and with your permission, wish to present a petition signed by 3,502 Canadian citizens living in British Columbia. This petition indicates their complete and unalterable opposition to the plans of this government to impose a tax on natural gas exported to customers in the United States, the tax being collected from the revenues of the selling agency, a B.C. Crown corporation, and through that corporation to the provincial government, thereby depriving residents of British Columbia of some of the vitally important services to which they are entitled, such as hospital and medical care.

As to form, there are a number of signatures on a newspaper column which appeared in a daily newspaper on the weekend of September 27 which have been transcribed onto the proper petition form that I have attached. On behalf of the petitioners, I ask for consideration of their requests by the Government of Canada.

PETITIONS RESPECTING NATURAL GAS AND HYDROELECTRIC POWER—MR. COOK

Mr. Chuck Cook (North Vancouver-Burnaby): Madam Speaker, I echo the comments of my colleagues. With your permission I wish to present a petition signed by residents of my riding, North Vancouver-Burnaby. In the absence of my colleague, the hon. member Capilano (Mr. Huntington), I present the same petition signed by residents of his riding, in total somewhat over 3,200. If the mails in Canada were better there would be double that number because I am informed there are many sheets still on their way here.

The petition asks that the Government of Canada not impose a federal excise tax on the export of natural gas and hydroelectric power from British Columbia because of the severe repercussions upon the economy of British Columbia.

In addition, on behalf of the hon. member for Fraser Valley West (Mr. Wenman), who is not in the House, we have an additional 2,000 signatures from that particular area of the province of British Columbia. On behalf of the hon. member for Vancouver Quadra (Mr. Clarke) an additional 2,870 of his constituents have also signed an identical petition.

I would respectfully submit these petitions on behalf of my four colleagues and myself to you, Madam Speaker.

PETITIONS RESPECTING NATURAL GAS AND HYDROELECTRIC POWER—MR. KING

Mr. Fred King (Okanagan-Similkameen): Madam Speaker, I, too, ask your permission to present this House with a petition requesting that a proposed tax on the export of natural gas and hydroelectric power not be imposed. Therefore, I present that petition signed by 2,561 constituents of Okanagan-Similkameen, which is in central south British Columbia.

On behalf of the hon. member for Okanagan North (Mr. Dantzer) I present another petition signed by 517 constituents of his riding. The petition rejects absolutely any attempt by the Prime Minister of Canada (Mr. Trudeau) and the Government of Canada to impose a federal excise tax on the export of natural gas, the imposition of which would be a disguised form of supplementary income tax against every resident of British Columbia.

On behalf of the petitioners, Canadians resident in British Columbia, I ask for consideration of their request by the Government of Canada.

PETITIONS RESPECTING NATURAL GAS—MR. OBERLE

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, it is fitting that I am the last one to present petitions today because British Columbia derives its entire energy resource harvest from northeastern British Columbia, the area that I represent.

I, too, rise to echo the comments which have been made by my hon. colleagues. I present petitions which have been collected by the hon. member for Cariboo-Chilcotin (Mr. Greenaway), the hon. member for Surrey-White Rock-North Delta (Mr. Friesen), the hon. member for Prince George-Bulkley Valley (Mr. McCuish), and myself on behalf of my constituents in Prince George-Peace River. These petitions

protest the proposed imposition of an excise tax on natural gas resources harvested in British Columbia.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 86, 390 and 1,232 to 1,247 inclusive.

I ask that the remaining questions be allowed to stand.

[*Text*]

PUBLIC ARCHIVES—MATERIALS STORED BY CABINET MINISTERS

Question No. 86—**Mr. Cossitt:**

Did any cabinet minister in the former government who was defeated on May 22, 1979, consign or make arrangements with the Public Archives to accept or store material and, if so, in each case (a) what is his/her name (b) what was the general nature of the material (c) has it been sorted and catalogued and, if not, on what date will it be (d) will it be available for examination by the general public and (i) if so, on what date (ii) if not, for what reason?

Hon. Francis Fox (Secretary of State and Minister of Communications): I am informed by the Public Archives as follows: The Public Archives Canada offers security storage facilities for the papers of current former cabinet ministers. Under the deposit system the papers remain the property of the particular depositor who also controls access. The Public Archives does not sort or describe the papers, but provides only the storage facility. The final disposition of the papers is determined later by the depositor.

A. The following cabinet ministers who were defeated on May 22, 1979, have placed papers on deposit in the Public Archives.

Name	Extent in Metres
Tony Abbott	40.8m
Norm Cafik	24.0m
Iona Campagnolo	61.5m
Bud Cullen	33.0m
Hugh Faulkner	71.2m
Alastair Gillespie	104.03m
Jack Horner	14.1m
Otto Lang	98.1m
Len Marchand	31.2m
Martin O'Connell	47.7m
John Roberts	18.6m

The following cabinet minister who was defeated on May 22, 1979, has donated papers to the Public Archives:

Barney Danson	100.97m

B. The Public Archives is not apprised of the specific contents of the deposit collections. Experience with collections that have been donated to the Public Archives indicate that while the contents vary from one minister to another, the general contents fall within one or more of the following categories:

—papers accumulated as a member of Parliament including constituency correspondence, research and subject files and party files,

—personal and political papers relating to ministerial responsibilities including correspondence, memoranda, research and reference files, speeches, clippings retained in the minister's office,

—papers of a non-political nature, for example family and business matters.

C and D. Collections received on deposit are not sorted or listed by the Public Archives. The Public Archives will approach each depositor regarding the permanent retention of the papers at the Public Archives. Upon donation of the collections Public Archives staff schedule the material to be sorted, listed and described. Papers of lasting historical research value are retained for the permanent collection of the Public Archives. Access provisions are determined by the donor in consultation with the Public Archives.

NOTE: No archival work has been done on the Danson papers at this time.

CANARCH LIMITED

Question No. 390—**Mr. Herbert:**

1. For the fiscal year (a) 1977 (b) 1978, what was the total revenue and net earnings or deficits of Canarch Limited?

2. For each year, what was the total (a) of direct or indirect subsidies or other benefits conferred by the government on the corporation (b) of loans, advances or guarantees extended by the government to the corporation (c) investment by the government in the corporation both before and after any write-off?

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

Canarch Limited (Non-Operating)

	(a) 1977	(b) 1978
1. Revenues	—	—
Net Earnings	—	—
2. (a) Grants, Subsidies	—	—
(b) Loans, Advances/Guarantees	—	—
(c) Investment	Nil	Nil

CANADIAN ELECTRICAL INDUSTRY—CONSULTATIVE TASK FORCE

Questions Nos. 1,232 to 1,247 incl.—**Mr. Herbert:**

Did the sector task force on the Canadian Electrical Industry recommend to the government in July, 1978, that all companies should be measured against a code of business conduct related to Canadian economic and social priorities and firms which qualify should be treated equally by governments irrespective of the nationality of their ownership or control and, if so, what was the government's reaction to the recommendation?

Order Paper Questions

Did the sector task force on the Canadian Electrical Industry recommend to the government in July, 1978, that it should develop a contingency plan in the event of non-removal of existing non-tariff barriers or the introduction of new non-tariff barriers by foreign countries and, if so, what was the government's reaction to the recommendation?

Did the sector task force on the Canadian Electrical Industry recommend to the government in July, 1978, that ITC, EDC and CIDA should collaborate to optimize financing programs in support of domestic manufacturers' exports and to select aid projects which match the particular skills of Canada's manufacturing industry with the needs of developing countries and, if so, what was the government's reaction to the recommendation?

Did the sector task force on the Canadian Electrical Industry recommend to the government in July, 1978, that it should investigate further means by which the link between subsidiaries and parent companies that are foreign owned can be used to benefit Canadian firms and to strengthen their performance and, if so, what was the government's reaction to the recommendation?

Did the sector task force on the Canadian Electrical Industry recommend to the government in July, 1978, that the government should continue to press for a stronger international agreement limiting the provision of concessional financing to developed countries and should monitor the level of financing coming into Canada, with a view to neutralizing its effect when it is used to finance products which compete directly with Canadian products and, if so, what was the government's reaction to the recommendation?

Did the sector task force on the Canadian Electrical Industry recommend to the government in July, 1978, that the Canadian economy reap benefits for Canadian industry by assuring access to foreign markets or by devices designed to assure Canadian manufacturers a "fair" chance in the Canadian market and, if so, what was the government's reaction to the recommendation?

Did the sector task force on the Canadian Electrical Industry recommend to the government in July, 1978, that Canada should seek to delay the reduction of Canadian tariffs until it is demonstrated that relevant non-trade barriers have been removed and, if so, what was the government's reaction to the recommendation?

Did the sector task force on the Canadian Electrical Industry recommend to the government in July, 1978, that the government consider a domestic financing corporation to assure that Canadian manufacturers are not at a disadvantage in their own country and, if so, what was the government's reaction to the recommendation?

Did the sector task force on the Canadian Electrical Industry recommend to the government in July, 1978, that the government should re-examine the position of the Canadian manufacturer relative to foreign competitors on the matter of dumping, following which a joint industry-government effort should be made to develop appropriate policy and procedures to prevent dumping in so far as possible by (a) shortening the time element in the finding of dumping and of injury (b) minimizing the cost to the Canadian company in demonstrating that injury has taken place (c) definition of "injury" that should not make it unreasonably difficult to establish that injury has taken place (d) requiring an affidavit from the foreign supplier that the goods are not being dumped (e) a commitment not to purchase foreign goods at dumped prices and, if so, what was the government's reaction to the recommendation?

Did the sector task force on the Canadian Electrical Industry recommend to the government in July, 1978, that Canada should work toward neutralizing the United States disc program and, if so, what was the government's reaction to the recommendation?

Did the sector task force on the Canadian Electrical Industry recommend to the government in July, 1978, that Canada should work toward eliminating the advantage held by the United States on the matter of the definition of "injury" for countervail purposes and, if so, what was the government's reaction to the recommendation?

Did the sector task force on the Canadian Electrical Industry recommend to the government in July, 1978, that the government should assure that the lowering of Canadian tariffs does not put Third World countries in a preferred position in the Canadian market by using aid granted by Canada for industrial development and, if so, what was the government's reaction to the recommendation?

Did the sector task force on the Canadian Electrical Industry recommend to the government in July, 1978, that it change the application of the federal manufacturers' sales tax so that imports do not derive a competitive advantage over Canadian manufactured appliances and, if so, what was the government's reaction to the recommendation?

Did the sector task force on the Canadian Electrical Industry recommend to the government in July, 1978, that tied aid can be justified and should be emphasized and that it should be a fundamental guideline of Canada's aid policy to use Canadian consultants, Canadian specifications and Canadian products and, if so, what was the government's reaction to the recommendation?

Did the sector task force on the Canadian Electrical Industry recommend to the government in July, 1978, that it should shorten the period for write-offs for tax purposes of building investments to encourage expansion needed to support programs related to investment for productivity improvement and, if so, what was the government's reaction to the recommendation?

Did the sector task force on the Canadian Electrical Industry recommend to the government in July, 1978, that adjustment policies and plans should be developed before the tariff reductions come into effect and, if so, what was the government's reaction to the recommendation?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): In so far as the Department of Industry, Trade and Commerce is concerned: This question is derived directly from the report of the Consultative Task Force on the Canadian Electrical Industry. This report was released in November, 1978, and its contents are available to the general public. The reaction by the federal government to each of these points was published in "Response of the Federal Government to the Recommendations of the Consultative Task Force on the Canadian Electrical Industry". This report was made public in May, 1979.

[*Translation*]

Madam Speaker: The questions enumerated by the parliamentary secretary have been answered. Are the other questions allowed to stand?

Some hon. Members: Agreed.

* * *

[*English*]

POINT OF ORDER

MR. McGRATH—SPECIAL JOINT COMMITTEE ON CONSTITUTION

Hon. James A. McGrath (St. John's East): Madam Speaker, the only reason I rise on a point of order now before you call the orders of the day is because the government House leader is about to leave the House, and perhaps I can be permitted to raise my point of order now.

Madam Speaker: The hon. member has a point of order?

Mr. McGrath: Yes, madam Speaker. It deals with business of the House. I realize that perhaps the government House leader has an important engagement. I do so in the relative peace and tranquility of a Friday session, and I am sure the hon. gentleman will appreciate what I am about to say in light of the very serious questions raised in the House today regarding an order of this House established last night setting up a joint committee of the House and the other place. Today the Acting Prime Minister referred to the committee being the master of its own destiny. But the committee can only operate

within the terms of reference laid down for it by this House. That order does not permit the committee to travel in Canada.

In view of the petitions, questions, and representations which have been made, and in view of the invocation of closure on the debate after a very small percentage of hon. members of this House had an opportunity to participate, thereby depriving many regions of the country and the vast majority of the constituencies of Canada of the opportunity to be directly represented in the debate on the most important issue of the constitution, perhaps the most important issue to come before Parliament this century, I would ask the government House leader whether the government is now prepared to issue an order permitting that committee to travel from place to place in Canada, through all the provinces and territories, in order that the people who were not represented in the debate through their members will have a chance to appear.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, on October 6, when Parliament was reconvened, the member was aware of the content of the motion. And his party chose to extend this first stage to three weeks, thus shortening accordingly the committee stage. Now, Madam Speaker, on the first point, since this is a quiet Friday, I may remind the Conservative members that they chose to shorten the time in committee by taking more time in the House. May I also add, on this quiet Friday, that if his party had agreed to our offer to sit between six and eight o'clock on Thursday and Monday, and from ten o'clock to midnight on Thursday and Monday, and also on Monday and Tuesday last, an offer which I made to his party, more members could have taken part in the debate. This must also appear on the record and be thoroughly understood by the right-minded members on this quiet Friday.

As to his question whether the committee will travel, I will tell him frankly and as directly as possible that the answer is no. Several committees have travelled across the country to deal with the constitutional issue in the last few years. During the Quebec referendum campaign last spring, several members, even some of his party, campaigned on Canadian unity and made the headlines in all newspapers and media throughout the country. The intentions of the people have been sounded. They have been sensitized. That is why the committee has been set up. It is because I respect my colleague, the hon. member for St. John's East (Mr. McGrath), that I am telling him why the deadline for the committee report is December 9. The very essence, the very reason for the creation of the committee stage as part of our approach and procedure is to allow the committee to consider the technical amendments which may be proposed to polish and improve, if there is room for improvement, the resolution which is relatively complex.

In conclusion, I would say that we could very well have tabled the resolution right in Parliament. It would have been a simple motion, a single stage, a single phase and, given all the obligations it has to meet, the House would have had to study it clause by clause. Given his vast experience of the House of Commons, my knowledgeable colleague knows very well that with 282 members, after three weeks of debate, we would probably still be stuck on clause 2 or clause 3 and considering a number of subamendments. The consequence of that kind of procedure would have been to paralyse the Canadian Parliament altogether, confuse the public and make the debate completely sterile.

The approach we have chosen allows for three stages: a preliminary stage which we had to interrupt yesterday for reasons which have been thoroughly discussed in the last few days, but that was only one stage. We have not ended the debate for good.

There is the committee stage, the purpose of which is not to have the hon. members travel throughout the country to take the nation's pulse. Again, we have very often followed such a procedure in the past few years. The purpose of the committee stage is to further consideration for this institution and to let us, in an orderly way, smooth out the text, and if needs be, to hear a few witnesses liable to provide us with the precisions we might need. And ultimately, there we will be the formal debate, following presentation of the committee report, and this debate technically will not be limited and is not intended to be limited provided that hon. members show the good faith which they have unfortunately not shown at the first stage when they rejected the delay we had suggested.

Therefore, I repeat it: the debate is far from being over. The purpose of the committee is not to travel—I will not come back on this, as I just explained—and there will be a third stage at which point ample time will be given hon. members to hold a responsible debate. In conclusion, I want to clearly indicate to the hon. member that the government will always be prepared to assume its responsibilities as far as parliamentary procedure is concerned to permit this institution to work. It is a matter of judgment. Canadians will pass judgment on us if we do not abide by the rules. However, we are fully aware of the fact that until now, far from having misused the rules, far from having misused the procedure, we have shown great respect for hon. members opposite, for the people and for the procedure in this chamber. And once again, it must be clear that the debate is not yet over, that this is just another stage and that this will allow us to demonstrate to the public at large that Parliament can play its role by discussing the constitution in committee and by dealing with economic matters on the floor of the House.

● (1250)

[*English*]

Mr. McGrath: I am sorry, Madam Speaker, that my hon. friend's answer was so unnecessarily argumentative and convoluted. Now that we know that this most important joint committee of the Parliament of Canada on Canada's constitu-

tion will not be permitted to travel outside of this capital city to the provinces and territories of our nation, that leads me to my next question.

Now that we have disposed of that, and the hon. member has to take responsibility for that decision on behalf of the government, is he now able to tell the House, in view of the support of this party, the official opposition, and the party to my left, the New Democratic Party, for having the proceedings of that committee telecast as an electronic *Hansard* in the same way the proceedings of this House are telecast, that the government is now prepared to make that decision, because it is not a subject for negotiation? It is a decision the government has to take on its responsibility. Having taken the decision not to allow the committee to travel in this country, surely it will follow that they will allow for the greatest public scrutiny by permitting the public broadcasting of the committee's proceedings.

[*Translation*]

Mr. Pinard: My colleague knows full well that the committee system as it is now makes it possible, in principle, to hold public hearings. Exceptionally, the committee may sit behind closed doors. First, I can assure him that we do not intend to hold the meetings on the sly. The meetings will be public. I think the media are sufficiently excited perhaps to show more interest in that committee than in others. So it is wrong and I know that my colleague does not intend to make people think that what happens in committee is secret. It will all be public. People have the right to participate. Accordingly, we will choose a large room and we will try to make the meetings as public as possible. This is my first point because this preamble implied that everything was done in secrecy. On the contrary, sittings are public and though 25 members and senators are designated there is nothing to prevent other members from participating in the sittings of a committee as my colleague must be aware.

As to televising the debates I answered those questions yesterday. The Prime Minister also answered questions from the Leader of the Opposition. I want to show respect for the committee. It is not yet constituted, and the senators who will be part of it will have to be consulted. It will be up to the committee to decide whether the debates should be televised. As to the material organization that would be involved that aspect would come under the responsibility of Madam Speaker.

We have stated that we were prepared to check if it is technically possible but, if it is indeed possible, and if such is the desire of the committee, we do not want this to have the effect of delaying the presentation of the committee report after December 9.

As emphasized by the member for Winnipeg North Centre (Mr. Knowles), we insist that if it is technically possible it should be done in conformity with the concept of the electronic *Hansard*, just as it is the principle that guides the televising of the debates on the floor of the House of Commons.

[*English*]

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, I rise on the same point of order. I direct this to the government House leader and urge him to withhold making a decision on the question of travel until he has reflected on it over the weekend.

The government House leader has completely missed the point. The basis for the feelings expressed last night was expressed to members of Parliament from western Canada by the people in their constituencies, those who live in the cities and small towns of western Canada. Those feelings have been brought forward into this House in a nominal way. About 20 per cent of the members have been able to express their views. It seems that members opposite do not in any way understand the depth of those feelings.

The government House leader made reference to the fact that the feelings of people in western Canada have been known over the past few years and that they understand those feelings. I stress to him that there has been a significant change in the feelings expressed by those in western Canada in the last few weeks and months. It is those feelings which we feel so strongly should be presented to this committee. The only way that can be done is by having that committee travel.

I would also like to remind the government House leader there is a similar committee in the Ontario legislature on the constitution, a special committee, which chose to travel, not just within the province of Ontario but right across Canada. The feelings expressed to that committee were of great interest to the members and were different from what they had understood prior to going out. The depth of those feelings are expressed in their report. I can tell the government House leader that the report caused some stir within the Ontario legislature because it was different from what members had felt.

The government side has only two members to get an assessment of all that is going on in that part of the country, the four provinces and the territories. It is very important for the government House leader to reconsider his decision, if a decision has in fact been made, and report to the House on Monday. I do not think anyone in this House last night was not stunned and astounded by the feelings expressed by the members. It is the same feelings that members from the province of Quebec felt last March, April and May when in their own ridings. That is why they are feeling those sentiments today and that is why they expressed them so strongly last night. It is on that basis that I ask the government House leader to reconsider the decision he has just expressed.

[*Translation*]

Mr. Pinard: Madam Speaker, some are impressed by the words of the hon. member, others are more impressed by those of the hon. members from the west or from the New Democratic Party. This is a matter of interpretation. I suggest that he read carefully the constitution proposal before the House and he will realize that it will benefit all Canadians, including western Canadians. Therefore, there is no reason to be con-

cerned even if the committee does not travel; he can be assured that the measures which are proposed here, namely, the entrenchment of the equalization principle in Canada, the individual's rights, the fundamental freedoms, the patriation of the constitution, are not in the least detrimental to the citizens of the west or the east, because they are beneficial to Canada as a whole. We are renewing our federalism. I am convinced that if he listens more carefully to the hon. members from the west, from the New Democratic Party, perhaps he will no longer make the request he has just made to me.

GOVERNMENT ORDERS

[*Translation*]

CANADA POST CORPORATION ACT

MEASURE TO ESTABLISH CROWN CORPORATION

Hon. André Ouellet (for the Prime Minister) moved that Bill C-42, an act to establish the Canada Post corporation, to repeal the Post Office Act and other related acts and to make related amendments to other acts, be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

Madam Speaker: It being one o'clock, I do now leave the chair until two o'clock p.m.

At one o'clock the House took recess.

• (1400)

AFTER RECESS

The House resumed at 2 p.m.

Mr. Ouellet: Mr. Speaker, when the Prime Minister of Canada (Mr. Trudeau) appointed me for the second time as Postmaster General on March 3, the objectives he set for me were to improve employer-employee relations and to turn the department into a Crown corporation. It became obvious to me that to meet those objectives I would have to have frequent and frank discussions with labour representatives.

In the early seventies, when postal authorities undertook a vast mechanization program, the employees were not sufficiently informed of the process. The system had to be updated otherwise it would have become paralysed because of the ever-increasing volumes of mail to be processed. But more time should have been spent in trying to make everybody aware of the situation so as to achieve this objective with the full co-operation of the postal union leaders. But this was not done

and it was without the understanding and endorsement of several of our employees that substantial sums of money were invested in the construction of postal plants, the purchase of highly specialized equipment, and the creation and promotion of a postal code. Ten years later, I can appreciate that the Post Office did what had to be done because it could not stand in the way of progress. But I can also say that the implementation procedure was very wrong and resulted in a decade of labour unrest in the Post Office. Had management explained more clearly to the employees what it intended to do—

Mr. Dinsdale: *Mea culpa*!

Mr. Ouellet: —had it involved the employees in the change, had it guaranteed, from the very start, everyone's job security, the employees would have understood that the machines were not meant to replace them but rather to help them in their work, and union leaders would have taken part in the operation rather than opposing it. I do not mean this to be merely a criticism of postal management at the beginning of the seventies, those people acted in good faith—

[*English*]

Mr. Hawkes: Mr. Speaker I rise on a point of order. I would like to know whether the minister is talking about the constitutional situation in Canada and the need to understand the constitution, or about the Post Office. Is he talking about the important thing called the constitution, or is he talking about a minor thing called the Post Office with this talk about time and so forth?

The Acting Speaker (Mr. Ethier): The order of business is the creation of a Crown corporation for the Post Office, and I suggest the hon. minister is addressing himself to the order of business before the House.

Mr. Dinsdale: He is quoting my speeches.

[*Translation*]

Mr. Ouellet: Thank you, Mr. Speaker. As I was saying, what happened in the early seventies was done to a certain extent without the support and especially without the understanding of postal employees. But I do not say this merely to criticize the postal management of the time, because I am sure those people acted in good faith and with good intentions. Of course, it is always easier to judge with the benefit of hindsight, as I am doing now. I mention this because the first major transformation of the postal service was so quick and so thorough in my opinion that the employees often felt pressured and threatened.

In rising to speak in the House on Bill C-42, an act to establish the Canada Post corporation, I can confirm that all the postal unions have been fully consulted and that it is with their complete agreement that we shall proceed with this major transformation. We have had a decade of conflict and I hope that we are now entering a decade of postal harmony. In any case, this second major transformation will take no one by

surprise. In fact, the concept of a Canada Post corporation results from several studies. The first recommendations in this regard were made in 1962 by the Glassco commission and in 1966 by the Montpetit commission. In December 1978, Bill C-27, to establish the Canada Post corporation, was introduced in the House of Commons, but it died on the order paper when Parliament was dissolved. This concept was re-examined in 1979 and 1980 by successive governments and postmasters general in consultation with both the postal users and the unions concerned.

Bill C-27 gave me the basis for my discussions with all the major parties involved. In fact, each section of Bill C-42 now under consideration was discussed sentence by sentence and word by word, and all the wording has been well thought out so that there would be no confusion or misinterpretation. I am not suggesting that this bill is perfect, but it represents as never before the collective efforts of the administration and the postal unions. The legislation that Parliament is now asked to approve is the fruit of the efforts of many people. I would first like to thank Mr. Darling of the Privy Council, Mr. Uberig of the Post Office Department, and Mr. Kelly of the Department of Labour, who allowed this project to get under way with the publication of their report in 1978. I also wish to express my gratitude to my two predecessors, Messrs. Lamontagne and Fraser, for their excellent advice and opinions. I am also grateful to Mrs. Shirley Carr, Executive Vice-President of the Canadian Labour Congress, for her support and her unflagging determination to create a postal Crown corporation. I also wish to thank the Deputy Postmaster General, Mr. Jim Corkery, who heads an inter-departmental committee which will be responsible for the enormous and extremely important work of transition and planning required to create this Crown corporation. In summary, Mr. Speaker, what I want to say today is that while I have the honour to sponsor this bill in the House, I would not want all those who have worked directly or indirectly on this project to be forgotten. It is always dangerous to give names because it is easy to forget some. I would like to say in advance that I am sorry if this has happened. However, I would still like to add to those I have already mentioned, the members of the umbrella committee established by the Canadian Labour Congress, first, Mr. Ronald Lang, director of the Research and Legislation Branch of the CLC, then, Mr. McGarry and Mr. Findlay, president and vice-president of the Letter Carriers Union of Canada respectively, Mr. Jean-Claude Parrot, president, and Mr. Jones, of the Canadian Union of Postal Workers, Mr. Myers, of the International Brotherhood of Electrical Workers, Mr. West, executive secretary and Mr. Haulena, of the Public Service Alliance of Canada.

I would also like to mention various representatives of unions not affiliated with the Canadian Labour Congress whom I have also met and who have made very useful comments: Mr. Simmons and Mr. Gélinas of the Canadian Postmasters and Assistants Association, Mr. Wilson, president of the Association of Postal Officials of Canada, Mr. Donegani, president of the Professional Institute of the Public Service of Canada and Mr. Crosby of the Association of Economists, Sociologists and Statisticians. Finally, I must recognize the extraordinary work of a first class team in the Post Office Department, under the brilliant direction of Mr. Rapley, Assistant Deputy Postmaster General for Corporate Affairs. In that team, I must thank particularly Mr. McInenly and Mrs. Walker.

● (1410)

[*English*]

The changeover from a department, Mr. Speaker, to a Crown corporation, has brought about a series of questions. Has this Crown corporation been touted as a panacea for the Post Office?

Will Crown corporation status make the Post Office more efficient? Let me try to answer briefly these questions. I want to say that I strongly believe that the changeover from a department to a Crown corporation will result in three specific benefits, namely, management accountability, financial procedures, and labour negotiations.

As it exists now, the Post Office Department, is answerable, in one way or another, to various other departments. For example, the Department of Public Works owns and maintains the facilities, the Public Service Commission controls hiring and firing, and the Treasury Board has the final say in labour negotiations. As a corporation the board of directors will have the responsibility for the day to day operation of Canada Post. This change in procedure and responsibility will greatly simplify and enhance efficiency.

The financial procedures will also be radically changed by the Post Office becoming a Crown corporation. The Post Office is a government department and operating funds are provided through government general revenues. The result has been that Post Office management could not make system changes and service improvements if additional funds were requested or required. If the Post Office become a Crown corporation, the board of directors will be able to make more decisions regarding expenditures of funds and make them much more quickly.

Labour negotiations will also undergo significant change. All government departments negotiate under the terms of the Public Service Staff Relations Act. If the Post Office were to become a Crown corporation, bargaining would take place under the Canada Labour Code. This means that many items that could not be brought to the bargaining table under the present system would be permitted under the Canada Labour Code. In other words, we would have more latitude to bargain directly with the unions. Needless to say, this change in labour negotiations meets with the approval of the unions concerned.

In summary, the change in status from a government department to a Crown corporation will give Canada Post the independence to function in the marketplace in a way that is not possible now.

Crown corporation status will not remedy all our ills or difficulties. Every organization, be it government or industry, faces normal operational problems. However, with the streamlining of many of the facets of our operations and the support and good will of the employees, the Canada Post Corporation will be able to provide all Canadians with the postal service to which they are entitled and which they deserve.

● (1420)

[*Translation*]

Mr. Speaker, I do not intend to explain the legislation in great detail here this afternoon. However, I wish to mention a few points. First, I should like to speak about the mandate of the new corporation as described in clause 5 of the act, and I quote:

5. (1) The objects of the corporation—

—the Canada Post corporation—they are objects of a general nature—

—are to establish and operate a postal service—within Canada—

—and there is a list of the powers and general purposes of the operation of such a service as they existed in the former Post Office Act. However, in creating this Canada Post corporation, we have tried to add something of the utmost importance in clause 5(2) which says, I quote:

(2) While maintaining basic customary postal service, the corporation, in carrying out its objects, shall have a regard to:

—four other factors. And this sentence, Mr. Speaker, is essential to make hon. members of the House and particularly the Canadian public understand that the creation of a Crown corporation does not mean a reduction of services usually assured to the public. We wanted to write down this guarantee in the act so that Canadians, particularly in remote areas of the country and rural sectors which are often affected by decisions made by large Canadian corporations, would not be penalized by the creation of a Canada Post corporation which would operate in the Canadian capital and that would become insensitive to the aspirations of those Canadians, particularly in the rural and remote areas of the country. So I say that clause 5 guarantees that the same level of essential services will be maintained and this is one of the objectives of the legislation for which the new corporation will be responsible.

We know of course that we live in a world where technology is in full swing and that is exactly why we wanted to enable the corporation to benefit developments in the area of communications and why we say in that clause of the Post Office legislation that the corporation shall be at the forefront of technology and new developments in the area of communications in order to serve the Canadian people better. I have often been told, Mr. Speaker, that in many places in the country the Post Office Department was the only representative of the Canadian government. In many small villages, the Canadian flag floats at the end of the pole in front of the post office and may be the only sign of the federal presence. So I can tell hon. members and the Canadian public that in the bill we urge the Crown corporation to maintain and respect a corporate identity as an institution of the Government of Canada.

I think that this provision of the bill clearly demonstrates that while we are going to convert the Post Office Department into a Crown corporation, the corporation will not be allowed to show a corporate symbol or a personal signalization which might obliterate the federal and Canadian symbolization. Consequently that Canadian presence throughout the country will continue to be seen through the new Canada Post corporation instead of the old Post Office Department.

I would like to say, Mr. Speaker, that the daily management of that postal service will be assured by a board of directors which will be empowered to establish a general policy and to make decisions concerning finance, personnel management, as independently as possible from departments and without the restrictions now inherent in the public service. That board of Directors will be very important and will consist of the chairman, the president and seven other directors. The chairman and the president will be appointed by the governor in council to hold office during pleasure. Each other director will be appointed by the governor in council for a term of three years.

I want now to reiterate what I have said publicly and privately to union representatives, that is, I intend to have union representatives on the board of directors in order that they can get directly involved and participate fully in the good administration of the corporation.

Moreover, we will try to have various regions of the country represented on the board, from both urban and rural regions. The board will direct and manage the business of the corporation and will be made up of people well aware of the needs and desires of all areas in this country. We will try to appoint to that board very highly qualified people.

The corporation will, of course, be responsible to Parliament and through a designated minister this time. The minister and the governor in council will have the power to set guidelines for the new corporation in the interest of people and to protect the interest and priorities of the Canadian government. Just as the Post Office Department, the Canada Post corporation will have the monopoly to transport letters, so as to have a guaranteed source of revenue allowing it to ensure the universality of services. All postal services in industrialized countries have such a monopoly. It must be a true monopoly and the bill must be very specific about that. I am sure this aspect will be discussed in detail when the bill is taken into consideration, clause by clause, at the committee stage. The postal rates is established by regulations. They will be fair and reasonable and will as much as possible be aimed at self financing.

As the corporation will have the monopoly on the transportation of letters, the rates for this class of mail will be, at the request of any interested person, submitted to the Canadian

Transport Commission. This procedure is to protect the interest of the people and to establish the necessary arm's length between the corporation and the government.

The legal framework for collective bargaining will be the Canada Labour Code instead of the Public Service Staff Relations Act as now. To ensure stability from the time the act is implemented until the new corporation becomes fully operational, the bill provides for the continuance of benefits, as well as the rights and contract obligations of both the employees and their bargaining units. A number of provisions will make the transfer of employees to the corporation as painless as possible. Both officials and employees who have been part of the Post Office organization before the implemenation of the new act will become the officials and employees of the corporation as soon as the act is implemented.

The bill ensures that the employees will retain the benefits that they have acquired while they were employees of the Post Office. The unions which had been recognized as bargaining units under the Public Service Staff Relations Act will be recognized also as their bargaining units under the Canada Labour Code for the first round of negotiation.

The postal employees collective agreements in effect when the act is passed will obtain until they expire. The employees of the corporation will have the right to apply for jobs in the public service, and ask for transfers during a three-year period after the creation of the corporation. That provision is meant particularly to protect the employees of the Department of Public Works and Department of Supply and Services who now work indirectly for the Post Office and offer services to it. We feel it is important, if on the one hand we protect the postal employees, that on the other hand we should offer some guarantees and protection to those who serve and work for the Post Office in other departments of the Canadian government.

Finally, the employees of the corporation will still be governed by the Public Service Superannuation Act; that, however, will not prevent the corporation from creating an additional system at a later date. There then, in brief, is a description of the bill. I feel, Mr. Speaker, that it deserves to be passed quickly. I say that with all the more conviction that I know two of the most important postal unions, the Canadian Union of Postal Workers and the Letter Carriers Union of Canada will be negotiating their new collective agreement in the very near future. The current agreement for those two groups expires on December 31, 1980.

Obviously we would like to be able to negotiate those new collective agreements under the Canada Labour Code. We shall be unable to do so if the House does not approve, within reasonable time, the bill now before it. I remind all political parties in the House that they agreed, in principle, on converting the Post Office Department into a Crown corporation. I remind the House leaders, that of the loyal opposition and that of the NDP, that they gave the House Leader and myself the assurance that they would co-operate in passing this bill in reasonable time. I would therefore be very disappointed, Mr. Speaker, if hon. members took advantage of the study of that bill to give voice to their recriminations, as legitimate as they might be, against the Post Office.

It is obvious that when this bill which transform the Post Office into a Crown corporation will be under scrutiny all members will be able to take advantage of it to talk about postal services in their riding, about certain postal facilities they would like to have built, about certain rural roads they would like extended, about certain new postal buildings they would like erected in their riding.

I can assure all members that in another place and at another time I will be prepared to answer their questions and receive their representations. The estimates of my department are under study before a standing committee of this House. I will be attending its sitting next Thursday morning and I think that these kinds of remarks and discussions regarding the postal administration can quite properly take place during the study of the estimates of my department. I would rather like the discussion to be limited to commenting on this important proposal to transform a department such as the Post Office into a Crown corporation and that we come as quick as possible to the clause by clause study of the bill in committee where we will be able to call in witnesses and study the various aspects of this bill which will ultimately serve the interest not only of the public and the Post Office but also those of the employees themselves.

I can say right now that on the government side, our remarks and comments will be as limited as possible and that I do hope that the two opposition parties will do the same. To conclude I wish to underline the fact that Bill C-42 is the result of thorough studies and intense consultations with the public, the unions, the employee associations and all concerned groups. All unanimously agree in saying that it is now time for this bill to be passed. Consequently, Mr. Speaker, I call upon members of Parliament to give their support to Bill C-42 establishing the new Canada Post corporation.

• (1430)

[*English*]

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, it is good to be back speaking for Her Majesty's Loyal Opposition on Post Office affairs. I had this pleasure during almost the whole decade of the seventies when the Post Office Department went from bad to worse, and when I made impassioned speeches urging the successive postmasters general to do something about the deteriorating situation. In those days postmasters general were engaged in a game of musical chairs, there was a new one almost every six months attempting to juggle the various balls in the air.

Listening to the postmaster general (Mr. Ouellet) this afternoon, I am reminded that he is a resurrected Postmaster General. He was a Postmaster General back in 1973 when, notwithstanding all my impassioned speeches and all my good

advice, he used to try to assure us that insofar as the Post Office was concerned all was for the best in the best possible of worlds. Memory is a marvellous thing. I remember back in 1973 when we were having a vigorous exchange across this chamber and I was telling the hon. gentleman that if he did not move promptly he would utterly destroy the viability of this very essential service in Canada. He gave his charming smile and said, "Everything is fine in the Post Office; we are getting it nicely under control".

● (1440)

At that moment the Prime Minister (Mr. Trudeau), who has also been resurrected recently, said loud enough for everyone to hear, "Everybody knows the postal service is lousy". So, even as far back as 1973 the government of the day recognized that there were real problems in the Post Office Department. They say that imitation is the best form of flattery. As I listened to the Postmaster General today, I felt that I was hearing the speeches which I made over the years in almost the same terminology, the same words.

I see my hon. friend, the member for Winnipeg North Centre (Mr. Knowles), is sitting opposite to me. This is what happens to those of us who have been in the House for a long time. It becomes a case of—

[*Translation*]

The more it changes the more it is the same.

[*English*]

My hon. friend has become very conservative in recent years.

Mr. Knowles: Order!

Mr. Dinsdale: I remember when the hon. member had fire in his belly, for example, with regard to matters like closure. But since he has become a member of the Privy Council he has turned into a real establishment man and almost a real elitist and Liberal. Perhaps that is the trouble with those of us who have been in the House for a rather long time.

Mr. Knowles: What does this have to do with the Post Office?

Mr. Dinsdale: The hon. member for Winnipeg North Centre asks what my remarks have to do with the Post Office. The Post Office is one of the most vitally important branches of the government service. It has been tragic for all of us to see it going down hill, notwithstanding the admonitions of successive reports commissioned by the government describing its situation. It has been a part of the general deterioration of public affairs in this country during the past 12 years, which I will endeavour to show through my remarks here today.

It has always amazed me that, notwithstanding the strong protestations from members of the House and the public, postmasters general refuse to act. I know that it was all part of the general deterioration of the economy of Canada over the past 12 years in which we have seen a country with both rich human resources and rich natural resources degenerate to a position, in terms of economic and fiscal status, where it is now in a crisis situation with deficits soaring up to $14 billion, employment soaring up to 8 per cent, and inflation soaring up to the highest level ever.

It is merely typical, and this is my response to the hon. member for Winnipeg North Centre. This is why we should be disturbed by what has been occurring in the Post Office and in the House in terms of the breakdown of the feeling of consensus and co-operation, the decline of good will which is so essential to the functioning of this Parliament. I am sure that the hon. member for Winnipeg North Centre would be the first to acknowledge that this is the situation which has prevailed.

I would like to speak now to the actual bill. It is not only my speeches which have been copied and borrowed by the minister who just made his presentation, but the legislation pretty well follows the recommendations that we have been making in this House for almost a decade now. The bill on Crown corporations which was presented by the Liberal government back in 1978 was Bill C-27. It bears absolutely no resemblance to the bill which is before us today, and that was just two years previous. The bill was first tabled in the House on December 11, 1978.

Le me read from that bill to illustrate what it was trying to accomplish. It indicated that the Liberal government was still bent on its destructive program of confrontation in the Post Office. Here are the words of the title of Bill C-27:

An act to establish the Canada Post corporation, to amend the Post Office Act, to confirm certain orders and to make related amendments to other acts.

That was not taking the route which we had been recommending for many years of establishing a Crown corporation that would be distinct and separate from the existing Post Office Department, that would deal in a realistic way with the labour management relations that degenerated so horrendously under the drifting policies of successive postmasters general so that in 1978 we almost had civil disobedience. The president of the Canadian Union of Postal Workers was jailed as the result of his defiance of the then Liberal government.

The bill before us today is the bill that was in process during the short regime of the Progressive Conservative government. The hon. gentleman from Papineau was kind enough to express thanks to the union people, whom I know very well and with whom I have had very cordial relations over the years, the Deputy Postmaster General Mr. Corkery, and to officials in the Canadian Labour Congress and others who had a very vital input into the present bill but he said nothing of his debt to the official opposition.

Mr. Ouellet: I said thanks to Mr. Fraser too.

Mr. Dinsdale: You thanked the hon. member for Vancouver South (Mr. Fraser), but you did not thank me for my speeches, so I will give some of them back to you today. Bill C-42 is exactly what we have been recommending:

An act to establish the Canada Post corporation, to repeal the Post Office Act—

That is what we wanted. We did not want that monstrous, hybrid two-tier system which was first contemplated and would have been forced upon the public without the consultation of either unions or postal users.

It goes on to say:

—and other related acts and to make related amendments to other acts

I missed the Postmaster General's reference in what must have been sotto voce tone when he was complimenting the former postmaster general.

My great concern is that what we are contemplating with this new legislation might have come too late. As the hon. Postmaster General said, the Post Office has been the symbol over the years of the federal presence in every community across Canada. It flies the Canadian flag. Whenever the good citizens of Canada saw the Post Office and saw the flag, they said, "Well, we are safe under the very competent federal government of ours". Unfortunately that has not been the case in recent years. The very presence of the Post Office, as the hon. gentleman knows—and I see that he is smiling—has been the symbol of deterioration in government competence and government efficiency. He knows the Post Office became somewhat of a national joke. The "Canadian Air Farce" got some of its best humour from the tragic deterioration in postal service.

● (1450)

The Post Office Department, once the symbol of the stability and integrity and the competence and the efficiency of the federal government, became the standing joke of the nation under 12 years of disastrous Liberal administration. I think we all have to admit that when an institution of this importance becomes a national joke, that is an indication of the failure of the Government of Canada.

I have looked carefully through the information that is available in the bill, and it seems to me that it includes most of the recommendations this party has made over the years, as well as the recommendations that were included in all the many studies done over the years.

Another great tragedy is that not only is this government incompetent but it is also a government of secrecy. On this side of the House we were never able to get past this barrier, and I am sure the NDP will support me in this statement. When Mr. Rodriguez represented that party in this House, he used to blow this trumpet as loudly as I but unfortunately he was defeated. While he was here, however, he was a good spokesman for the Post Office. He still had fire in his belly.

Mr. Knowles: I think some of his ballots got lost in the mail.

Mr. Dinsdale: He did not become a Conservative! The reports that contain so much valuable information and which were propounding the solution that is finally emerging—almost too late—have been available over the years to ministers and successive postmasters general. The minister went back as far as 1962, to the Glassco commission. That was a great commission authorized by the great Diefenbaker government to look into and reorganize government administration. Unfortunately, however, that great government fell from power in 1963 and so it was not able to implement the recommendations.

Mr. Knowles: It fell apart.

Mr. Dinsdale: The hon. member for Winnipeg North Centre is becoming a Liberal at heart. I can see that. He says it fell apart. Mr. Speaker, we were defeated in Ontario and Quebec but we were never defeated in the west and we were never defeated in eastern Canada. This is the battle that we are fighting on the constitution today. The Conservatives came back to power in Manitoba in 1977, if the hon. member for Winnipeg North (Mr. Orlikow) is not aware of that.

Mr. Orlikow: Then what happened in the last federal election?

Mr. Dinsdale: Let us not get into that; we are not discussing the election. I just want to make the point that we lost power for the same reason that we are struggling with this present arbitrary action on the constitution, which does not take into consideration the wishes of western Canada and the maritime provinces.

Mr. Dionne (Northumberland-Miramichi): That is not so.

Mr. Dinsdale: It is purely oriented toward the continuing control of the two central provinces, Quebec and Ontario.

This tendency towards secrecy is regrettable. It is no wonder that a former member, Hon. Jed Baldwin, fought for a freedom of information act for years. Had this information been available to the House and had it been referred to a committee, the problems of the Post Office would have been solved long ago. Now I come to the Montpetit report. I have them all in front of me, Mr. Speaker. The hon. Postmaster General may wonder how I gain access to all these reports. We get them because there are leaks, Mr. Speaker. Through the years this has been the only way we could obtain information that should have been readily available to spokesmen in this House, representing the people of Canada. We should have had access to them by some means or other. This is why it is so important that we proceed with Mr. Baldwin's information act as quickly as possible.

I did not hear the hon. minister refer to the hon. member for Vancouver South (Mr. Fraser), and I do not think he referred to the Hon. Eric Kierans either. Mr. Kierans was a strong catalytic force in trying to get the Post Office Department on an even keel. He was ahead of his time, however. Not only was he postmaster general in 1969, he was also minister of communications. That was a recognition that the Post Office Department was one of the vital communications links in this country. It was recognized 11 years ago, although this government still has not appreciated the fact that the postal service is inevitably closely related to the revolution in communications technology. Canada has developed the Telidon. Electronic mail is just around the corner, and electronic funds transmission is also just around the corner.

When the government can straighten out its confused policies—and there is no area of greater confusion, although I have mentioned the economy and fiscal policy and the Post Office—in regard to communications, it will be a good thing all around.

Eleven years ago the Hon. Eric Kierans anticipated what should be done. He designed a program which, had it been brought to fruition, would have alleviated all the stress, the trouble and confusion—the bankruptcies and strikes that have plagued the Post Office Department, during the past ten years. Mr. Kierans bailed out of this government, of course, as did the Hon. John Turner and the Hon. Donald Macdonald. Hon. Jim Richardson from Manitoba left the government as well. I think a great deal of credit should be given to Mr. Kierans, who tried to bring some order out of chaos.

The real problem in the Post Office, of course, is the deterioration in labour relations which has occurred because of the failure of the Liberal government to act over the past 12 years or so. I have in front of me the Shime report which was prepared for the minister in 1972. It is the report of the conciliation board arising out of inquiries into labour difficulties in the public service. At that time Mr. Owen Shime was vice-chairman of the Ontario Labour Relations Board. Had the recommendations of the Shime report been accepted, the difficulties and strike problems that have accumulated during the decade of the seventies would have been resolved.

Perhaps I should just put on record what we have gone through in terms of labour disruptions in the seventies because of the Liberal government's failure to act. In February and March, 1970, there were disruptions as a result of a dispute in Montreal involving truck drivers represented by the CNTU. The problem was contracting of mail transport and job security. From May to September, in 1970, there was a series of rotating strikes over the question of wages and job security.

In October and November, 1971, there were several wildcat strikes in southwestern Ontario and the maritimes over the use of casual labour. In January, 1973, there were wildcat strikes after breakdowns in negotiations over wages and job classifications. In April, 1974, there were sporadic local labour disruptions by inside postal workers, culminating in a three-day national strike.

February and March of 1975 saw five weeks of nationwide rotating strikes by maintenance workers. Truck drivers refused to cross picket lines and the dispute was characterized by lay-offs, walkouts and "sickouts". From October to December of the same year there was a seven-week strike engineered by CUPW over questions of technological change. The hon. member for Lincoln (Mr. Mackasey) is not here today. I was hoping he might be because as a result of his experience in 1975 he produced a great book. I ask everybody to read this book which was published by the Post Office Department in June, 1976. I hope the minister has read it. It has a most revealing title: "What's behind the Lemming Urge? and Other Discourses by Bryce Mackasey". I have read the book many times because the title indicates its contents—we are all going over the precipice together; let us do something to stop it. The author was not referring only to postal affairs but to the general decline and deterioration of values, parliamentary democracy, responsible government and the whole business. I often refer to his closing paragraph which reads:

● (1500)

We're moving beyond ideology; we're responding to necessity. Our choice, as Buckminster Fuller says, is between Utopia and oblivion.

That book resulted from the 1975 seven-week strike by the postal workers. There were many bankruptcies. Small businesses went out of business because it was their harvest period just before Christmas. It was one of the great economic disasters in Canada.

In October, 1976, there were four days of rotating strikes by CUPW over technological change. In September, 1978, there was a three-day strike by letter carriers over contract demands. The inside workers who went on strike in October of that year were ordered back to work by Parliament and the Canadian postal workers' president went to jail as a result. That was the ultimate deterioration in the system.

Finally the government acted and brought in that monstrosity of a bill, Bill C-27 which I have just read. That bill would have perpetuated the chaos. It envisaged a two-tier system having the Postmaster General, his staff, secretariat and all his employees running parallel with a corporation which would have no authority whatsoever. It would be hard to decide where the buck stopped and it would have added confusion upon confusion. Fortunately the government was defeated and we had a chance to bring down in the form of legislation some of the things we had been advocating over the years.

The Uberig report was very important because it was a report of an assistant deputy minister, a deputy postmaster general. This person is still with the Post Office Department and he is one of the most competent people I have encountered in administration. At long last the things which he said in his report of August, 1975, are to be incorporated in this legislation.

I cannot end this discussion without referring to the Finkelman report. Mr. Finkelman made a report through a joint parliamentary committee on which I had the pleasure of serving. We came in with some marvellous recommendations but the report has been gathering dust ever since.

Let me just deal with a few of the details of old Bill C-27 and new Bill C-42. We are now heading in the right direction. The Postmaster General pleaded with hon. members not to debate this issue too long. We have been waiting for years to get our teeth into this discussion. I am sure that no one is going to abuse the privilege that is now afforded to deal with the substance of the deteriorating situation in the Post Office.

In our attempts to get the government to come to grips with the problem, we spent two opposition days trying to point out that the Post Office Department was in serious trouble. Let me at least refer to two motions, which I think hon. members will agree in light of what the Postmaster General has said embrace some of the ideas he brought forward this afternoon.

On June 8, 1973, I moved:

That this House regrets the drastic deterioration of the postal service in Canada during the past six years: including the closure of rural post offices; the reduction of urban service from six days to five days; the headlong costly rush to automation and computerization leading to job insecurity and low morale among employees—all this in the face of sharply increased postal rates which have seriously affected smaller Canadian publications, forcing many of them out of business; and urges the government to take the necessary action to restore this fundamentally important communication system to its former excellence.

That motion was voted down by members of the Liberal party.

On May 18, 1977, we tried again. I moved:

That this House notes with alarm the government's continuing inability to provide Canadians with an efficient postal service, its obsession with secrecy, its illegal use of orders in council to set postal rates, and its chronic ineptness in the field of collective bargaining and industrial relations, and recommends that the operations of the Post Office Department be referred to a special joint committee of the House of Commons and the Senate.

That, too, was voted down by the members of the Liberal party.

Mr. Cullen: Was that moved under Standing Order 43?

Mr. Dinsdale: That was a substantive want of confidence motion, I should tell the hon. member. I am sure he must have been in the House.

Mr. Cullen: At that time, yes.

Mr. Dinsdale: I am sure he was aware that we used two of our precious opposition days to try, to the best of our ability, to get some action out of this government.

Bill C-27 was representative of the thinking of successive postmasters general. They were trying to combine both the Post Office Department and the new idea of a Crown corporation. The bill was opposed by everybody: labour and the public. Fortunately it died on the order paper.

Now we have Bill C-42. I do not think I need to add to what the Postmaster General said with regard to what this bill is endeavouring to do. Basically it is taking the important stand of keeping politicians at arm's length. I remember talking to the then postmaster general. I shall not mention names. It is impossible to identify him because there have been so many postmasters general. They seem to have been going around like a merry-go-round. I can refer to this particular gentleman without mentioning any names. No names, no pack drill. But he said to me, "Walter, we have to keep the Post Office Department. It is full of important patronage." That was the thinking behind Bill C-27. It was also one of the reasons why the Post Office was in such a mess and confusion. It has to be an arm's length relationship. This will come about, as I understand the bill.

The board of directors will include members of the unions. This is an idea that we have preached for years. I am sure the hon. Postmaster General is aware of this. It is not a new idea. It is industrial democracy. Our committee travelled to many places to see how others were dealing with problems of the Post Office in this technological revolutionary period. We discovered that in the United Kingdom they had introduced industrial democracy into the post office. Incidentally, they became a Crown corporation in 1969 at the time our Post Office should have become a Crown corporation, had we listened to the Hon. Eric Kierans who had his head screwed on right.

• (1510)

Mr. Cullen: For a very short time.

Mr. Dinsdale: He could not stand it, so he left. He was wise. He bailed out along with John Turner and others who left over the years. The industrial democracy idea goes further than just having representatives from labour on the board of directors. It also calls for representatives from the major postal users. As a matter of fact, in the United Kingdom the postal users organization is formalized. There are three prongs of an efficient and reliable postal service sitting together on the board of directors, representatives from the government, labour and postal users.

I hope the Postmaster General is not going to ignore those who pay—and pay dearly—for the postal service. I hope he will include representatives of the users who have borne the heat and the burden of the day patiently, speaking for the small businessmen who have been going into bankruptcy because of continuing postal strikes and so on.

That is merely one recommendation I would make. I hope the government will go all the way with the industrial democracy concept. We all know that the Crown corporation formula is not a panacea. There are lot of Crown corporations in the federal government service. In fact, there are so many that they are without number. They are not even completely listed.

There are still labour problems in some Crown corporations. It is going to take a long time to establish a feeling of harmony, consensus and mutual trust in the Post Office Department. We have seen a breakdown of trust in this House of Commons, unfortunately, as was demonstrated here last night. However, out there in the great body politic I am sure the Postmaster General will realize that you cannot throw the book at a union leader like Jean-Claude Parrot who spent time in jail because of direct confrontation and aggravation over the years.

That will not be resolved overnight. The government, by its actions and attitudes, will have to reverse itself almost 180 degrees from the confrontationist route it has been taking over the years if we are ever to restore peace and harmony into the postal service. We must take action on the Finkelman report. When are we going to get action on the report of Mr. Justice Jacob Finkelman which was referred to a joint committee of the Senate and House of Commons, an excellent report that has been gathering dust until this day.

Certainly it is going to be much easier working under the Canada Labour Code than it was under the multiplicity of government departments which had their fingers in the pie. The poor deputy postmaster general, whom I have known over the years, really had no jurisdiction in managing. He was an efficient manager, and Mr. Uberig was an efficient adminis-

trator; both of them came from private industry. They could not get anywhere because they were subject to Treasury Board, Public Works, Supply and Services and any number of other government departments which always interfered in what the Post Office Department was trying to do.

Finally, I would ask the Postmaster General to go back to his mentor. I do not know whether he is on friendly terms with the Hon. Eric Kierans. I have read in the newspapers that Mr. Kierans is not too happy with what his former party has been doing in the years since he left. Neither are the other key people who bailed out of that party very happy with what is going on. The hon. member for Winnipeg North Centre might be happy, but they are not.

I go back to what Mr. Kierans was contemplating 11 years ago. He believed that the Post Office Department is an important communications facility in Canada which was being very strongly challenged by competitive communications technology. I see the Postmaster General talking to the current Minister of Communications (Mr. Fox). Possibly they are discussing electronic transmission of funds. If we are going to get that, and the government will have to decide sooner or later, we cannot wait for 12 years, as was done with regard to the post office mess. The government will have to decide soon on changes in legislation with respect to electronic communications.

If we get electronic funds transmission, there goes 75 per cent of the first class mail overnight. Where does that put the Post Office, even though it has become a Crown corporation? There are other competitors such as the private couriers. I know there will be a monopoly on letter carrier service, but that is not the money-making part of the Post Office. The United Parcel Service, UPS, has just received authority to carry out a total service in the province of Ontario. There are all sorts of competitors.

I had a parliamentary return tabled a few years ago which demonstrated that because of unreliable postal service most government departments were switching to private postal carriers rather than depending on the post office. I hope the Postmaster General will give attention to these important matters because if he does not, what he has done here today, which is 11 years too late, will do nothing to solve the problems in communications generally and in the postal service in particular.

Some hon. Members: Hear, hear!

Mr. David Orlikow (Winnipeg North): Mr. Speaker, in the absence of my colleague, the hon. member for Kootenay East-Revelstoke (Mr. Parker), I have been asked to outline the position of our party with regard to this bill which proposes to establish a separate Crown corporation to operate the Post Office. The first point I want to make is that we support this bill in principle and would like to see it go to the committee as quickly as possible. The bill is long overdue.

The concept of a Crown corporation to operate the Post Office has been around for a dozen or more years. In a study commissioned by the Post Office Department 11 years ago entitled "A Blueprint for Change", this was what was said about the idea of a Crown corporation. I quote:

> We believe that the Crown corporation status is the organizational form best suited to the attainment of these objectives . . . As a Crown corporation, the Post Office should have full authority to bargain with the unions representing its employees. It should not be required to seek the approval of any government agency before concluding an agreement with unions. With such freedom, a strong effective staff relations function would be required to guide management in its relationships with unions.

● (1520)

There is no group which is more interested in the passage of this bill and the establishment of a Crown corporation than our unions in the Post Office because they have witnessed such devastating results due to the incompetence of those senior people in the Post Office Department who first negotiated with them back in the days when, as my hon. friend, the hon. member for Brandon-Souris (Mr. Dinsdale), said, Eric Kierans was the minister and, more recently, while the negotiations were carried out by the Treasury Board on behalf of the government.

I was shocked to read the announcement several days ago that the Treasury Board is taking over the negotiations with the letter carriers. There has been a very good and almost completely happy relationship between the Post Office Department and the letter carriers. There has been virtually no trouble, in contrast with relationship experienced between the Canadian Union of Postal Workers and the Post Office Department.

To a large extent the difficulties the postal workers had with the government arose as a result of the bullheaded, tough-minded and irrational attitude of the people in the Treasury Board. The Treasury Board did not confine that attitude to the postal workers. I remind hon. members that there have been strikes by the air traffic controllers because of the approach taken by the Treasury Board. Recently there was a strike by a group which most people in Canada thought would never strike or ever think of striking, one which would never even think very hard about belonging to a union or an association. I refer to the clerks. Why did the clerks strike? They went on strike because the Treasury Board in its stupidity offered them a 5 per cent increase in a year when the cost of living went up by 10 per cent.

When I read the announcement that the Treasury Board was taking over negotiations with the letter carriers, I almost resigned myself to a strike two or three months down the road. I hope we get this bill passed. I hope we get the Crown corporation set up, because when that happens the workers in the Post Office will no longer come under the jurisdiction of the Public Service Staff Relations Act and have to deal with the stupidities of the Treasury Board. They will come under the provisions of the Canada Labour Code and have all the rights afforded to workers in private industry to negotiate fairly not only on wages but also on working conditions, classification and all the other things which are accepted as commonplace in private industry.

Mr. Deans: Why is the Treasury Board so anti-people?

Mr. Orlikow: My colleague, the hon. member for Hamilton Mountain (Mr. Deans) asks why the Treasury Board is so anti-people. Having been fortunate enough never to have been a cabinet minister, I cannot tell from personal experience. I can only pass some kind of judgment, based on common sense, on the results of letting the Treasury Board run anything.

I say to the Postmaster General (Mr. Ouellet) that the Post Office can be run as it has been, as a department of government, or it can be run as a Crown corporation. It will not make much difference unless the people who deal with the workers concerned use some common sense and compassion. Since 1965 we have had a record of strikes and work stoppages, legal and illegal, every couple of years. What were those about? Most of the public think, because they do not know the details, that they were called because the workers are stupid, stubborn and unreasonable. The evidence does not show this. Were these disruptions caused because union leaders were so militant that they forced workers to go on strike? That is not indicated either. In fact, the exact reverse is true. Every study which has been done—studies carried out by people appointed by the government—has put the blame almost exclusively on the stubborn, unimaginative and uncaring attitude of the senior management in the Post Office.

Let me put on the record again some of the observations made by impartial observers who have had the opportunity to study what has been happening in the Post Office. Let us go back to 1966, a year after the first strike at the Post Office. Mr. Justice Montpetit was appointed to look into what was wrong with the Post Office. He made 262 recommendations dealing with all aspects of employment in the Post Office and, among other things, he said, and I quote:

> A large number of the post office employees' grievances are first and foremost, human relations problems.
>
> —The attitude of some supervisors and postmasters towards their employees leaves much to be desired. These people have only a vague notion of the importance of maintaining good relations with their staff.
>
> The action of those in authority has and always will have a tremendous influence on the reactions of employees and on their productivity. Complaints arising from their behaviour can sometimes be difficult to explain.

That was in 1966. In 1969 there was another dispute between the postal workers and the Post Office Department. A well-known and respected expert in the field of labour-management relations, Mr. W. S. Martin of Winnipeg, was asked to adjudicate. He said, among other things, and I quote:

> As assessment of employer attitudes in this matter shows that the employer position is characterized by arrogance and high-handedness. There is lacking a genuine desire to work in the atmosphere of mutal respect and understanding. Hostility, vindictiveness and possibly distrust appear to frustrate any opportunity for effective interrelationships. It would appear that the senior officials in the Post Office Department have not as yet reconciled themselves to operating the postal facilities within a progressive collective bargaining atmosphere.

Then in 1972 a vice-chairman of the Ontario Labour Relations Board, Owen Shime, looking into another dispute, said, and I quote:

> In these negotiations one felt that each time the employer was required to reach a decision it was looking over its shoulder at the remaining government employees. That was an impediment to sound negotiations with respect to the needs and problems of the Post Office and its employees.

I could go on and on, but I think I have given enough illustrations of the kind of situation which has existed in the Post Office and which still exists. I remind the minister that at the time of strike a year or a year and a half ago, there were several tens of thousands of grievances outstanding. How did that happen? When there was a grievance, the union took it through the ordinary channels provided in the collective agreement. The union won at each stage. The government never accepted that the union was right. The government took a particular case to the Federal Court. When it lost in the Federal Court, it took the case to the Supreme Court. When it lost in the Supreme Court, instead of saying that the Supreme Court decision covered all the cases—hundreds of cases of a similar nature—the government said it covered only that particular case.

Is it any wonder the workers were angry? Is it any wonder they were militant? Is it any wonder they went on strike? What surprises me is that they did not strike more often.

While I am talking about that particular strike I want to digress for a moment to make an observation about what I consider to be a very strange situation. After the leader of the CUPW took his people out on strike, when he did not respond immediately to the law passed by Parliament and order his people back to work, it did not take very many days until he was charged, brought to court, tried, convicted and sentenced to serve time in jail. I make no comment about whether or not that was a good idea, but that is what happened. He appealed his case, he lost it, and he has long since served his sentence.

• (1530)

Some years ago, in the city of Hamilton an illegal agreement was made by a number of very important, influential and wealthy businessmen. They decided they would set a high price on their services for dredging the Hamilton harbour. It went on for many years and it cost the people of Canada millions of dollars. Eventually, the businessmen were charged. It took a long time and the trial took months. Finally, they were found guilty and convicted. I have not seen any sign of their having to serve their sentence. Of course, they are appealing their case, as they have the right to do. I merely wish to illustrate why so many ordinary citizens, so many workers and good people, believe, with a good deal of justification, that there is probably one law for the rich and another for the poor, that it depends on whom you know and what kind of lawyer you hire.

In my view, unless the new Crown corporation puts in charge of its relationships with its workers, both inside and outside, people who have an understanding of human relations, people who understand that in the 1980s workers, whether in the private or in the public sector, have a right to be treated with common sense, humaneness, dignity and fairness, changing the Post Office to a Crown corporation will not achieve anything.

I want to speak for a couple of minutes about the conception the public has of the reason the mail service has been so bad in recent years. The public believes that those who work in the Post Office do not try, loaf on the job, stay away, literally try

to misdirect the mail, and so on. The facts are entirely different. The facts show that there is a great deal of difficulty about delivering mail because the management of the Post Office Department, in their wisdom or lack of it, have convinced the government and the minister that what we needed was a modern, high speed, efficient system for sorting mail and that the way to bring this about was to install highly-automated machines with computers. This was done in Toronto, through which city, I am told, 70 per cent of the mail for all of Canada has to pass. The fact is, it took close to two years before the difficulties, the bugs in the new, highly sophisticated and complicated system, could be worked out. So great was the disruption that they were taking car loads of letters from the buildings in Toronto, shipping them to Cornwall, having them sorted by hand in the old manual way, and bringing them back to Toronto. The workers were being blamed because the mail delivery was slow and inefficient though in fact it was slow and inefficient because of the decision of the government and the senior management of the postal service to adopt this highly sophisticated system without arrangements for proper back-up and support.

I hope those difficulties have now been eliminated, and I hope the system will work as well as some claimed it would work. I hope the relationship with the employees will be better than it has been. But we still have problems. We have problems because, in our free enterprise system, governments do not want to plan. This government does not want to plan. So we have a situation in which the left hand does not let the right hand know what it is doing. On the one hand we have invested several billion dollars in setting up a very modern, supposedly rapid and efficient mail service, while on the other hand we are encouraging competition, encouraging the private carrier.

The hon. member for Brandon-Souris, spoke about the couriers and the United Parcel Service. I wish to talk for a few minutes about the United Parcel Service. I do not think there is any department of government which comes closer to more people in Canada than the postal service which is charged with the responsibility of delivering all sorts of mail, such as private letters, business letters, advertising, books, parcels, you name it, to every person in Canada, no matter how distant and isolated they are from the main centres. Delivering mail or parcels to mining or rural communities, to the high Arctic where the population is scattered and distances are great, is expensive. It is a money loser. The private carriers have no intention of serving the people in those areas. What they are doing successfully, and more successfully each year, is moving into the areas where there are large concentrations of people and skimming off the best customers in the most profitable areas. If that is permitted to continue, it will mean the destruction of the postal system as we have known it and it will mean increasing deficits for the Post Office rather than the elimination of the deficit about which the minister has spoken and which this bill is supposed to bring about.

We need only look at our neighbour to the south, the United States, to learn what the United Postal Service has done in that country. At a hearing held before the Ontario Highway Transport Board in June of 1978, a senior official of the Post Office Department appeared before the board and urged the board not to grant United Postal Service a franchise to operate in Ontario. James Corkery was then the deputy postmaster general. He told the board that between 1962 and 1976 the U.S. postal service saw its volume of parcels drop from 792 million to 385 million, while UPS increased its volume from 182 million to 950 million in that period. He said that the Canadian Post Office here would not repeat the mistake made in the United States of not realizing the threat posed by UPS until it was too late. That is what he said, but in fact UPS has expanded its service. It has purchased two companies in Quebec, and I am sure it will try to operate in Quebec. It has now received permission from the Ontario board to operate in Ontario. A prominent California lawyer, Michael Khourie, who fought and won an anti-trust case against UPS in 1971, predicts that if UPS gets a foothold in this country, they will take over the small parcel delivery business in Canada. If they do that it will jeopardize the financial viability of the Post Office and it will destroy the financial viability of CN-CP express because UPS will concentrate on giving fast and cheap service, probably at a loss in the initial stages, to the vast majority of the customers living in the Quebec City-Windsor corridor, if they get permission in Quebec City. That is what they have done in the United States.

• (1540)

After they have destroyed the parcel services of the Post Office and CN-CP express, they will have an "open sesame" to charge whatever they can. Destroying the ability of the Post Office and CN-CP express to serve customers on whom they can make a bit of money, will adversely affect to a very large extent customers who live in sparsely populated areas in the rest of Canada.

I urge the government to proceed with this bill and set up a Crown corporation for the Post Office. In the field of parcel delivery, I urge the government to do what it has talked about doing with the provinces in terms of the constitution. They should get together with the provinces and point out that the destruction of the ability of the Post Office to deliver parcels will have an adverse effect on the Post Office and on service to the tens of thousands of people who live in small towns and villages in Ontario and Quebec. I suppose if UPS is successful in Ontario and Quebec, it will eventually move across the other eight provinces of Canada, as it moved to take in every state of the United States.

We urge the minister to establish this Crown corporation to operate the Post Office and to learn from the mistakes of the last 12 to 15 years. The board should ensure that the new corporation uses common sense, that it does not buy every new technology which comes along in the hope that somehow there is a magic solution to the problems of communication which are changing so rapidly with new discoveries almost every day, if not every week. It should ensure that the corporation uses some common sense and humane feelings in its relationships with employees. It should try to deal with employees not just once a year in terms of collective bargaining; it should try to

enlist its employees in a partnership to provide the better service Canadians want and need. If it does this, it will protect both the interests of the people of Canada and the people who work for the new Crown corporation.

We hope this bill will proceed fairly quickly, that it will be dealt with in committee and passed with a few amendments so that we can get on with the job.

I should like to refer to a couple of details. Clause 5.(2) reads in part as follows:

While maintaining basic customary postal service, the corporation, in carrying out its objects, shall have regard to—

It refers to a number of basic principles including, most important, the need to be self-sufficient in the long term. In our view this is unacceptable. Over the past several years the Post Office has been seriously curtailing services in a number of fields. Currently we are experiencing what amounts to an almost total freeze on the expansion of delivery services to new residential communities.

Mr. Rose: Suburban services.

Mr. Orlikow: Yes, suburban services.

Mr. Rose: It is a disservice.

Mr. Orlikow: I remind the minister that it took the imminence of the 1979 election for the then Liberal government to "unfreeze" hiring and to permit the hiring of some new letter carriers so that tens of thousands of people in almost every city of the country, who were quite justifiably complaining about not getting door-to-door service, would receive the same service as those living in older parts of cities. It took the threat of the 1979 election to unblock that freeze.

I hope the new Crown corporation will have the ability to serve new residential communities in every city of Canada, including my city of Winnipeg, with the same kind of service as people in older areas of the city have been receiving for generations.

We are against the elimination of small post offices which has been going ahead at a rapid rate, particularly on the prairies. We know serious consideration has been given to reducing services by rural post offices. We oppose that thinking. Those cutbacks are totally unacceptable and should not be allowed to continue under the Crown corporation. Clause 5.(2) of the bill must be tightened so that it specifically enumerates what makes up a basic customary postal service. This should include the principle of residential daily home delivery to all communities over a certain size; the maintenance of small rural post offices, excepting only under the most exceptional circumstances, and the maintenance of six days a week of service in all communities not served by a post office subbranch, for example, a post office in a drugstore.

I want to voice one more concern, that is, the drive on the part of government departments, including the Post Office, to contract out work. We know what contracting out means. It is an easy way to reduce government expenditure. Of course, the way government expenditure is reduced is by eliminating the jobs of people who work for the government and turning the service over to a private contractor who usually, if not always, pays the minimum wage or ten cents over the minimum wage. The private contractor has no conception of paying for holidays, pensions of anything else. Usually the private contractor is able to make a very substantial profit at the expense of the government, the service to the people and the employees whom he hires on a very casual basis. We will watch very carefully to see that the Crown corporation does not continue to expand the system of contracting out work which up to now has been done by people employed by the Post Office.

I say again to the minister that we support the principle of the establishment of a Crown corporation for the Post Office. We will probably make suggestions and amendments to the bill when it is sent to committee.

Some hon. Members: Hear, hear!

Mr. Bill Vankoughnet (Hastings-Frontenac): Mr. Speaker, I had hoped that my first speech in the House since coming back from the summer recess would have dealt with the constitution, but I have an opportunity today to enter debate on another issue which is of great concern to Canadians. I am pleased to take part in the debate on Bill C-42, to establish the Canada Post corporation.

• (1550)

Although I have serious reservations in principle about creating more Crown corporations, I welcome the creation of this one. The operations of the Post Office have been a concern of mine for the past few years and one needs only to review *Hansard* to find this out. It hardly needs to be stated that the Post Office has become a great source of frustration to all Canadians. The strikes which have shut down the Post Office over the course of the last few years have had a great and adverse effect on the lives of all Canadians. We all know that no one is immune to these disruptions in service. For businessmen who depend on this service, postal strikes mean loss of income, for various reasons. It means his cash flow is disrupted, payrolls are not met and obligations go unpaid.

Postal strikes affect the pensioner who is dependent upon government assistance as the sole source of his income. None of us in the House can truly appreciate what goes through a pensioner's mind when he hears that another disruption is looming. To be totally cut off from their only source of income is a very frightening experience for these people. Everyone, from every walk of life, is affected either directly or indirectly by postal disruptions. The Post Office is a "people issue." To the businessman, postal strikes and work stoppages can mean the difference between solvency and bankruptcy. To the pensioner the Post Office is all that stands between life and death. And I mean this literally.

There was a time when the Post Office was the object of great admiration. Working for the Post Office was a group of men and women who diligently followed the ideal of delivering mail through rain, sleet and snow. Local history in many centres across Canada is full of examples of postmen who

committed great acts of heroism in their attempts to provide the public with good service. I am sure many members of this House could cite examples which constitute service above and beyond the call of duty by today's standards. However, times change and the Post Office is no exception. The esteem in which Canadians once held the Post Office has all but vanished. Gone are the days when a postman would walk miles in a blizzard to deliver one piece of mail.

At this point I think it is only fair to say that not all the people who work for the Post Office deserve the image which is now theirs. I know the Post Office employs many people who are diligent and conscientious and who reflect the image of postmen from days gone by. It only takes a few people to ruin it for everyone. The few who are not overly concerned about providing good service have done a remarkable job of pulling down the image of all the rest.

I personally know people who work for the Post Office. They have been delivering mail for years. In fact, there is a family in my riding whose occupational tradition is delivering mail. Through wind, rain, snow and sleet they have provided the people on their route with the finest of service. You can count on them to deliver the mail through the worst of conditions. They are proud of the mailman's tradition of excellence of service and are committed to keeping that tradition alive. These people are a part of a larger body of postal workers who share their commitment to this tradition. Across this country they serve with distinction 4,991 routes and over a million homes and businesses. Who are these people? They are the rural mailmen. They do not get a half-hour paid lunch break or a boot and glove allowance; they cannot look forward to annual cost of living allowances and, to my knowledge, they have never instigated a strike. Yet the last time they saw a statutory raise was in 1956.

Mr. Dinsdale: Shame!

Mr. Vankoughnet: It was in 1956 that an amendment to the Post Office Act raised the maximum ceiling for rural postal contracts to $10,000. The price of gasoline in 1956 bears no resemblance to the price of gasoline today. The price of repairs to cars and trucks between now and then is equally distorted. The cost of a vehicle today can be well over $10,000. But the rural mailmen have had to live with that provision since 1956.

I was told by an official in the public affairs department of Canada Post in Ottawa that from 1965 to 1979 the letter carriers in urban centres received eight salary increases. I do not know how many times they have gone on strike to get the increases which they demanded. But I do know that while they were on strike, while they tied up the nation's mail and while they stopped working in support of other striking workers in the Post Office, the rural carriers have taken a back seat with respect to their salaries. Their salaries have not been increased beyond an arbitrarily determined ceiling since 1956. That is one year short of a quarter century and, Mr. Speaker, it is a disgrace. To be honest, when this condition was first brought to my attention, shortly after my election to the House in May, 1979, I could hardly believe it was true. After I checked into the matter and found out the facts, I still had trouble believing it. But an official in the Post Office confirmed it was correct. Would Jean-Claude Parrot have settled for such an inequity if the urban letter carriers had been treated in the same way as their rural counterparts? I doubt it very much.

The Post Office administration has known for a number of years that this provision was hopelessly outdated. They know now, as they knew a long time ago, that holding a $10,000 ceiling on rural postal contracts was a provision completely out of line with the costs involved in the delivery of mail to rural Canadians. Yet this ceiling has remained in place for 24 years. The Liberal government, in 1968, had the opportunity to raise the ceiling, but it did not do so. The former postmaster general, my hon. friend from Vancouver South, was aware of this problem. He was also aware of other serious problems in the Post Office and he was working on solutions to them through the preparation of a comprehensive Crown corporation bill. Unfortunately, the February election came between him and the bill. It is therefore my hope that the bill before us today reflects his concerns about the Post Office and will provide concrete solutions to correct the problems.

It now appears that the rural postal carriers, who pride themselves in carrying on the excellent service in the tradition set by Canada's postal employees, are finally going to receive their just reward. And it is about time.

I have a written commitment from the present Postmaster General (Mr. Ouellet) stating that the new Post Office Crown Corporation Act will rectify the situation. For the purpose of placing the minister's commitment on the record I would like to quote from a letter he sent to me dated July 17, 1980. It reads as follows:

> I have noted that you have written in the past to express your concern regarding the $10,000 limit which currently governs mail contracts, in particular, rural route contracts.
>
> In this regard, you may be interested to note that passage of the Crown corporation legislation, which I have introduced today, will resolve this difficulty in the future by removing the legislative constraint contained in the Post Office Act. Under the corporation, all contracts, including mail contracts, will be the subject of bylaws. Therefore, it will become far easier to adapt to changes.

I sent the minister a note of thanks for informing me of this and I thank him again today. I hope the authorities charged with the responsibility of correcting this situation will make this one of their top priorities.

Another issue which I hope will be of top priority to the new corporation is the question of closing rural post offices on Saturdays. The former postmaster general, the hon. member for Vancouver South (Mr. Fraser), gave his assurance that closings would not occur without extensive consultations with those affected. I know the present Postmaster General is concerned about this issue and I understand he plans to adopt the same approach as his predecessor.

● (1600)

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

Abandoned Rights of Way

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

The Acting Speaker (Mr. Ethier): Public bill No. 6, the hon. member for Regina West (Mr. Benjamin). Shall the item stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Ethier): Stand by unanimous consent. Public bill No. 10, the hon. member for Wetaskiwin (Mr. Schellenberger). Shall the item stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Ethier): Stand by unanimous consent. Public bill No. 11, the hon. member for Algoma (Mr. Foster). Shall the item stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Ethier): Stand by unanimous consent. Public bill No. 12, the hon. member for Notre-Dame-de-Grâce (Mr. Allmand). Shall the item stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Ethier): Stand by unanimous consent. Public bill No. 16, the hon. member for Kindersley-Lloydminster (Mr. McKnight). Shall the item stand?

Some hon. Members: Stand.

[*Translation*]

The Acting Speaker (Mr. Ethier): Item No. 17, the hon. member for Annapolis-Valley-Hants (Mr. Nowlan). Shall the item stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Ethier): Item No. 18, the hon. member for Bruce-Grey (Mr. Gurbin). Shall the item stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Ethier): Item No. 19, the hon. member for Surrey-White Rock-North Delta (Mr. Friesen). Shall the item stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Ethier): Item No. 21.

ABANDONED RAILWAY LINES ACT

ESTABLISHMENT OF CONSERVATION ADVISORY AUTHORITY

Mr. Ian Watson (Châteauguay) moved that Bill C-221, to provide for the establishment of an authority for public use of abandoned railway lines in Canada, be now read a second time and referred to the Standing Committee on Transport.

He said: Mr. Speaker, I am pleased today to be able to reintroduce this bill which has been discussed during the last sessions since my election to this House. Unfortunately, the problem addressed by this bill shows a tendency to worsen. I have myself sponsored this bill, which may be cited as the Abandoned Railway Lines Act, not because the means provided in this bill are the best possible to solve the problem or to achieve the desired goal, but because I wanted to urge the government and the two or three commissions acting for the government to proceed in a direction where there could be more protection for the public interest when the railways relinquish their rights of way. The Canadian public is becoming more and more aware of the potential of abandoned railway lines and unused tracks for rapid transit systems and recreation. Too often in the past buildings have been erected on sections that the railroads had sold, which has made it virtually impossible to use them eventually for urban transport, for walkways, or for cycle, snowmobile, ski and nature paths, and so on.

This bill will protect the long-term interests of the public as concerns rapid transit systems and recreation by reserving the use of abandoned railway lines and rights of way.

In a few moments, I shall give a few examples of cases in my constituency where the lack of a bill or a system such as the one I am suggesting has resulted in the loss to the public of any opportunity to use these areas for recreation purposes. In Saint-Lambert, for example, a school was built on an abandoned railway line, which made it impossible to use that right of way in the future for a rapid transit system. Even in the electoral district that you represent, in eastern Ontario, Mr. Speaker, there are some abandoned railway lines that could have been used for snowmobile, cross country skiing or even horseback riding or hiking trails. But instead, the rights of way often went back to the farmers who owned them originally, but also, in some instances, to foreigners, which prevented the public from using these trails which are often in very scenic countryside, behind farms, villages, in nature, and that is what is sad. Up until now we have missed all those opportunities.

[*English*]

Constituencies that combine cities with countryside, have probably encountered at one time or another lost opportunities that are the direct result of a lack of a set of rules to oblige the railway companies at least to make these abandoned lines available to the general public. I understand that CN now has

a policy which allows it to offer an abandoned line to municipal or provincial authorities. That is a step forward.

The problem is that municipal or provincial organizations are often not in a position, for one reason or another, to take advantage of such an offer when it is made. The result is that within a few months some private developer or private owner sees this land vacant or hears that it is about to become vacant and gets into the act sooner than one might expect, with the result that the line is cut up. Once that happens, its potential for recreational purposes is decreased. Gradually, various other parts of the line are sold off and the whole thing becomes quite hopeless. There is really no need for this to occur.

I do not pretend that this bill is the absolute answer. I think we should use the discussion today to urge the government to do what should be done. This is the fourth time I have introduced this bill. Like many other decent ideas introduced around here, it takes an awful long time to convince the bureaucracy to act, and unfortunately, there is no exception in this case.

The way I have phrased the bill, "the establishment of an authority", is designed more to follow the rules of the House than anything else because private members cannot propose anything which will cost money when proposing private members' bills. Whether we use this method or another, the basic idea is to set up a system whereby, when the CTC authorizes the abandonment of a railway line, there is some requirement that the railway company which has asked for authorization of abandonment has an obligation to dispose of that abandoned line right away to a public body, either municipal, non-profit or provincial, for a sum related to its book value, not an inflated value, and having regard to the price originally paid by the railway.

● (1610)

These things should be incorporated in whatever eventual arrangement is made and the offer to these various bodies should be publicized in the same way as the CTC publicizes a lot of other things. For example, notices could be posted in local post offices so that the entire local population might be aware of what is going on. A notice should remain for a sufficient length of time to allow the public to get organized and do something about it. If they still do not do anything about it, then that is tough, because we will have done our duty. I would have no sympathy for a public that failed to act after it had received proper notice and had been given plenty of time in which to act.

What is happening now is completely the reverse of that situation. I can cite an example that happened in my constituency within the last year. A bicycle path was made along the embarkment on the south shore of the St. Lawrence Seaway. I can claim some credit for encouraging Parks Canada to help with this. It is an excellent site and allows the public a fantastic view of the Montreal panorama and the St. Lawrence River. There is also a fair amount of wildlife in the area. The path leads to a location which is only three miles from a railway museum at De Léry, Quebec, which is the best in the world. It is inland from the river, and is reached over a network of road connections. The route is very convenient and we have been asking Parks Canada to link their bicycle paths with the museum. In this way the museum would be made available by bicycle to thousands of people on the south shore of Montreal.

Everyone admits it is a good idea. For three-quarters of a mile of the distance between the dyke and the museum, there is an abandoned railway line. When we got in touch with CPR we were referred to Marathon Realty. The situation was explained to them and their co-operation sought.

To make a long story short, Mr. Speaker, they agreed it was a good idea but—they sold the property to a developer. Now we have to make a bicycle path that will go through the streets instead of on an abandoned right of way, protected from traffic and not interfering with municipal traffic patterns. The proposal made sense, but the CPR felt no obligation to the public nor did its real estate firm. Perhaps the province and the municipality were occupied with other things and did not take action when it might have had some effect, so the project fell through. In my view, the basic responsibility lies with the CPR and Marathon Realty. They should have had the decency to let the others have a chance.

My bill was proposed long before this particular incident but it would prevent such a thing from happening again. I do not really care how we go about this, but I would like the Minister of Transport (Mr. Pepin) and the minister who is responsible for Parks Canada to consider this matter again and see whether they can find a solution. There is no excuse for this sort of thing but it happens all across Canada and recreational sites are lost unnecessarily.

The railways may consider all this as something of a nuisance but I say, that is tough. They should be required to protect the public interest in regard to these routes, not only for recreational purposes. Occasionally in a city, a potential rapid transit route could be developed. Unless we act quickly, that will be lost as well.

I shall not keep talking, Mr. Speaker, as I should like other hon. members to have an opportunity to indicate support for the bill. I realize that it will probably be talked out today but perhaps whoever is here to represent the government House leader would agree to having the subject matter of the bill referred to a committee, at least. I do not know whether that is possible but perhaps some hon. members may indicate their willingness to do so. If that is the case, perhaps we could make such an agreement close to five o'clock. I do not think anyone will quarrel with the objective of the bill so why not get it into committee where we can put a bit more pressure on the government to move in favour of something that makes a lot of sense?

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I am very pleased to have this opportunity to speak to Bill C-221, an act to provide for the establishment of an authority for public use of abandoned railway lines in Canada.

This bill was placed on the order paper on another occasion. It was debated during private members' hour on March 16, 1979. At that time, the hon. member for Châteauguay (Mr. Watson) said the bill would establish a committee to advise on the suitability of using certain rights of way for rapid transit or recreational purposes. The bill itself simply creates the advisory body; it does not give the body power to apply its decision. The NDP is prepared to consider the subject matter of this bill if it goes into committee, as the sponsor requested.

He said he favours this legislation because he wants the option of using abandoned rights of way for rapid transit or recreational use and seeks to ensure that these uses are fully considered at the appropriate time. He seemed to be primarily interested in abandoned lines near large metropolitan centres or between cities. One of my concerns is that this particular legislation may or may not be particularly relevant to the abandoned rail lines in rural areas of western Canada.

The Hall royal commission made specific recommendations about the disposition of rural rail lines on the prairies. The commission said in 1977 that abandoned rights of way should vest in the provincial Crown for disposition as might be mutually agreed to between the relevant province and municipal authorities.

This proposal certainly makes sense. By vesting title in the provincial Crown—instead of letting the railway auction it off to the highest bidder—the province and municipality could determine whether there was a public use for the land. Perhaps this could include use for a power transmission line, or a pipeline, or recreational parkland or for community gardens. In the last few months, some people have suggested that abandoned lines, particularly in an about large metropolitan areas, could provide for a whole range of possibilities. As agriculture becomes more important in Canada and as self-sufficiency in food production takes on greater urgency, there is an interest in community gardens. The possibility of using any land within our urban centres for the growing of food makes sense. Of course, recent studies on park land in Canada, particularly the metropolitan parks have indicated that the traditional large park lands which we find in the central parts of our cities are used inappropriately. Much more appropriate would be a long, thin park spread throughout a metropolitan area. This is the kind of possibility for land use that a committee could consider seriously. If there was no municipal or provincial use for the land, perhaps farmers could put some of the land back into production.

● (1620)

The Hall report recommended that in the interim provincial and municipal authorities should control weeds so that the seeds would not spread to adjacent lands. This is a very serious problem, particularly in western Canada where weeds have spread. One aspect of it is associated with the rights of way, particularly for railways.

The Hall commission report has not been fully implemented. I draw to the attention of the hon. member who proposed the bill the fact that we are still looking for some action on the Hall commission report. The land of certain branch lines was transferred from the railways to the federal government under a gift agreement signed by Otto Lang. That land could be transferred to the provincial authority, as Hall recommended in his report. However, with respect to abandoned rights of way of branch lines not covered by that agreement, the Minister of Transport (Mr. Pepin) has suggested that the railways auction off the lands in the marketplace. Although the province would be able to buy the land in the open marketplace, this process is not in keeping with the Hall report because the railways are not entitled to any compensation for those abandoned lands. I will return to this point in a moment.

We must also consider whether the branch lines should be abandoned in the first place. There are still several rail lines in the west which elevator companies want kept in operation but which have been left out of the guaranteed network protected to the year 2000 by the previous Conservative government and the present Liberal government.

Abandonment of railway lines shifts costs from railways to farmers, who have to buy trucks, and to municipalities who have to repair roads. In other words, when we abandon a line in western Canada, we are really placing the burden of transporting grains on the farmers as opposed to the rail lines. In many cases abandonment is premature because the railway consumes only 670 Btu's to move one ton of freight one mile compared with 2,400 Btu's for truck transport.

I am certain every member in this House will appreciate the accelerating importance of energy costs. This has to be taken into consideration more than ever before. Perhaps, therefore, the idea of rail line abandonment, which previously has been accepted generally, ought to be reconsidered.

For the most part, the railways were given the lands for their stations and rights of way by the taxpayers of Canada. When the railways abandon the service for which the land was given, the land under an abandoned rail line should revert to the public.

The CPR was given 44 million acres by the taxpayers of Canada. The CNR system was given 8 million acres of land. The CPR, in particular, has been generously treated by the people of Canada. The Royal Commission on Railways and Transportation in a report dating back to 1917 stated that the CPR had received the following public assistance as of June 30, 1916: railroad completed by the government, $37.8 million; cash aid $66.9 million; value of unsold lands, nearly 11.5 million acres, $119.3 million; lands sold minus cost of improvements, $55.5 million for a total identifiable public aid of $279.5 million. In addition, there was unidentifiable aid such as loans, since repaid; exemptions from taxes and exemptions from duties for construction material.

If one was to allow a 5.6 per cent annual rate of return, which is typical of public utilities applying for rate increases since 1916, the present value of those gifts today would be in excess of $8.5 billion. On top of this, since 1967 the CPR has received $900 million in operating subsidies. It now has deferred taxes owing to the extent of $922 million. All together, the total identifiable public aid extended to the CPR

amounts to $10.5 billion compared with assets carried in its 1979 annual report of $11 billion. We have already paid for the CPR, Mr. Speaker. That is why the New Democratic Party favours bringing the CPR under public ownership. That is why, in a sense, this bill can be considered irrelevant. However, let us recognize what I have described in the Hall commission report, the role of the CPR and how it needs to be compensated for abandoned lands. I think it is fair to recognize that this is an opportunity for Canadians to have one more chance to utilize abandoned rail lines in Canada. To that end, we are quite prepared on this side of the House to support the reference of this bill to an appropriate committee. In committee it will receive analysis, and hopefully action will be taken.

I close by quoting from the Royal Commission on the Natural Resources of Saskatchewan as follows:

—As time went on, additional land subsidies were promised to the Canadian Pacific Railway for subsidiary lines, and to other railway companies for other projected lines. By 1905, more than 55,000,000 acres of prairie lands had been so pledged, but only two-thirds of this acreage was earned by actual construction. Well before 1905, the policy of subsidizing railway construction by land grants had been discontinued but the process of selecting these lands so earned, and the aftermath of tax exemption, remained for many years to vex the growing communities of the west.

It should be pointed out that practically the whole burden of providing land for these railway subsidies, not only for the railways within the prairie provinces as set up in 1905, but for the railways to the north, as well as for portions of the Canadian Pacific lying in western Ontario and in British Columbia, fell to the lot of the three prairie provinces, chiefly to Saskatchewan.

As Hall indicated in his report, there should be no corporate crying over the return of rights of way to the Crown. As the hon. member who presented this bill has shown, there are some very exciting and dynamic possibilities with regard to the use of these abandoned rail lines both within our cities and adjacent to them. For that reason we would like to see this bill referred to committee as soon as possible for action.

Mr. Douglas Fisher (Mississauga North): Mr. Speaker, I like the idea behind this bill and I congratulate the hon. member for Châteauguay (Mr. Watson) for introducing it and for bringing to our attention once again the need to provide protection when a railroad line is abandoned and new uses for the land have to be found.

I come from Mississauga. Since last November, naturally everyone from Mississauga takes considerable interest in railroads and their behaviour, not just in the potential for dangerous accidents but also in the much broader question of good neighbourliness between these large corporations and the local municipality.

As a representative from a large eastern urban riding I particularly enjoyed the examples which the member from Châteauguay presented. I would like to read his explanatory note and put it on the record again. It states:

There is an increasing awareness in Canada of the potential for rapid transit or recreational use of abandoned railway lines or unused railway rights of way. Too often in the past sections of abandoned railways have been sold and buildings erected on the abandoned portion with the result that potential future uses such as urban transit or bicycle, pedestrian or snowmobile trails have been effectively blocked. The proposed bill would safeguard the long-term public interest for both rapid transit and recreational uses of abandoned rail lines and railway rights of way.

● (1630)

As I mentioned, I like the idea of this bill. It proposes that we set up an authority which would advise the governor in council on the disposition of abandoned railway lines. Surprisingly, there is now no official advisory body on this question despite the wide range of regulatory and advisory bodies now in existence, not to mention government departments themselves. Despite all of this, the governor in council does not have some official source of advice on the disposition of abandoned railway property.

Not that the Railway Act is silent on the question of railway lands, or for that matter on the question of abandonment. The Railway Act offers literally dozens of pages dealing with the ways in which the railways may acquire and use lands.

The act contains extensive provisions dealing with applications by railways to the Canadian Transport Commission to abandon a branch line on the grounds that it is uneconomic, and the subsequent procedure, which is long, sensitive and complicated.

What happens when a line is abandoned? To be precise, section 106 of the act refers, not to the abandonment of the line itself, but to the abandonment of operations on a line. The railway must be granted permission to abandon operations on a line, but once that is granted, the jurisdiction of the CTC and of the federal government ceases, even though the track remains. From then on, the railway is empowered to, and I quote section 102(1):

—alienate, sell or dispose of, any lands or property of the company that for any reason have become not necessary for the purposes of the railway.

This power of disposal applies even to lands given by the Crown, with the exception of Crown lands entrusted to CN under section 19 of the CNR Act. In this special case, the land reverts to the Federal Land Management Committee for a recommendation on disposition. I note that Bill C-221 does not make mention of this special situation.

When federal jurisdiction ceases, it would seem that municipal jurisdiction is left to fill the gap with respect to land use. Although I admire the need for sensitivity as expressed by the hon. member for Châteauguay, I also feel we should continue to leave in the hands of the municipalities the final decisions on land use.

Abandoned rights of way are, unfortunately, not easy things to dispose of. In agricultural areas, farmers are often not eager to take the land as it consists largely of gravel and ballast. New roads are sometimes laid across the right of way leaving short, narrow sections of land too small for commercial development or unattractive for recreational use. In the absence of maintenance by the railway, drainage becomes a problem, and more often than not the right of way becomes an overgrown, neglected loss.

I am sympathetic with the need for sensitivity in our disposal of these lands, but it seems that a municipality and a local authority are best able to deal with these concrete problems.

The municipality has the authority and the expertise to handle land use planning within its boundaries. In most cases, the disposition of title to the land is up to the railways, which may sell to the province or private interests as well as to the municipality.

The next step, the use of the land, is the proper decision of the municipality. At the moment, as this bill states, the governor in council does not receive any official advice on the disposition of railway lines. The authority proposed in this bill would perform that function.

There are certain technical aspects to this bill and I would like to comment on some of these specific provisions. I am interested in the rationale for the membership of the proposed authority. First, an employee of the Canadian Transport Commission provides valuable knowledge of the history of the rail line up to abandonment. However, the role of the commission as a regulatory agency is quite strictly circumscribed by law. Participation of one of its employees on a separate statutory body such as the authority could cause problems. Speaking without the benefit of legal advice, I wonder if this participation might require amendment to either the Railway Act or the National Transportation Act.

Second, an employee of the Department of Transport, while raising less of a legal problem, might not be in a position to contribute a great deal in individual cases of abandoned lines. The federal government does have a program of urban transportation assistance, but the determination of priorities with respect to individual operations is left to the provinces and the municipalities. Therefore, the reference here to use for rapid transit would have to come within that context. Third, while the Department of Indian Affairs and Northern Development is included, appropriate representation might also come from Parks Canada, which now reports through the Department of the Environment.

Under the bill, the authority is established to advise the governor in council on, among other things, "the acquisition of title to any abandoned railway line or railway right of way determined by the Canadian Transport Commission to be either abandoned or unlikely to be used for railway purposes in the future".

This responsibility creates difficulties in connection with the CTC's mandate. As described above, the CTC simply makes a decision as to the abandonment of the operation of a railway line. Despite the implication of this section, the CTC makes no judgment on the future of the land itself. The reference to acquisition of title raises yet another problem, repeated later in the bill, of funding. While not explicitly stated, there is a hint that the authority might recommend purchase of some abandoned rights of way by the federal government. This, of course, is a matter that could be clarified.

● (1640)

On the question of the CTC being requested for particulars of abandoned lines, I am advised by the commission that no further records are maintained once operations on a line are approved for abandonment.

Finally, the requirement for a one year's notice of abandonment could work both ways. At present the absolute minimum is three months, and six months, and six months is quite normal, so there is a certain amount of notice under the existing system. There might, however, be situations where quick abandonment would be desirable, in which case the requirement contained in the bill would then become a handicap and not an aid.

I see merit in this bill. The bill makes it clear that careful thinking should be done on the future of abandoned rights of way. However, the question remains, how can this best be done? Each part of the country has unique problems and unique opportunities. In September when the Standing Committee on Transport, of which I am a member, travelled through the maritimes, we heard submissions about the use of abandoned land. In my constituency of Mississauga North our city has a well-developed planning department which undoubtedly prefers to become involved when new land use opportunities are opened up.

It seems to me that the most productive approach to this question would be a reliance on local level decisions. That should not, of course, preclude provincial or federal participation on an advisory basis. The consultative process between levels of government and orders of government is now a fact of life. The key question is whether we need to formalize or enshrine in legislation a special body to deal into this question. In an area like this I am convinced that specific problems can be solved locally with good will, co-operation and imaginative thinking between all three levels of government.

It seems to me that the author of this bill, the hon. member for Châteauguay, has raised an important topic. We need to find ways to make railroads and municipalities better neighbours; we in my area know that well.

Thank you, Mr. Speaker, for this opportunity to comment on this bill. I would like also to congratulate its author for an important start on this interesting question.

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, this bill implies that we will be continuing to abandon railroad properties. I think the last speaker has touched upon a subject matter which would perhaps bear a little expansion. Not only do we need a policy for the disposition of the rights of way which have been abandoned, but we also need very urgently a long-term policy on transportation as it pertains to Canada as a whole and particularly as it pertains to the rails.

I do not think we have a proper analysis at hand of what is the most viable and serviceable means of transportation. I do not think we have made use of the respective capabilities of the various forms of transportation. Until this is done I do not think there should be anything but a freeze upon the abandonment of rail lines, wherever they may be.

While the Hall commission permitted some abandonment and created some of the lands which are the primary subject of this debate, it did at the same time emphasize that there were certain lines which must be kept in place. A later study suggested that the Hall commission had perhaps given assent

to the abandonment of more lines than was really to the advantage of the economy of the community of western Canada, and I think we have to consider that possibility.

I do not mean to be political or critical of the proposition of the last speaker, but if we establish a vehicle for the disposition of land—which would have to be Crown-owned in any instance, I believe—then I think that vehicle should not be interdepartmental. If we get an interdepartmental committee I think we will run into roadblocks with each department having to make its own decision on its own merits. I would take sharp issue with any such proposal as that if it were put before the House on a serious basis. If there is an inclination by the Crown to dispose of its abandoned rights of way, then in my view we should not set up an interdepartmental committee. We should define very clearly the authority and terms and conditions under which such land will become the property of somebody else, and permit that authority to give a quick decision rather than spread the responsibility throughout an interdepartmental structure.

The present transportation commission has so much on its platter now that perhaps we should name a single official who might draw help, if he requires it, from local people. If it is in the city, get the mayor of the city involved and let him appoint a couple of other people—perhaps from the railroad. But let us get down to it so that the decision-making process will not take 18 months to two years when somebody may really be in a hurry—I refer particularly to a municipality.

I think that this subject matter has never been discussed in depth in a committee of the House in a policy-seeking position with a policy-seeking reference as a result of which a decision could be made or a proposal could be offered to government. What do we do with this land? How do we dispose of it? I would add to that, as I have already implied: what are we going to do about the abandonment of rail lines in long-term transportation planning? Whether it be in the west or in Carleton-Charlotte, it needs long-term planning.

There is a relationship between the business available and the abandonment of a line, but there does not seem at this moment to be a pursuit of business by the railroads which would indicate that they wish to keep their lines open.

I know the hon. gentleman from London. I am sorry I cannot name his constituency. I should know it. I know he has some sympathy with my feeling that the railroad officials are not, in fact, pursuing business. I have repeatedly stated that in the province of New Brunswick we are hauling lumber by truck from mills in New Brunswick across the CPR line and across the CNR line to the Bangor and Aroostook railroad in Maine and in other instances to another line in Maine, and it does not pay to truck that lumber to destination if you are within a reasonable distance of a Maine railroad. The ridiculous part of the whole thing is that the little Maine railroads are making money by extending lower rates than our own rail companies in our own country are charging. I submit that the cost of the declining traffic as a result of the diversion of traffic to other sources is making certain rail lines the subject of abandonment at some point in the future. It is foreseeable. There is already one application present. However, I must admit I have digressed from a subject which is very close to my heart. I hope there could be some vehicle by which some study of the best transportation system for Canada could be developed to get the cheapest form of transportation.

Although the motion does not say so, I think we are discussing only Crown land as it relates to rights of way. I do not think we could consider that we are talking about the private property of a company in the transportation industry. We have to be talking about Crown land.

While farmers may not be interested, as the last speaker said, in becoming the owners of a railroad right of way, for obvious reasons, if that railroad happens to intersect their farms it is a prior responsibility that that land do become, if possible, whether private or Crown property, the property of the farmers whose farms are intersected by a railroad right of way. That is a consideration which should be made primary. Those which are in an area of pastureland or otherwise undeveloped, are of interest to the farmer. The typical basis for Crown disposal has often been that if the right of way lies within the property or adjacent to that of another owner, that land may very well revert to the other owner for historic reasons. This is an important matter which we should consider—that if it is adjacent to existing property and if it is Crown property, first the municipality and then the individual should be given priority in eventual ownership.

● (1650)

This is a broad field. There are many options, and many suggestions have been made, but I hope this bill will stimulate the type of interest that is necessary so that some vehicle is established, perhaps a special task force, so that a group of members of the House interested in this subject matter might analyse the long-term transportation requirements and the cheapest possible way of transportation, meld the two together and develop a system to provide the service which we have historically received. I think the mails are an example which can be used in respect of our general transportation facility and the efficiency of our railroads today. Twenty-five years ago if you sent a letter from Ottawa to my home at ten o'clock in the morning, it would be at my home at one o'clock in the afternoon. Today, if I send it from Ottawa to my home, it will take 48 hours, 72 hours or 96 hours to two weeks—there is no regularity or dependability in the mail service today. The same situation has developed with the railroads. The two services are comparable in their capability to deliver service. I think we need to study what changes can be made, and then perhaps the subject of land created by railroad abandonment will not even be on our minds.

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I must say at the outset that I share the views expressed by the hon. member for Mississauga North (Mr. Fisher) on this bill. The hon. member said that each part of the country had its unique problems and unique opportunities with respect to abandoned railway lines. This could not be more true in western Canada.

The bill before us proposes a national authority to advise the governor in council on the public use of abandoned railway lines. Nowhere in the country has there been such a rationalization of the rail network as in the west recently. As a result of a series of commissions, committees and reports on western grain movement over the last five years, we now have a basic rail network, guaranteed to the year 2000, of close to 15,900 miles. But as a result of these commissions, a substantial amount of trackage has been abandoned.

The normal course of events would have been for the Canadian Transport Commission to hear each application for abandonment from the railways, to decide whether to allow it, and to leave the railways free to dispose of the abandoned right of way. But the urgent requirement for rail rationalization in the west demanded that this process be speeded up. The various commissions recommended a number of lines for abandonment. The CTC accelerated its hearing process and abandonment orders began to appear. The federal government agreed with the railways to transfer 1900 miles of abandoned rights of way to the federal Crown. This agreement with the railways, which dates back to September, 1977, was known as the gifting agreement.

With a large volume of abandoned lines suddenly on their hands, the railways conceded that it was in the public interest to have these lands revert to the government. The government had to find a way of disposing of them. At first it appeared preferable to transfer the lands to what were expected to be the ultimate owners, that is, the municipalities and adjacent land owners. A notable exception was made in cases where the rights of way were within or adjacent to native reserves. In these cases, first priority for acquisition was given to the reserves, with the help of the Department of Indian Affairs and Northern Development.

However, the process became bogged down. In each case, several federal agencies became involved, and detailed legal work was required. The problem was compounded by agreements which the railways had made over the years for the installation of power, telephone, oil and gas lines and the like. It was clear by this time that a different approach had to be taken. During the past year, discussions with the three prairie provinces have taken place on the possibility of transferring the lands directly to the provinces. The provinces could in turn dispose of them as they wished. My understanding is that these discussions are now close to a satisfactory resolution.

As future rights of way become available to abandonment, it is intended that the federal government should not play an intermediary role. The railways would negotiate ownership directly with the provinces. So you see, Mr. Speaker, this is quite a special case. To come back to Bill C-221, one could legitimately ask whether the proposed authority would have been able to advise the governor in council on disposition of abandoned prairie branch lines. The question is hypothetical but interesting anyway. The first thing that is clear is that the membership of the authority as proposed in the bill would not have been appropriate for the task. Other federal agencies would have had to be brought in and extensive consultation with provincial and local governments would have had to take place. It is also likely that the authority, with its proposed mandate of looking at rapid transit and recreation uses, would have been viewed with suspicion by municipalities. They would no doubt feel that someone else was doing their planning for them. This may be overstating the case with respect to the west because virtually none of the abandoned lines are urban, but the comment is probably valid in many other situations.

What I am saying, Mr. Speaker, is that each special case demands a special solution. In an area as closely related to local needs and aspirations, a new federal presence may not be the best solution. Like the previous speaker, I fully support the need for more co-ordinated planning of the use of abandoned rights of way. There is no question that they are a precious resource which is largely wasted, but I am not convinced that the proposed authority would achieve that objective. So I cannot support reference of the bill to the committee in its present form.

Mr. René Cousineau (Gatineau): Mr. Speaker, there seems to be unanimous consent to the following motion which I should like to move:

That Bill C-221 be not now read a second time but that the bill be withdrawn, the order discharged and the subject matter thereof be referred to the Standing Committee on Transport.

The Acting Speaker (Mr. Ethier): The House has heard the motion. Is there unanimous agreement to it?

Some hon. Members: Agreed.

Motion agreed to.

The Acting Speaker (Mr. Ethier): It is so ordered.

The hour provided for the consideration of private members' hour having expired and it being five o'clock, the House stands adjourned until next Monday at 2 p.m. pursuant to Standing Order 2(1).

At 5 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, October 27, 1980

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

NATURAL RESOURCES

CALL FOR ABANDONMENT OF EXPORT TAX—MOTION UNDER S.O. 43

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, I rise under the provisions of Standing Order 43 to propose a motion of urgent and pressing importance to the people of British Columbia. In view of the fact that more than 30,000 British Columbians have now signed a petition opposing the implementation of any form of excise tax against the export of natural gas and hydroelectric power from their province; and whereas many thousands of those signatures were tabled in the House of Commons last Friday, I move, seconded by the hon. member for North Vancouver-Burnaby (Mr. Cook):

That the federal government be directed to abandon immediately any plan it has to impose any form of export tax on the natural resources of British Columbia, as any such tax would violate the terms of British Columbia's entry into confederation and can only serve to fuel the flames of secession which are already burning in British Columbia.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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THE CONSTITUTION

PROPOSED RESOLUTION—OPPORTUNITY OF MEMBERS TO SPEAK—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, I rise under the provisions of Standing Order 43. Given the concern in this House that all members who wish will be able to speak and move substantive amendments when the constitutional resolution is reported from committee, and given the government House leader's commitment last Friday to show the same openmindedness as he demonstrated in the first stage of consideration of the constitutional resolution, I move, seconded by the hon. member for Red Deer (Mr. Towers):

That this House instruct the government House leader to refrain from the kind of openmindedness which would urge closure to be used after only 24 hours of debate in which more Liberal members than PCs were allowed to speak.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

IMMIGRATION

REFUGEE STATUS FOR CHILEANS—MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa): Madam Speaker, in view of the situation in Chile concerning the systematic violation of human rights, and considering the fact that Chileans in both Canada and Chile are suffering hardship because of the Canadian government's decision to stick with the previous government's order in council which exempted Chile from the list of countries whose citizens do not require a visa to enter Canada, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House instruct the minister responsible for employment and immigration to revoke this totally inappropriate order in council so that once again Chileans can apply for refugee status.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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● (1410)

ENERGY

POSSIBLE REFINERY TAX—MOTION UNDER S.O. 43

Mr. Otto Jelinek (Halton): Madam Speaker, I rise under Standing Order 43. It has come to my attention that a high ranking government official advised the cabinet through at least one minister to implement an energy refinery tax rather than impose an energy export tax. In a highly politicized memo written by the government's communications co-ordinator, Mr. Mack Erb, to the Minister of State for Multicultural-

ism (Mr. Fleming)—for the minister's eyes only—Mr. Erb suggests among other things:

—the export tax would negate any potential acceptance on the constitutional front—

—Marc Lalonde will have to eat crow as a result—

And he should. And:

—the Liberals must break election promises on energy matters—

Therefore I move, seconded by the hon. member for Yukon (Mr. Nielsen):

That the Minister of State for Multiculturalism be instructed to make a statement on motions today regarding this matter in order to shed light on this most important of issues before he embarks on any further partisan brainwashing campaigns using taxpayers' money.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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NATIONAL UNITY

CALL FOR TABLING OF POLLS CONCERNING ATTITUDES IN WESTERN CANADA—MOTION UNDER S.O. 43

Mr. Gordon Towers (Red Deer): Madam Speaker, I rise under the provisions of Standing Order 43 to raise a matter of urgent and pressing necessity to western Canadians. The Prime Minister (Mr. Trudeau) and his Minister of Justice (Mr. Chrétien) are constantly pooh-poohing western alienation and dissatisfaction. Rather than being conciliatory, their remarks are inflammatory. After all, these are the same people who made the statement that separatism is dead, just before the election of the PQ government in Quebec.

Therefore I move, seconded by the hon. member for Moose Jaw (Mr. Neil):

That they cease and desist fuelling the fires of western alienation with ill-conceived, provocative statements and be asked to table in the House public opinion polls commissioned by this government dealing with the perception of federal-provincial postures and attitudes by the people of western Canada.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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AWARDS AND DECORATIONS

SUGGESTED "AWARD" FOR CANADIANS WHO PAY NO INCOME TAX—MOTION UNDER S.O. 43

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, I rise under the provisions of Standing Order 43. In light of the release of Statistics Canada's analysis of income tax in 1978, revealing that 2,316 Canadians earning more than $50,000 paid no income tax, and of these 96 earned more than $200,000, a fourfold increase since 1977, and in light of the statement of the President of the Treasury Board (Mr. Johnston) that "middle and upper income groups in this country are bearing a disproportionate amount of the tax burden", I move, seconded by the hon. member for Oshawa (Mr. Broadbent):

That this House honour those middle and upper income Canadians who have successfully avoided the payment of any tax by bestowing upon them a "Golden Loophole Award"; that those who apologize for this systematic avoidance be made honorary members of the "Golden Loophole Club"; and that the President of the Treasury Board be made the honorary chairman of the "Golden Loophole Club".

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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INQUIRY OF THE MINISTRY

NEW YORK LUNCHEON OF PRIME MINISTER—MOTION UNDER S.O. 43

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, under the provisions of Standing Order 43, I rise on what I know the Prime Minister will consider a matter of urgent and pressing necessity. Given the fact that the Prime Minister (Mr. Trudeau) is ramming through his constitutional package to suit his own personal timetable and that he used closure in order to make a luncheon date in New York, I move, seconded by the hon. member for Edmonton-Strathcona (Mr. Kilgour):

That the Prime Minister do forthwith report to this House on what must have been a luncheon of most urgent and pressing necessity.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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THE BUDGET

INCOME TAX—POSSIBLE ELIMINATION OF INDEXATION OF PERSONAL EXEMPTIONS—MOTION UNDER S.O. 43

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, the urgent and pressing nature of my motion under Standing Order 43 arises because of the introduction tomorrow evening of the budget and, therefore, I hope it will have the unanimous consent of this House.

As it is widely reported that the budget will be eliminating indexation as far as it affects the calculation of personal income taxes, and as this will hurt low income Canadians in

particular, I move, seconded by the hon. member for Kingston and the Islands (Miss MacDonald):

That this House expresses its firm opposition to any such proposal and to any tampering, meddling, tinkering or fiddling with the indexation provisions as they affect personal income tax.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1415)

THE LATE HON. JUDY V. LaMARSH

EXPRESSION OF SYMPATHY TO FRIENDS AND RELATIVES

Madam Speaker: Order, please. It is with grief that we have heard of the death of the Hon. Judy LaMarsh, Privy Councillor and a former member of this House.

I am sure that all hon. members will want me to express publicly our sympathy to her friends and relatives.

ORAL QUESTION PERIOD

[*English*]

THE BUDGET

INQUIRY WHETHER SECRET CONSULTATIONS HELD WITH NEW DEMOCRATIC PARTY

Mr. Harvie Andre (Calgary Centre): Madam Speaker, my question is directed to the Minister of Finance. Last Friday the hon. member for Winnipeg North Centre asked the Minister of Finance whether a story in Friday's *The Globe and Mail* by Jeff Carruthers resulted from a budget leak and expressed concern that such a leak could, and I quote "have repercussions on the stock market".

Careful reading of the article shows the hon. member's real concern since it reveals that secret consultations were held between the NDP and the government regarding the budget.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Broadbent: You are really getting desperate!

Mr. Andre: It seems that the NDP are prepared to accept Mr. Carruthers' article, at least partially.

Can the Minister of Finance indicate to the House that this new organic understanding has reached the point where there are these discussions or consultations with their new partners, albeit surreptitiously, not only on the constitution but also on the budget?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, there was a time when I used to conduct secret consultations with members of the New Democratic Party, but I have not done that in connection with the budget. I rather regret those exchanges which were so beneficial for Parliament.

Mr. Broadbent: That was when you were progressive—six years ago.

Mr. Andre: Madam Speaker, a supplementary question. On Friday the Minister of Finance refused to categorically deny that there has been a budget leak when the subject was broached to him by the hon. member for Winnipeg North Centre. It was a very serious accusation. I do not know now if the minister has made a categorical denial or not that there had been discussions with the New Democratic Party. We certainly know that there have been some secret discussions on some very important national questions. Would he here and now categorically deny that there has been any leak or that there have been discussions with the New Democratic Party on questions of a budgetary nature?

Mr. MacEachen: Madam Speaker, I have no hesitation in categorically denying that there have been discussions with the New Democratic Party or with any other group with respect to the contents of the budget, except the normal representations that are made by interested groups prior to the budget.

Some hon. Members: Oh, oh!

Mr. MacEachen: I have had no representation, except by way of radio, from the New Democratic Party as to what they would like to see in the budget.

Mr. Broadbent: It is pretty secret.

Mr. MacEachen: With respect to the alleged budget leak, it seems to me, Madam Speaker, that it is premature to characterize any statement as a leak until we see the budget. The day following the presentation of the budget the hon. member may wish to complain about the article in question or maybe he will not, but that opportunity will be available to him.

Mr. Andre: Madam Speaker, while accepting the minister's word that he has not had these secret consultations, I would point out that he does need to have consultation in order to learn that the New Democratic Party is opposed to indexing and is in favour of de-indexing the income tax system.

Some hon. Members: Oh, oh!

Mr. Andre: Does this new concurrence with the New Democratic Party mean that the minister feels that, with the support of the New Democratic Party, he now has the necessary support to go ahead with this Draconian measure which is most unfair, immoral and improper?

Mr. MacEachen: Madam Speaker, I believe I will have support for the budget, enough to carry it through the House without the support of the New Democratic Party.

INQUIRY RESPECTING OIL PRICING ARRANGEMENT

Mr. Doug Neil (Moose Jaw): Madam Speaker, my question is also directed to the Minister of Finance. In an August 2 story in the now defunct *Ottawa Journal*, the Minister of Finance said that a budget is virtually impossible without an oil pricing agreement. In this story the minister said he could not make up a budget without knowing how much money will be coming into the federal coffers, and that without a firm agreement on pricing he cannot be certain about federal income.

Given that no such agreement has been reached, can the minister tell the House what pricing arrangement will be incorporated in the minister's budget tomorrow night?

● (1420)

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Not yet, Madam Speaker.

Mr. Neil: Madam Speaker, the Saskatchewan Power Corporation is presently involved in a lawsuit with TransCanada PipeLines in the Supreme Court of Canada in which the constitutionality of the Petroleum Administration Act is in question. Will the Minister of Finance give us his undertaking that this government will not use the Petroleum Administration Act to impose an oil pricing regime while the question of its legality is subjudice?

Mr. MacEachen: Madam Speaker, I will give the hon. member's representation careful consideration.

* * *

INDUSTRY

PROPOSED DEVELOPMENT STRATEGY—GOVERNMENT POSITION

Mr. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the hard-working Minister of Industry, Trade and Commerce, who I see is busy at his correspondence. During the campaign of recent vintage, the minister promised that the establishment of an industrial strategy would be the top economic priority of the government, no doubt a promise made just after a Goldfarb poll came in. The minister himself placed before the cabinet last summer a 71-page confidential economic strategy document, a copy of which I have here.

Mr. Nielsen: More consultations.

Mr. Andre: You are on the mailing list.

Mr. Broadbent: Considering recent statements by the Minister of State for Economic Development, who resides in the other place, have made it clear that he wants to do everything possible to emasculate an industrial strategy, would the minister tell the House whether his program has been approved yet by cabinet or whether, in contrast, the appointed senator in the other place who serves as economic development minister has won the support of cabinet?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, my efforts are making very good progress in terms of cabinet consideration. I think the hon. member will see the results of this work reflected in government announcements over the coming months, and the Minister of State for Economic Development will now be happy to confirm that what he actually said in his speech is in fact quite in tune with and complementary to the efforts which I am undertaking.

Mr. Broadbent: Madam Speaker, I just happen to have with me a copy of what the senator said in the other place. The senator in the other place when he was speaking to a business group said the following:

> You make the major decisions . . . when the government formulates policy it is to support your enterprises.

That statement comes from the minister in the other place. The minister to whom I put the question is on record as saying that what the government needs is imaginative government leadership, a dynamic new approach promoting industrial development, led by the government. My question to the minister is simply this: I want to know whether the government is wedded to the traditional passive approach, where the government will follow the private sector, or whether it is going to adopt what the minister says is necessary, and that is a government led industrial strategy which has worked so well in other industrial countries? The government cannot have it both ways.

Mr. Gray: Madam Speaker, this government's Speech from the Throne which opened this session of Parliament spoke of this government's efforts in the area of—and I think I can recall the exact words—a vigorous industrial policy. This is this government's commitment and this will be its achievement.

Some hon. Members: Hear, hear!

Mr. Broadbent: Madam Speaker, the government is currently running a $17 billion deficit. It has a growth record which is the worst in 26 years. There are more than one million Canadians unemployed. The obvious requirement is a vigorous industrial strategy led by the government. Will the minister assure us this much at least: if he does not get what he promised the people of Canada in the election, he will promise once again to submit his resignation?

Mr. Gray: Madam Speaker, I will promise this: in the next election the NDP in my area and across the country will get an even sounder thrashing than it did in the last one as a result of the public belief that our efforts, our potential and our reality of achievement will be far greater than that of the NDP or any opposition party.

Some hon. Members: Hear, hear!

THE CONSTITUTION

PROPOSED RESOLUTION—REFERENCE TO PROVINCIAL COURTS OF APPEAL

Mr. David Kilgour (Edmonton-Strathcona): My question is addressed to the Minister of Justice, Madam Speaker. The constitutional package of the Prime Minister and the Minister of Justice has united the leaders of the Yes and No forces in Quebec. The Premier of Quebec, along with two other provinces, is taking the package to their courts of appeal. Will the Minister of Justice tell us whether he is prepared to wait until after these courts of appeal have decided the question? If not, and if he still considers it to be a political rather than a justice or legal matter, will he tell us in what other country of the world does a so-called justice minister consider that a matter before the courts is not a legal question?

● (1425)

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, if the Parliament of Canada were to stop because any matter is before the court, we would not be able to operate. We stated a long time ago that this is a matter to be debated in the House of Commons and will be voted on in the House of Commons, and properly so. If the provinces or any citizen of Canada wants to go before the courts, we have a complete separation of the powers of legislation and the judiciary in Canada.

[*Translation*]

STATEMENT OF MR. RYAN—INQUIRY WHETHER PRIME MINISTER WILL CHANGE MIND

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, I should like to put a supplementary to the Prime Minister.

According to *Le Devoir* the leader of the Quebec Liberal party said during the weekend about his constitutional project that it was:

—unrealistic, unacceptable, senseless and a threat to the balance of Canadian federalism.

In view of that and since he is the leader of the Liberal party in Quebec, could the Prime Minister tell us whether he will continue to react as he has up to now or whether he will perhaps change his views on the constitutional future of our country?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I do not know whether Mr. Ryan will change his opinions; I have no way of knowing. I think he is entitled to his own opinions and perhaps he will continue to uphold them.

[*English*]

PRESENTATION OF ADDRESS—INQUIRY WHETHER LEGAL OPINION OBTAINED

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I have a question to direct to the government House leader with respect to matters raised with him last Friday. At page 4057 of *Hansard,* he indicated that we are dealing with a resolution respecting constitutional revision in an indirect way. Can the government House leader tell us whether he has an opinion from either the Department of Justice or the parliamentary counsel as to whether the Speakers of both Houses can properly sign on behalf of Parliament a resolution of address when Parliament will never have dealt directly with such an address? Can he inform us whether he has had an opinion from either of those sources?

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, if Parliament, that is the House of Commons and the Senate, were to adopt a joint address to the British parliament, if our two Houses were to send this request, I am convinced that the British parliament in London would have no alternative but to give it consideration.

[*English*]

Mr. Baker (Nepean-Carleton): Madam Speaker, I do not doubt for one moment the government House leader's conviction with respect to the law. I am specifically asking whether he has obtained an opinion from the Department of Justice or from the parliamentary counsel with respect to that. If he has not obtained an opinion, will he tell us that that is the case. If he has obtained an opinion, is he prepared to table it? In particular, if he has not, is he prepared to put the question in writing to the parliamentary counsel and table his reply in Parliament?

[*Translation*]

Mr. Pinard: Madam Speaker, our mission is to govern this country and we are doing so in accordance with our parliamentary procedure, pursuant to our Standing Orders, and we believe that what we are doing is perfectly in compliance with our Standing Orders. If my learned colleague has definite objections to raise, I will be pleased to look into them and, if necessary, submit them to legal advisers. It happens often that, while administering our procedures, we consult our officials, but we never table the opinions which we may receive on this or that issue under consideration.

As far as the current issue is concerned, we have no indication of any irregularities in the process.

[*English*]

Mr. Baker (Nepean-Carleton): Madam Speaker, my hon. friend has given a somewhat convoluted answer and he has not answered the question whether he has an opinion, not from the Department of Justice, I put it to him specifically, but the parliamentary counsel as to the propriety of the way in which the government is proceeding. His answer, I think, is that he has not, but he is convinced that he is right.

● (1430)

Is the President of the Privy Council prepared, as government House leader in the House of Commons, to assure us as to the correctness of the opinion and to put the question in

writing to the parliamentary counsel, so that that issue can be laid to rest, given the fact that the Speakers of both Houses will have to sign what the government will see as an address but which, if it is not the form of an address, will not be an address to Her Majesty the Queen? This is a very fundamental question as to the appropriate process. Would he obtain this opinion?

[*Translation*]

Mr. Pinard: Madam Speaker, as I have said, I am certain that we are proceeding in the proper way. If the hon. member has a major objection to defend, then I invite him to put it forward and we will ascertain it.

But I want to say that in this instance, as in others, we are proceeding according to the advice we have received, and that it is not our custom, every time a bill or a motion is being considered, to table all the advice given to us by our experts, whether in legal matters or in parliamentary procedure.

I therefore remind the hon. member that we are considering a proposed resolution which has been refered to a committee which is being set up. After the Senate has completed its examination, that is by December 9, the committee will report back. After December 9, the House will consider the committee report.

I repeat what I told his party leader on Friday afternoon, namely that during this third phase, the House will have the opportunity, indirectly, to propose amendments by suggesting that the report be sent back to committee. I therefore simply repeat what I told his party leader based on citation 663 of Beauchesne's Parliamentary Rules and Forms, fifth edition, as well as on a quotation from the *Journals* of December 1, 1964, pages 941 to 947.

* * *

[*English*]

CANADA DEVELOPMENT CORPORATION

INQUIRY RESPECTING MEASURES TO FULFIL COMMITMENT

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I have a question which I should like to put to the Minister of Industry, Trade and Commerce. The minister, I am sure, has committed to memory the statement made by his leader on February 13, 1980, when he said:

> The Canada Development Corporation, for example, should be revitalized and play in the manufacturing sectors the more positive role that Petro-Canada has played in resources.

Since that time we have seen public participation in the CDC go down from 64 per cent to under 50 per cent; we see that CDC has close to 83 per cent of all its capital invested in the resource industries and only 10 per cent in manufacturing; and we hear from the government economic minister in the other place some views which would seem to indicate, in spite of the minister's protestations, that there is likely to be a swing even further toward the private sector.

What kinds of measures does the minister propose to place before the House that will fulfil the commitment made by the Prime Minister to the people of Canada in February of this year?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, the Minister of Finance and I are currently actively working on proposals which would lead to the carrying out of that commitment. I think that before too long we will see some initiatives which will go a long way toward the objective of vigorous manufacturing activity that my hon. friend has mentioned. However, there is obviously a difference between my hon. friend and his party and those on this side, because we continue to believe that while there has to be vigorous government leadership in industrial policy, there is at the same time, a very important role for private initiative and for the private marketplace.

Mr. Deans: Madam Speaker, I have a supplementary question for the minister. The minister, of course, did not answer my question.

An hon. Member: What a pinko!

Mr. Deans: However, given that it is even more difficult today to redress the problem of trying to have a handle on developing industries which want to use the CDC, let me ask the minister a question in relationship to that and to the problems of Canadian development. How would the minister propose to meet another objective stated by his leader in the same speech in February—he was speaking on behalf of the government—when he indicated he would want to expand and strengthen FIRA not weaken it, not weaken FIRA's mandate but broaden it? When can we expect to see some activity on the part of the minister and the government which would put an end to the almost carte blanche approval of applications before FIRA by foreign corporations to take over Canadian operations in Canada?

An hon. Member: Just before the next election.

Mr. Gray: Madam Speaker, where the government, in applying the Foreign Investment Review Act, accepts applications for takeovers, I want to tell my hon. friend and this House that the obligation with respect to significant benefits to Canada is very carefully pursued and ensured. The commitments with respect to FIRA are set out in the throne speech and work is well advanced within the government with a view to having these commitments carried out. I look forward to the enthusiastic support of my hon. friends when these proposals come before the House.

DISARMAMENT

SALT II TREATY—INQUIRY RESPECTING DELAY IN RATIFICATION

Mr. Chas. L. Caccia (Davenport): Madam Speaker, my question is addressed to the Secretary of State for External Affairs and it stems from the fact that this is the beginning of disarmament week in Canada. My question has to do with the strategic arms limitation treaty, commonly known as SALT II, which was signed by President Carter in June of last year but has not yet been ratified by the U.S. Congress. I should like to ask the minister whether he has made recommendations to his counterpart in the U.S. in order to register Canada's concern about the delay on the part of the U.S. Congress to ratify this document and, if not, does the minister intend to raise this matter with the new administration before the end of this year?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, I have discussed this matter from time to time with U.S. officials but I have not made any recent representations, nor has the government, to the U.S. government in this respect for two reasons. First of all, our position in support of SALT II is already well known; second, the support of the U.S. administration for SALT II is already well known and they are pledged to implement it as soon as they believe conditions warrant. However, I expect that I will probably be discussing the matter with the new U.S. administration, of whatever party, when that administration takes office.

* * *

GOVERNMENT ADVERTISING

MEMO RESPECTING ENERGY POLICY

Mr. Otto Jelinek (Halton): Madam Speaker, my question is directed to the Minister of State for Multiculturalism. The minister heard my motion earlier in the question period regarding a document marked "for the minister's eyes only" from his communications co-ordinator, Mr. Mack Erb, regarding changes in the government's energy policies based solely on polls and partisan politics. I should like to ask the minister, first, whether he received such a memo; second, has he read it; and third, what recommendations, if any, has he made to cabinet in this regard?

Hon. Jim Fleming (Minister of State, Multiculturalism): Madam Speaker, I am not aware of that memo. I would appreciate it if he would like to send me a copy of it. I am not sure of the context because I did not hear the whole of his motion under Standing Order 43.

Mr. Jelinek: Madam Speaker, I would be glad to pass the memo to him which was marked for his eyes only.

Some hon. Members: Oh, oh!

Mr. Jelinek: To jog his memory, Madam Speaker, I should like to quote another part of this very political document which was clearly prepared as a result of further costly government polls and questionnaires. It reads:

If the export tax could be dropped from the energy package by forgetting the western package for one year, it would be damn good politics.

I want to ask the minister how far he will allow partisan politics and advertising to proceed in an effort to distort and politicize the nation's energy policy, a policy which requires a truthful and honest approach. In other words, when will he stop exercising this partisan rip-off on the unsuspecting taxpayer?

Mr. Fleming: Madam Speaker, I honestly do not believe I have seen such a memo, so I would appreciate—

Some hon. Members: Oh, oh!

Mr. Fleming: Hon. members laugh; that is fine. I do not know but perhaps there are inventors on that side of the House. Perhaps in paper which has crossed my desk such a memo has come forward, but I do not recall it. I do not recall seeing it. I am trying to speak the truth in answer to the question. I reject any charge which says that the government has used any moneys to unfairly advertise any policy.

Some hon. Members: Oh, oh!

Mr. Fleming: I have done my best to ensure that that does not take place. I must say that I do not recall any material coming to my attention that has attempted to do that.

* * *

● (1440)

GOVERNMENT EXPENDITURES

PROPOSED TARGET FOR 1980-81

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my question is for the President of the Treasury Board. As we are now six months and more into the current fiscal year 1980-81, would the President of the Treasury Board indicate whether our total outlay expenditure level is right on target? Can he assure the House that expenditures this year will not exceed $58.4 billion, which is approximately a 10 per cent growth over last year?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I suggest the hon. member for York-Peel await the statement of the Minister of Finance on the fiscal framework.

Mr. Stevens: Madam Speaker, the President of the Treasury Board has indicated once again who actually controls expenditures in this government, namely, nobody other than the Minister of Finance.

My supplementary question concerns the number of active employees now subject to the Public Service Staff Relations Act. As that number has climbed to over 300,000—300,015 as of August according to his own figures—compared with 292,-

684 last April, would the President of the Treasury Board indicate whether this 7,000 escalation in the numbers is just a temporary increase, bearing in mind that up to last April when he took office there had been a steady decline in the number totally employed from June, 1979?

Mr. Johnston: Madam Speaker, I am sure the House would be interested to know that as a courtesy to the hon. member for York-Peel I have forwarded him monthly the information he has requested, and my covering correspondence indicates that to be used properly, the variables contributing to reported changes including any pertinent footnotes provided should be taken into account. I think he has ignored the caveat I have sent along with these reports.

However, I would like to point out, since the hon. member has raised the question, that indeed there has been an annual increase—we always look to annual increases—of approximately 1,026 permanent employees from August 31, 1979, through July 31, 1980. I assure the hon. member that I am looking into the reason for this extremely modest increase, but I suspect it is because in certain areas it is necessary for us to provide better service to the public.

* * *

THE BUDGET

INCOME TAX—REQUEST FOR DENIAL OF INTENTION TO DE-INDEX PERSONAL EXEMPTIONS

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, my question is addressed to the Minister of Finance and has to do with the continuing speculation that he will de-index personal income taxes in his budget, speculation which his replies earlier today continued to fuel.

Since he has not refuted this speculation and since he knows very well that de-indexing will place the heaviest burden on lower and middle-income earners and on women and single parents, will the minister take this opportunity straight-forwardly—even though it would be an eleventh hour conversion for him—to deny that he intends to go ahead with this punitive measure against Canadian taxpayers?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I think it would be unwise at this stage to begin to divulge piece by piece what is to be in the budget or not in the budget. Therefore I suggest to the hon. member that the full and comprehensive picture will be revealed tomorrow night, and I look forward to her applause at the conclusion of my statement.

Miss MacDonald: Madam Speaker, ministers in this House would get applause if they would only answer a question now and then. The government's plan to de-index taxes has been criticized, as the minister knows, by the Canadian Federation of Independent Business, by the Canadian Labour Congress, by the Auditor General, by members in this party, and I presume even by some hon. members on the minister's own back benches. Will the minister listen and pay heed to these representations before it is too late?

Mr. MacEachen: Madam Speaker, I have listened to the views which have been expressed by hon. members opposite in the House on the question of de-indexing, the somewhat contrary views which I believe have been expressed by the New Democratic Party as well as the views expressed by widely ranging groups in the country. I have listened to all the representations and the decision will be announced tomorrow night.

* * *

PUBLIC WORKS

NEWCASTLE, N.B.—PROPOSED CONSTRUCTION OF PENITENTIARY

Mr. Sid Parker (Kootenay East-Revelstoke): Madam Speaker, my question is for the Solicitor General. On Saturday I was in the city of Newcastle, New Brunswick, and was horrified to learn that the residents of this community have been waiting for several years for work to begin on a new penitentiary. During the past two election campaigns there have been two sod turnings in this area, but so far no work has actually begun.

In light of the fact that 2,500 residents recently turned out at a day of survival in Newcastle, can the minister assure this House that work is going to start on this penitentiary immediately and that the town will not have to wait for the next election before any more dirt is dug?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I am very pleased to inform the House that the plans for this penitentiary are still with us. There still is an intention to proceed, but there never was any firm start-up date which has been passed; the start-up date lies in the future. The commitment we have made is that that institution will be built when the inmate population proceeds to a point where it is justified.

Mr. Parker: Madam Speaker, my supplementary question is also for the Solicitor General. If, as the minister has apparently indicated, plans are not yet definite as to when construction will proceed, can the minister indicate why his backbencher, the hon. member for Northumberland-Miramichi, has promised this facility in no uncertain terms as being *a fait accompli* and why there have already been two sod-turning ceremonies as a part of that hon. member's past election campaign?

Mr. Kaplan: Madam Speaker, I have been in close touch with that hon. member and the statements he has made have been well justified by government policy.

INDUSTRY

INQUIRY WHETHER STEPS TAKEN TO IMPROVE PRODUCTIVITY

Hon. George Hees (Northumberland): Madam Speaker, I have a question for the Minister of Industry, Trade and Commerce. As industrial productivity, which as the minister knows is production per man per hour, has increased by an average of 3.8 per cent a year ever since the end of the Second World War, and as the minister's own department now is forecasting that this year industrial productivity will decrease by nearly 2 per cent—that is the main reason why costs and selling prices have increased so much this year, which have made it more difficult for our products to sell and caused the slide further into our present recession—would the minister advise the House what steps he and his department are taking to improve productivity and stop this very serious situation from further worsening in this country?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, improved productivity involves a co-operative effort between business and labour as well as both levels of government. We are working to have improved consultative measures in place as well as to have in place new or updated programs under my department and others to help provide the necessary assistance to enable plant and equipment to be renewed and upgraded so as to bring about the kind of productivity improvement which I am glad my hon. friend agrees has to be in place in this country.

Mr. Hees: Madam Speaker, the minister has given a very general answer which really does not answer the question at all. Have he and his officials considered introducing productivity incentives to be paid in direct proportion to increases in productivity and in this way give industry a real and positive incentive to increase productivity and get done what has to be done in the shortest possible space of time?

Mr. Gray: Madam Speaker, we have been reviewing actively a range of possible initiatives, including some of the kind my hon. friend has talked about. However, for definite decisions and announcements I hope my hon. friend will be close at hand so that as the months go by he will find himself satisfied with the announcements and achievements which will ensue.

* * *

● (1450)

ADMINISTRATION OF JUSTICE

INQUIRY RESPECTING HEAVIER PENALTIES FOR ILLEGAL POSSESSION OF DRUGS

Mr. Peter Lang (Kitchener): Madam Speaker, my question is for the Minister of Justice. In view of the fact that an inquest into the death of a Toronto woman because of a drug overdose revealed that tighter control of dangerous drugs is necessary, and that one of the recommendations of the jury in the inquest was that penalties for obtaining a prescription for narcotic drugs from more than one physician at the same time be changed to an indictable offence from its current status as a summary conviction, can the minister assure the House that changes to the Food and Drugs Act and the Narcotic Control Act will be made to make it more difficult to obtain dangerous drugs and to provide stiffer penalties for those obtaining these drugs illegally?

[*Translation*]

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, I take note of the hon. member's recommendation. When revising the act we shall heed his representations.

* * *

[*English*]

THE BUDGET

INQUIRY AS TO POSSIBLE TAX-FREE BENEFITS TO WORKERS IN NORTHERN AREAS

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, my question is directed to the Minister of Finance. As he is aware, it has been the practice of the government with large corporations operating in the northern parts of the provinces and the territories to give incentives and benefits to their employees to attract them to work in these isolated areas. Also there is no provision in the Income Tax Act to allow for these benefits to be earned without being subject to income tax. Can the minister enlighten us today as to whether it is his intention tomorrow night to make reference to this matter in the budget? Is it his intention to bring in a bill which would make the necessary provision in the Income Tax Act to allow for these benefits to be earned by northerners without having to pay tax on them?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I understand the basis of the hon. member's representations, but at this point it is not possible to indicate what will be in the budget statement; otherwise I will be accused of leaking the budget.

Mr. Oberle: Madam Speaker, it would really require a bill. I ask the minister whether it is the intention of the government to introduce such a bill. Would he at least have the decency to commit himself today to saying that the remission order, in place as a result of the May election, will be extended past this tax year so that the anxiety and fear experienced by northerners in respect of this matter can be allayed; and furthermore, that the government will not profit from the high cost of living to which northerners are subjected as a result of geography and isolation?

Mr. MacEachen: Madam Speaker, if the hon. member and I are thinking of the same provision that was made with respect to northern allowances—

Mr. Nielsen: Only until April.

Mr. MacEachen: —I can tell him that it has been announced or it is the intention of the Minister of National Revenue to announce that these remissions will be extended for another year.

* * *

PENSIONS

ALLEGED REINTRODUCTION OF MEANS TEST

Mr. Jim Hawkes (Calgary West): Madam Speaker, I have a question for the Minister of Finance. It is becoming increasingly clear that the government, with the assistance of the New Democratic Party, is determined to bring back into Canada's social policy increased use of the means test. We may remember that the means test is a system whereby people like senior citizens who would like to receive government benefits, pensions and bus passes—

Mr. Chrétien: Order.

Some hon. Members: Question.

Mr. Hawkes: —have to prove economic need. Could the minister provide the House—I suspect it might be a fiscal measure—with an estimate of how much money he intends to save in the next decade out of the pockets of senior citizens by bringing back increased use of the means test?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I am surprised by the hon. member's allegation that it is our intention to bring in the means test to deprive senior citizens of current benefits. Our policy is the exact reverse, that we have applied an income test program through the guaranteed income supplement. We have increased that supplement just recently, so there is absolutely no foundation for the suggestion that we are proposing to reintroduce any form of means test which we were successful in abolishing in our social programs.

Some hon. Members: Hear, hear!

Mr. Hawkes: Madam Speaker, I guess we all have surprises from time to time. I felt the cabinet had reviewed the Constitution Act, 1980, before presenting it before the House. I think the minister might recall the details of sections 15(1) and (2) which indicate that we cannot discriminate on the basis of age, and there is an exception in the case of disadvantaged people. If the minister checks with any university professor in the business of teaching social policy—

Some hon. Members: Order, order!

Mr. Hawkes: Madam Speaker, I must give some background.

Some hon. Members: Oh, oh!

Mr. Hawkes: —I think he will find that the most logical legal ruling will be that they have to provide benefits to senior citizens on the basis of a means test. Will the minister undertake to look over the situation and at some time in the next week or two provide us with an estimate of how many dollars he intends to save out of the pockets of senior citizens because of putting the Constitution Act, 1980, through closure and through the House?

Mr. MacEachen: Madam Speaker, I refuse to provide such an estimate because no such estimate will exist or is intended to exist.

* * *

TELEVISION

PROPOSED SPEECH OF PRIME MINISTER IN SASKATCHEWAN—INQUIRY AS TO COST

Mr. Len Gustafson (Assiniboia): Madam Speaker, I have a question for the Minister of State for Multiculturalism, and also for information and publicity. Given the fact that television time is being bought in Saskatchewan for the Prime Minister's speech apparently on Wednesday, which is the day following the budget, I wonder if the minister will tell the House who is paying for this advertising that apparently is designed to deal with the very, very delicate climate of politics in Saskatchewan now? Who is paying for this? Is it the public, the Liberal party or the government?

Hon. Jim Fleming (Minister of State, Multiculturalism): Madam Speaker, if I may, I think in all fairness I must say, because there are rules of the House, and not with any incipient pomposity on my part, that I will only answer future questions which are directed to me in my responsibility as Minister of State for Multiculturalism, which is my title.

The answer to the question is that I have no knowledge of any public funds being used to purchase such a program.

Mr. Gustafson: Madam Speaker, apparently this speech is being advertised over radio and television. Has the minister hired promoters? Apparently somebody is promoting it. Who is paying for it?

Mr. Fleming: Well, I am glad the hon. member is watching television and listening to radio, but I have told him that I have no knowledge of public funds being used and I have no involvement in the purchase of such a program.

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INDUSTRY

DE HAVILLAND CORPORATION—INQUIRY WHETHER HAMILTON-WENTWORTH AREA CONSIDERED FOR PROPOSED EXPANSION

Mr. Stanley Hudecki (Hamilton West): Madam Speaker, my question is directed to the Minister of Industry, Trade and Commerce. Can the minister tell the House if he and the board of directors of the de Havilland Corporation have

seriously considered the appropriateness of the Hamilton-Wentworth area for the proposed expansion of the de Havilland facilities?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, certainly this matter remains under active consideration.

* * *

THE CONSTITUTION

PROPOSED RESOLUTION—POSSIBLE REFERENCE BACK OF JOINT COMMITTEE REPORT

Hon. Erik Nielsen (Yukon): Madam Speaker, I have a brief supplementary question to that put by the hon. member for Nepean-Carleton to the government House leader respecting the process being followed in the constitutional matter. Since all phases of the committee reference and report must be passed by both Houses, can the government House leader tell the House how motions to refer parts of the committee report back to the committee would be reconciled with the proceedings of the other place? Could he tell us if he has considered what the status of the report might be if one House referred the report back to committee and the other House took no action; that is, given the possiblity of referral back to a committee which goes out of existence as soon as its report is presented.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): There are many ifs in my hon. colleague's question, Madam Speaker, and instead of speculating and answering purely hypothetical questions, I think we would be much better advised to wait until we know the exact content of the report of the joint committee of the House of Commons and the Senate. We shall then be able together to cross the bridge when we get to the river.

* * *

● (1500)

[*English*]

PETITIONS

NATURAL GAS AND HYDROELECTRIC POWER

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table the report of the Clerk of Petitions stating that he has examined the petitions presented by hon. members on Friday, October 24, 1980, and finds that they meet the requirements of the Standing Orders as to form.

PRIVILEGE

MR. DIONNE (NORTHUMBERLAND-MIRAMICHI)—STATEMENTS MADE BY MR. PARKER

Mr. Maurice A. Dionne (Northumberland-Miramichi): Madam Speaker, I rise on a question of privilege. Sometimes the role of a member of Parliament is difficult and we all appreciate assistance when we can get it, and I appreciate the assistance offered during the question period by the hon. member for Kootenay East-Revelstoke (Mr. Parker). But it would have been much more helpful if the hon. member, before he started his grandstanding act, had gotten his facts straight. Every statement of substance he made in putting his questions to the Solicitor General (Mr. Kaplan) was substantially wrong, and therefore he is misleading the House—inadvertently I hope.

Madam Speaker: I do not think I see a question of privilege here. Rather, it is debate. It was my duty to listen to the hon. member but I quite quickly ascertained that it was not a question of privilege.

MR. PARKER—QUESTION DIRECTED TO SOLICITOR GENERAL

Mr. Sid Parker (Kootenay East-Revelstoke): Madam Speaker, I rise on a question of privilege. I stated that I was in Newcastle on such and such a date and we met with members of the town council, who were so concerned about the fact that these commitments were made. I reported and asked a question of the Solicitor General on that matter. They were so concerned they had a Day of Survival in that community.

Madam Speaker: Order, please. I think the hon. member did make that point in the course of the question period. It is now obvious that his question of privilege is not a question of privilege, but a continuation of the debate. However, he made his point.

MR. MALONE—PROCEEDINGS RESPECTING S.O. 43 MOTIONS

Mr. Arnold Malone (Crowfoot): Madam Speaker, I would like to raise a question of privilege in order to bring to your attention one of the procedures of the House which you might take into consideration, respecting the numbers of people who were able to present motions under Standing Order 43 today. At 2.15 today there were two members of the Progressive Conservative Party trying to present a motion under Standing Order 43, and a member from the New Democratic Party.

I understand that when 2.15 is reached Your Honour has no alternative but to proceed to the oral question period. However, my concern lies with the fact that following prayers and the establishment of a quorum in the House there always appears to me to be a two, three or four-minute delay—not usually four, but very often two or three—before we start with the proceedings under Standing Order 43. I feel that today my privilege was somewhat abused because I wanted to present a motion under the Standing Order which could only be put this day, as it was a representation regarding capital gains tax and

which it was important to make before the budget presentation tomorrow. Because it would affect farmers and small business people, I wanted to present that motion today. But I rise on a question of privilege simply to make representation that immediately a quorum is established in the House we should then call Standing Order 43 so that the maximum number of members can be heard on whatever motions they wish to present.

Madam Speaker: I appreciate the hon. member's remarks. Today there were five members from the Conservative party who were able to present motions under Standing Order 43. Some days there is the possibility of having a few more members present motions, but this depends on the length of those motions. I usually start very close to 2.05 p.m. with motions under Standing Order 43, and the hon. member knows that our Standing Orders require me to begin question period at 2.15 sharp, which I usually do. Sometimes I go a little beyond 2.15 if a member has risen a few minutes beforehand, and let him continue. But I do have to cut the motions off at 2.15.

I am sorry the hon. member could not get his motion in today, and I hope he will be luckier another day.

MR. TAYLOR—PROCEEDINGS RESPECTING S.O. 43 MOTIONS

Mr. Gordon Taylor (Bow River): Madam Speaker, I rise on a question of privilege. I was in a similar position to that of the hon. member for Crowfoot (Mr. Malone) and noticed it was 2.08 before the motions under Standing Order 43 started today.

Madam Speaker: There is no doubt that I have to wait until the House has settled down, as the hon. member will appreciate. If members came in a little earlier and settled down, we could get started. I cannot start the proceedings under Standing Order 43 when I feel the House is too noisy, and this also applies to the galleries. We have to wait until there is a reasonable working atmosphere—if I can call it that—before starting. I agree with you, I did start a little later today, but it was not because I wanted to cut members off. It was just that the circumstances did not allow me to begin earlier. We shall try to start on the dot from now on, if members will co-operate, as I am sure they will.

Some hon. Members: Hear, hear!

ROUTINE PROCEEDINGS

[*English*]

STATISTICS ACT

MEASURE TO AMEND

Mr. Bob Wenman (Fraser Valley West) moved for leave to introduce Bill C-617, to amend the Statistics Act.

He said: Madam Speaker, I am aware that the introduction is probably both the beginning and the end of this bill because of the procedural gags which are placed on private members' initiatives. Nonetheless, in the struggle to create a more open government which recognizes that public information does, indeed, belong to the public, it is also important to limit public information gathering which employs compulsive, coercive or misleading methods in acquiring that information from private citizens.

The federal government today has at its disposal the means to acquire information from its citizens in a manner that is not at all compatible with the spirit of a free and democratic society. Statistics Canada surveys have come under attack from people all across the country, for very good reasons—they constitute a blatant and legalized invasion of privacy, legal, because an individual can be fined up to $500, imprisonment for three months, or both, for refusing to answer all detailed and personal questions demanded by Statistics Canada surveys. My bill seeks to overcome this shortcoming. An amendment to the Statistics Canada Act would remove the penalty for refusing to answer all but the most fundamental questions pertaining to the household itself. With this change we can take the first steps away from government's Big Brother image by slowing the headlong rush into the dehumanizing world of information banks now being established.

Madam Speaker: Is it the pleasure of the House that the hon. member shall have leave to introduce the bill?

Some hon. Members: Agreed.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 508 to 519 inclusive, 1,287, 1,319 and 1,446.

[*Text*]

STATUS INDIANS—USE OF MEDICAL SERVICES

Questions Nos. 508 to 519 incl.—**Mr. Orlikow:**

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the total number of status Indians using medical services as compared with the rest of the population in the province of Manitoba?

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the total number of status Indians using medical services as compared with the rest of the population in the province of British Columbia?

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the total number of status Indians using medical services as compared with the rest of the population in the province of Alberta?

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the total number of status Indians using medical services as compared with the rest of the population in the Northwest Territories?

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the total number of status Indians using medical services as compared with the rest of the population in the Yukon Territory?

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the total number of status Indians using medical services as compared with the rest of the population in the province of Ontario?

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the total number of status Indians using medical services as compared with the rest of the population in the province of Quebec?

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the total number of status Indians using medical services as compared with the rest of the population in the province of Newfoundland?

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the total number of status Indians using medical services as compared with the rest of the population in the province of New Brunswick?

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the total number of status Indians using medical services as compared with the rest of the population in the province of Nova Scotia?

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the total number of status Indians using medical services as compared with the rest of the population in the province of Saskatchewan?

For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the total number of status Indians using medical services as compared with the rest of the population in the province of Prince Edward Island?

Mr. Doug Frith (Parliamentary Secretary to Minister of National Health and Welfare): Specific information is not available. Total number of status Indians who could potentially use medical services (health care) as compared with the total Canadian population, by provinces and territories follows:

	Canadian **	Registered Indian *
Newfoundland	569,000	0
Prince Edward Island	122,000	509
Nova Scotia	841,000	5,631
New Brunswick	695,000	5,249
Quebec	6,283,000	30,723
Ontario	8,445,000	67,460
Manitoba	1,033,000	44,642
Saskatchewan	948,000	46,275
Alberta	1,952,000	36,150
British Columbia	2,530,000	55,217
North West Territories	44,000	7,649
Yukon	22,000	3,244
Canada	23,484,000	302,749

*Dec. 31, 1978 Source: Department of Indian Affairs and Northern Development, Registered Indian population, 1978.
**Dec. 31, 1978 Source: Statistics Canada, vital statistics, vol III, 1978.

METRIC CONVERSION CANADA

Question No. 1,287—**Mr. Stewart:**

Did Metric Commission Canada distribute green looseleaf binders entitled "Metric Conversion Progress: U.S.A.-Canada Status Report" and, if so (a) how many (b) what was the cost of each binder (c) what is the purpose of the binder (d) what was the total cost including the report?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): In so far as the Metric Commission is concerned: The question is concerned with binders:

1. (a) The U.S.A.-Canada Status Report has been distributed since (1980-09-01) stapled without covers. On 1980-03-18 it was mailed along with a notice that future issues would be in looseleaf forms in a binder. Persons on the mailing list were asked if they wished to receive the binder. 1,036 recipients requested and received binders for their copies.
   (b) Each binder costs $1.41 to produce.
   (c) The purpose of the binder is to reduce the cost of updating the U.S.A.-Canada Status Report by merely replacing only those looseleaf sheets which are out of date with new ones as more up to date information becomes available.
   (d) The 1,036 binders were mailed on 1980-06-09. The cost of producing, packaging and distribution was $5,806.62.

VANCOUVER HARBOURS BOARD—TRAVEL TO JAPAN

Question No. 1,319—**Mr. Robinson (Burnaby):**

1. Did four persons from the Vancouver Harbours Board and the Port Authority travel to Japan in May, 1980, to discuss with a consortium of Japanese ship owners a number of issues surrounding the recent change in ownership of a terminal operation in Vancouver and, if so (a) what are the full details of the transactions that took place (b) what are their names (c) what is their position (d) what is their annual salary (e) what are the names of the persons or companies that they met with (f) what issues were discussed (g) on what dates were meetings held (h) what was the total cost of the trip (i) who or which department paid for the trip (j) who proposed the trip and who authorized it (k) for what reason were four people sent and what were their roles in the discussions?

2. On what date did the Canadian officials (a) leave for (b) return from Japan?

3. Did the Canadian officials submit a report to the minister or to the department and, if so, is the report publicly available?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): The National Harbours Board advises as follows: 1. Yes, four persons from the Port Management and Port Authority travelled to Japan, Hong Kong and San Francisco.

(a) No transactions took place, discussions were held with various interested parties concerning the change in ownership of Empire Stevedoring.

(b) Mr. E. M. Strang
Mr. R. Hubber-Richard
Mr. A. A. Shaw
Mr. M. A. Mulholland

(c) Chief Executive Officer, Vancouver Port Authority
Member, Executive Committee, Vancouver Port Authority
Manager Terminal Operations, Port of Vancouver
Manager Port Trade Development, Port of Vancouver.

(d) 15,000 (honorarium)
4,500 (honorarium)
35,600—44,500
32,100—40,125

Order Paper Questions

(e) In Tokyo: Canadian Embassy, Commercial Section
Japan Shippers Council
CP Rail
Canadian National Railway
Japan Six Lines Terminal Operations Committee
In Hong Kong: Canadian High Commission, Commercial Section
Orient Overseas Container Lines
Mr. C. H. Tung
In San Francisco: Johnson Scanstar
Euro Pacific Lines Hapag Lloyd U.S.
Navigation Pacific
Neptune Orient Lines
Bakke Steamship Corporation agents for Columbus and Knutsen Lines

(f) The issues discussed were primarily to do with the change of ownership of Empire Stevedoring Company, and why more Canadian container cargo was not handled through Vancouver.

(g) Tokyo, May 19 and 20
Hong Kong, May 22, 23 and 25
San Francisco, May 27 and 28

(h) $13,700

(i) National Harbours Board Port of Vancouver.

(j) The general manager of the Port of Vancouver and the chief executive officer of the Port Authority.

(k) The discussions were at the executive level and additionally involved technical matters which required a balanced delegation. The roles of various persons in the discussions are illustrated by their functional positions within the port.

2. (a) Departure May 16.
(b) Return May 28.

3. This report is confidential as it relates to the marketing and operational plans of various companies.

MR. DE MONTIGNY MARCHAND

Question No. 1,446—**Miss MacDonald:**

1. (a) Prior to his appointment as associate under-secretary of state for External Affairs, what position did Mr. de Montigny Marchand hold (b) what was his salary and to whom did he report?

2. During this period, did Mr. de Montigny Marchand live in Europe and, if so, were his expenses paid by the government and what was the total amount?

3. (a) Upon completion of this assignment, did Mr. de Montigny Marchand prepare a report and, if so, to whom did he present the report (b) was the report made public (c) how long is the report?

Hon. Mark MacGuigan (Secretary of State for External Affairs): In so far as the Department of External Affairs is concerned, the reply is as follows:

1. (a) Mr. Marchand was requested to do a study of Canada's relations with France and the Federal Republic of Germany. This study started on May 1, 1979 and was to last for a period of one year.

(b) Mr. Marchand belonged to the SX-4 class, the salary range of which was then $45,000 to $65,500. He reported to the Clerk of the Privy Council.

2. Mr. Marchand lived in Paris, and the government paid his expenses according to the foreign service directives, for a total amount of $50,991.89.

3. Mr. Marchand's mission was cut short by his appointment as associate under-secretary of state for External Affairs on March 25, 1980. He debriefed himself verbally through a series of meetings with senior officials, both federal and provincial, and with representatives of the private sector. Written conclusions of his study are being prepared. It has never been envisaged that these would be made public.

• (1510)

[*English*]

Mr. Collenette: Madam Speaker, I would ask that the remaining questions be allowed to stand.

Madam Speaker: The questions enumerated by the hon. parliamentary secretary have been answered. Shall the remaining questions stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED FAILURE TO SUPPORT FISHING INDUSTRY

Mr. Ted Miller (Nanaimo-Alberni) moved:

That this House condemns the government for its failure to support the Canadian fishing industry, as demonstrated

(*a*) by betraying the interests of Canadian fishermen in its international fisheries negotiations with the United States;

(*b*) by the imposition of unconscionably high interest rates and other policies which have led to instability in the fishing industry and inadequate income protection for Canadian fishermen;

(*c*) by its lack of action to devise and implement the long-promised revisions in policies regulating the industry; and

(*d*) by its lack of action to enforce existing legislation protecting our fisheries.

He said: Madam Speaker, it gives me great pleasure to be able to introduce this motion. It is an appropriate day to introduce this motion in light of the signing of a Canada-U.S. treaty on the salmon industry at Seattle, Washington, last

Friday. The negotiation teams came up with a proposal which they intend to recommend to their respective governments. In view of some of the answers which I received on Friday regarding a commitment from the government to delay any official ratification of that treaty until certain stipulations are met by the United States, I think it is an appropriate discussion for today.

I share the same skepticism as many Canadians when it comes to negotiating treaties with our neighbours to the south. We only need to look at some of the current outstanding issues of concern to Canada to make us a little bit cautious about entering another agreement which may turn out as sour as the east coast fisheries treaty. I would like to refer to several of those outstanding issues, including the issue of acid rain.

This issue has been given a great deal of attention both in the House and the public sector in Canada and the United States. Certainly, environmentalists are concerned about the increase in the use of coal in the United States to generate energy because it is expected that it will increase acid rain in that country and, therefore, because of air currents flowing toward Canada, increase the incidence of acid rain in our country by 25 per cent. Because of this concern it is felt that we should talk with the United States to see if they will not reconsider and give us some assurances that that increase in coal usage will be reduced.

We are also having difficulties with the auto pact and the refusal of the United States to renegotiate that pact. As a result, it has given us a deficit position of $3 billion for last year and very little return for research and development. We need research and development in Canada to employ our technical people and our young people who are hoping to find meaningful jobs in this country.

There is also the Garrison diversion. Many of my colleagues from the prairies are still advocating and lobbying the government to see if the Americans will not curtail that project, which continues to go ahead irrespective of the very dire consequences to our Canadian fishing industry in the prairies.

Last week a delegation from British Columbia expressed its concern about the Skagit Valley. Two successive provincial governments have failed to convince the United States to curtail the flooding of that valley in B.C., which is a very important recreational facility and wildlife area for the residents of the lower mainland of Vancouver.

The east coast fisheries treaty is still in limbo. The United States negotiators and Canadian negotiators signed a treaty which took them two years to negotiate, which would give protection to the fishermen of both countries, provide some stability in the east coast industry, and a joint management program in the disputed areas around Georges Bank. The treaty took two years to negotiate and one month for Canada to approve. Canada approved the agreement in March, 1979, and, as I am sure many hon. members are aware, the U.S. Senate foreign relations committee still has not ratified that treaty. In fact that committee has told Canada bluntly that it will not be ratified without some amendments.

Canada has already made considerable sacrifices in that treaty. It is not too well known that Canadian fishermen on both the east coast and the west coast are in competition for the same fish stocks as the American fishermen. In negotiating the east coast treaty, Canada gave up a considerable amount of the scallop stocks in order to get agreement. At one time the United States caught only 10 per cent of the scallops on the east coast. After negotiations, they were able to catch up to 26 per cent of the scallop stock.

The United States has increased that quota on their own accord by increasing their fleet by 50 per cent and they are now taking 40 per cent of the scallops despite the negotiated allocation of 26 per cent. Canada agreed that we would not negotiate a boundary and that we would take the boundary dispute to arbitration and accept the award. We agreed that we would take no concessions on cod and haddock which also caused our Canadian fishermen to suffer.

We agreed not to fish herring for three years in order to allow stocks to build up. Canada wanted a permanent deal to protect its fishermen and so that they would know what kind of investment they could make in the industry and what stocks they would be able to fish. The United States agreed to a period of ten years, and Canada compromised again. We now have a situation where not even that agreement is good enough. The U.S. again wants to open negotiations after Canada has backed down in at least five very critical areas.

We relayed the attitude of a number of members in this House to the United States through an interparliamentary committee which went to Washington on July 23. At that time we were told in no uncertain terms, as we were told again last week by the Rhode Island Senator Claiborne Pell, that the Americans would not be negotiating on the issue. The representations made by all parties in this House were as equally firm for a treaty ratification by the U.S. Senate foreign relations committee.

In British Columbia we now have what could be a very important treaty for managing the stocks on the west coast to allow Canada to embark on an enhancement program on a very threatened Fraser River chinook and sockeye salmon stock. However, the New Democratic Party would like to make some comments, and caution the government before that treaty is ratified. We would like to make some suggestions which were made to the House last Friday in the form of questions.

Before the government ratifies the west coast treaty, we would like the opportunity to debate this subject in the House to determine if the treaty is indeed in the interests of Canadian west coast salmon fishermen. If one considers that in ratifying the east coast treaty it took the government only one month and that we have been waiting since March, 1979, for ratification by the U.S. Senate, we should seek the assurance, before ratification, that the U.S. Senate foreign relations committee and the U.S. Senate have indeed ratified the west coast treaty so that we are on the same ground. We did not have that on the east coast and, as a result, the fishermen there are suffering a loss of income through a loss of fish. And probably just

as important, they are suffering from the long-term effects because the fishery there is being over-exploited by the U.S. fishermen, with the approval of the U.S. Senate.

This debate is equally as important today because the Minister of Fisheries and Oceans (Mr. LeBlanc) is currently on the west coast meeting with a ministerial advisory committee in an attempt to implement some changes in the west coast fishing industry. It is hoped that he will discuss significant policy decisions today and perhaps address some of the concerns that I shall outline in my remarks.

● (1520)

We are not too impressed by the way in which the minister makes decisions. We have been somewhat critical of his appointment of Dr. Peter Pearse and Mr. Doucet who are to take a cursory tour of the province and talk briefly to people in the fishing industry in order to assess—probably to assess the political climate and make political decisions, rather than the real needs of that industry. We reject the use of individuals to make policy statements that the minister and his department should make.

This is particularly critical for the fishermen and shore workers and their families in British Columbia. There has been a serious decline in salmon returns this season and they fear that the stocks are in serious jeopardy and that their livelihood will be at stake. Combined with growing fears that our herring roe fishery cannot withstand the extreme pressure exerted by the size of the fleet, this may result in a more objective examination of the west coast than has been possible in the last three years.

Hon. members will recall the television programs and news reports which showed bags of money being passed around in the fishing fleet, particularly in the herring season. This gave people in Canada the impression that west coast fishermen are wealthy and do not need government assistance, and that they were not in dire straits this year. These sensational stories are really not true; they are an aberration of the true story of fishermen and of the industry in British Columbia. There have been good years in the industry but there have also been years of suffering when the salmon do not return in the numbers that are expected.

In previous years fishermen were aware of what to expect from their fishing year. They had a respect for their fellow fishermen, the resource, and for the fisheries officers and managers, whose task was to see that enough stock escaped to spawn and return a bounty to the ocean which would be harvested again in two to five years.

The tasks for fishermen and managers, were not so complicated when fewer people were fishing and there were fewer boats. There are great pressures in the industry at the present time because of the increased number of boats involved and the types of gear involved.

Recognition of the problems occurred in the mid-1960s when it was obvious that unlimited entry into the industry was resulting in a larger fleet and increasing difficulty in managing stocks to provide an adequate harvest as well as to permit escapement.

The Davis plan for licence limitations and a "buy back" program was introduced. The objective was to limit the size of the fleet and thus provide better income to those fishermen who remained in the industry as well as ensuring ease of management for the department.

The Davis plan has not brought about the desired effects and may have, instead, caused the additional problem of overcapitalization that it hoped to prevent. By licensing the vessels instead of the fishermen, the licence has become a commodity to buy and sell, thus increasing the costs in the industry. Vessels which were unused for years became valuable and were used for licence transfers to new vessels. Several smaller vessels were often utilized to pyramid or to build larger and more efficient vessels with a higher tonnage.

Instead of alleviating the problems of management of stocks and bringing stability to the industry, it now has become evident that the licence limitation and buy back program failed. If the plan itself was not a failure, then the responsibility for failure must rest with the government responsible for its implementation. Failure to curtail the rapid proliferation of larger and more efficient vessels, particularly in the seine fleet, has now resulted in added capacity, making the task of managing the fleet through opening and closings for gear types, an almost impossible task.

The seine fleet has exploded to over 600 vessels from the 370 present in the industry in 1969, at the beginning of the Davis plan. The federal government remained silent and remains today as this fleet increases in size and as larger trollers with freezer capacity are being built.

The build up continues in the face of the Sinclair report on a licensing and fee system for British Columbia. In his report, Sinclair estimates the fleet is three or four times larger than need be, and others estimate the size to be greater than that. Why, then, have we had no action on a moratorium on new boat construction? It will take decades of determined effort in the face of many serious problems before we can hope to provide enough fish adequately to support the investment that fishermen currently have in the salmon industry.

This year's decline in salmon stocks is clear warning that decisions on a variety of matters are long overdue. The Department of Fisheries and Oceans estimate that salmon stocks are down 25 per cent to 30 per cent this year alone. That is evidence enough that our hopes for improving salmon runs through the salmonid enhancement program will be long and difficult. The combination of this year's decline with an equally discouraging ten-year decline demands immediate action to reverse this trend.

Over the last ten years there has been a decline in west coast salmon stocks of approximately 30 per cent. There is a serious problem not only with Atlantic salmon but also with Pacific salmon. That trend is worldwide, but this government must take action immediately to alleviate some of the causes.

It is not only the seine fleet that has increased pressure in the resource. Because of higher prices for salmon, and a growing recreational fishery which includes rapidly growing charter services, the limited resource is being more heavily exploited from all sectors of the industry. The federal fisheries department cannot cope with this massive ability to catch fish.

The continuous failure to limit fleet size is the single most serious factor inhibiting the effective management of the fishery.

The difficulty in reducing the fleet at this late stage has been recognized by the minister and the management advisory council which established a subcommittee on commercial catch division to investigate the fair sharing of salmon amongst gear types. The gear types concerned are seine gear, troll gear and gillnet gear which are all vying for the same salmon. They have difficulty coming to grips with the problem of allocation which, if solved, could bring some stability to the situation. The subcommittee is made up of users of all gear types and most major organizations in the industry. Its purpose was to recommend the allocation to various gear type users and report back to the advisory council.

The complexity of this issue and the controversy of base years between gear types prevented any unanimity. The interim report of May 14, 1980, remains in the present minister's hands. The decision on allocation clearly lies in the domain of the minister and his department who must be made to offer some understanding to each gear type and determine what their quota or allocation should be.

Although the report states that catch allocation is not the panacea for all the industry's ills, it is considered as one means of ensuring the survival of each section of the salmon fleet, consistent with the historical catch performance of each section.

I detect a feeling, both in the fishing industry and in the department, that this year's poor season may offer the opportunity to reduce the fleet size.

I am certain those of us representing west coast constituencies have received phone calls, or letters, outlining the financial plight of individual fishermen and the strain this is putting on their families. They have been faced with a disastrous fishing season as a result of not only poor runs of salmon but several other factors which simply compounded poor fishing.

Costs of fuel and equipment have increased 25 per cent to 30 per cent making operating costs that much greater. Prices paid for salmon by the buyers have been reduced 10 per cent to 20 per cent on average and as much as 50 per cent in specific cases. This may be as a result of a surplus of sockeye in Alaska's Bristol Bay but may also be as a result of the growing concentration of buying power by B.C. Packers, who purchased the major properties of its largest competitor, Canadian Fish Co., last spring. B.C. Packers is not in a position to regulate prices paid to those fishermen. The Minister of Fisheries and Oceans should be concerned about the centralization of ownership and plant capacity and its effect on west coast fish prices, both to the fishermen and to consumers, and on the employment opportunities in coastal British Columbia.

Centralization of processing has destroyed some of our smaller coastal communities, causing fishermen and their families to move to larger centres to seek jobs in an industry that they understand. This has had a disastrous effect on some of the coastal communities that have a long history in the fishing industry. We would ask the minister to address that problem, not only for the native people who are dependent on fisheries but others who have enjoyed the coastal community life.

● (1530)

Fishermen facing foreclosure on mortgages on their vessels are seeking assistance from the federal government. Their appeals to the fisheries improvement loans fund for new terms of payment are up 30 per cent to 40 per cent over last year already. That figure can be expected to climb as the fishing season comes to a close and more fishermen seek a way of retaining their vessels and remaining in their chosen profession.

When the minister answered my inquiries in the House on October 8 about financial aid to fishermen, he commented that I was slightly exaggerating the problems and that the department was monitoring the situation with the fishing industry. The Minister of Indian Affairs and Northern Development (Mr. Munro) had also mentioned the financial difficulties of native fishermen and, indeed, his monitoring device, which consisted of a questionnaire, determined serious problems which resulted in the establishment of $4.2 million aid program to maintain the native fishery at its present state.

I would again request the Minister of Fisheries and Oceans to re-evalute the state of the fishing industry and the financial condition of the many fishermen in the industry today.

The Department of Fisheries and Oceans must know from the demands on its Fisheries Improvement Loans Act, their own catch statistics, and from the decision of the Department of Indian Affairs and Northern Development, that serious financial conditions exist for many fishermen to recoup their losses in the next fishing season.

I am fully aware that many fishermen do not want the government subsidizing their industry through an aid program that would take the form of loan guarantees, or a moratorium on interest payments. My party and I are of the opinion that the B.C. salmon industry should not require subsidization, considering the value of the resource. However, the problems of the fisherman are not entirely of his or her own making. The federal government has allowed the fleet to expand, complicating good management procedures. It has let interest rates reach unconscionably high levels, and it has failed to protect the habitat, further leading to declining fish stocks.

We unalterably reject any callous attitude that may exist in the fishing community or in the department which sees the bankruptcy of individual fishermen as a way to fleet reduction. We also view another buy-back plan suspiciously. Considering the value of the newer vessels in the seine fleet, any significant reduction of the fleet would be extremely expensive and would

primarily benefit the financial institutions which currently hold mortgages on those expensive vessels.

While the Davis plan failed and the catching capacity expanded rapidly, the department's ability to increase management, research, and enforcement skills, remained virtually stagnant. Government restraint has led to a situation of crisis management leading to understandably conservative estimates of permissible catch, of fleet manipulation, particularly in the herring season; projected openings, then a withdrawal of the opening; openings when few fish were available, and even fewer openings, further reducing the income of many of the fishermen on the west coast.

The New Democratic Party calls for greater research staff and enforcement staff. These calls have been partially answered. However, what we have is far from adequate to meet the challenges facing the fishing industry. Research is virtually all directed to the management program because of the critical state of the salmon and herring industry. Long term and innovative research has been put aside delaying longer-term understanding of this important renewable resource.

The support and enthusiasm which met the announcement in 1977 that the B.C. and the federal government were embarking on a $150 million salmonid enhancement program is now fading. It is fading this year particularly because of low salmon returns, but also because of the growing awareness that our laws really are not working to protect our valuable estuaries, our rivers, streams and lakes from pollutants. Just as Ontario and the Atlantic provinces see acid rain, industrial and municipal pollution destroying valuable recreational water resources, so do people in British Columbia see their efforts in salmon enhancement cancelled by destructive logging operations, hydroelectric dams, municipal and industrial wastes.

We share the enthusiasm for the salmon enhancement program and its particular role in the future for our remote coastal communities and the possibilities it could provide for economic development for our native people seeking economic and employment opportunities for their people. We feel the futility of spending sums of money on enhancement when we see the same governments neglecting to prevent further habitat destruction and fish loss.

The case of the Fraser River should amply illustrate our concerns and our demands that government take seriously the provisions of the Fisheries Act to prosecute violators leading to the degradation of our fishery habitat. The Fraser River coalition, which is an amalgamation of fishermen, environmental groups and community groups concerned about the health of the Fraser River, met with our B.C. federal caucus in Port Coquitlam a week ago Saturday and gave us an excellent slide presentation of the kind of abuse to which we are putting our most valuable salmon producing river. The Fraser River, which is responsible for up to 50 per cent of the salmon catch in British Columbia, and contributes approximately $100 million to the B.C. economy, is under attack from many quarters. The slide presentation pointed out the kinds of abuses that we, as a society, continue to inflict upon our rivers across Canada.

The Fraser River, aside from being a salmon producing river, unfortunately also happens to be a major transportation route for freighters, tugs, barges and log booms. It supplies water and power along its length. It serves as an industrial and municipal sewer practically from its headwaters to the Fraser River delta. The presentation to the caucus leaves one bewildered at the flagrant disregard for the quality of water in our most important fish producing river. We know from the coalition reports that in the lower Fraser River alone there are five forest product mills whose effluent escapes into the Fraser River along with wood fibre and assorted toxic chemicals. There are eight metal industries on the lower Fraser which discharge heavy metals and tons and tons of iron lead and zinc annually into the Fraser River and its estuary. We have at least ten concrete plants which dump waste concrete illegally from time to time along with another toxic chemical, calcium hydroxide, which again affects salmon and its feeding sources.

There are chemical plants which contribute to further pollution in the lower Fraser River. We have at least 20 landfill sites along the Fraser River with leachates, including wood wastes, gyproc dumping, sand fill dumping, auto dumping, and other leachates too numerous to be identified and certainly too numerous to have been detected or any charges laid. There are storm sewers up and down the lower Fraser River resulting in untold chemicals entering the river at that stage. Dredging is carried on. There are dams present. Proposed dyking will change the flow of the river. This will lead to degradation of the salmon habitat. Probably the major cause of pollution in the lower Fraser River is the sewage treatment plants. These are plants which have only primary sewage treatment and again release hundreds of thousands of gallons of chlorine and other toxic chemicals into the Fraser River.

A statement by the Minister of the Environment (Mr. Roberts) has indicated that the Fraser River estuary is down to 30 per cent and, if there is any further loss, there will be no environment left. There will not be any environment if we allow further dredging and industrial development along these river banks. The Fraser River is dying a slow death, as reported in The Fishermen paper in Vancouver. While we spend hundreds of thousands, and indeed, millions of dollars on the salmon enhancement program we allow the Fraser River, which produces those salmon, to be killed by industrial and municipal pollution.

● (1540)

The delta where these wastes are going to end up is where the young salmon become acclimatized to the salt water, feeding in the salt marshes along the sides of the river. This place in all of British Columbia is where it is seen fit to use a river as a major sewer. The residents of the Fraser Valley have been lobbying governments for years and years to no avail.

The record of the government with regard to salmon protection is dismal. The salmon enhancement program has been sold to the people of British Columbia and they have accepted it as a necessary item. We are requesting the government to

take action to solve the problems within the fishing industry. Indeed, we are expecting a decision on the east and west coasts licensing problems, the allocation decision on the fleet in British Columbia, a greater contribution to research and enforcement in the fishing industry of British Columbia, and expecting them to implement—

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but his time has expired. He may continue with the unanimous consent of the House. Is there consent?

Some hon. Members: Agreed.

Mr. Miller: I thank hon. members. I will not be very long. Decisions have been delayed for three years while we have gone through election after election. Decisions must be made in order to save the salmon resource in British Columbia. They must also be made to save salmon streams, trout streams, and the environment right across this land. We expect the government to act immediately on these recommendations.

Mr. Deputy Speaker: The Minister of State for Multiculturalism (Mr. Fleming).

Some hon. Members: Oh, oh!

An hon. Member: What do you know about fish?

Hon. Jim Fleming (Minister of State, Multiculturalism): Mr. Speaker, this early skepticism from the other side will soon be felled. They forget too soon my year and a half as the parliamentary secretary.

I rise to speak to this motion on behalf of my colleague, the Minister of Fisheries and Oceans (Mr. LeBlanc). He regrets he is not able to participate in this debate, but he does not apologize. Today and tomorrow the minister is in the home province of the previous speaker and mover of this motion, the hon. member for Nanaimo-Alberni (Mr. Miller), meeting with regional fisheries officials, members of his advisory committee, and the salmonid enhancement board.

The minister does not apologize for his absence from this chamber because he not only advised the mover of this motion of his plans to travel to British Columbia, he sought his views, and those of all members of Parliament from that province, on measures that should be taken to alleviate some of the problems currently facing the west coast fishing industry. Indeed, the minister was grateful to have received valuable input from the hon. member for Nanaimo-Alberni and, despite the incongruity of the motion before us, has asked me to thank the hon. member for his contribution.

The minister originally planned to be in British Columbia last week. However, pressing business in this House kept him, and virtually all other members, in Ottawa. It seemed logical, and indeed fair to those who were expecting to meet with him, for the minister to reschedule his trip as quickly as possible. The hon. member for Nanaimo-Alberni, however, was not prepared to await the outcome of that visit before condemning this government for what he calls "its failure to support the Canadian fishing industry". I suggest he should have exercised a little patience.

Personally, I am honoured to speak on the minister's behalf. I may represent a Toronto riding, but you do not have to live next door to the ocean to appreciate the value of the fishing industry to this nation's economy, or to be aware of the sense of well being and security its success over the past number of years has brought to so many Canadians on the east and west coasts. In fact, I have had the privilege of serving as parliamentary secretary to the minister. This experience afforded me the opportunity of learning about Canada's fishing industry and to work with the minister and departmental officials. I learned of the long, often turbulent, history of the Canadian fishery and witnessed the dedication and commitment of the minister and his officials.

We on this side of the House welcome this debate and the opportunity it affords us to put a number of facts on the record. We are proud of the recent growth of the Canadian fishing industry and believe that growth has been partly due to the policies and commitment of this government.

I might add, Mr. Speaker, that an added benefit of the minister's long-standing commitment to visit British Columbia and his inability to be in the House today, is that it allows me, on behalf of my party, to salute him for his unfaltering support for, and belief in, Canadian fishermen.

Some hon. Members: Hear, hear!

Mr. Fleming: Since taking on the awesome portfolio in 1974, the hon. member for Westmorland-Kent has worked selflessly, indeed sometimes stubbornly, in the interests of Canadian fishermen. I say fishermen intentionally, for the minister recognized from his earliest days in that portfolio and consequently educated the rest of us to the fact that his prime responsibility was to the men and women who make their living from the resources of our oceans.

He has been relentless in his efforts to encourage fishermen to organize and achieve a strong voice in the management of their own affairs. His goal has been to ensure the industry can provide its participants with a respectable living and security, and to guarantee that never again would being a fisherman be considered a second-class occupation. I suggest that the vision and commitment of the Minister of Fisheries and Oceans has gone a long way in the revitalization of the Canadian fishing industry and the pride now so evident in its participants.

Perhaps the hon. member for Nanaimo-Alberni is too young to remember the state of the Canadian fishery in the early 1970s. Let me remind him. It was in a state of disaster. The industry was in such bad shape that many thought it could not recover. Indeed, over a three-year period it took the injection of $130 million by the people of Canada to keep the fishery from irrevocable collapse.

Prior to the declaration of the 200-mile zone in 1977, the problem was simple. There were not enough fish. That challenge was met and stocks were allowed to rebuild. This was achieved through strict management measures introduced by the government, such as annual fishing plans. These plans, which are still in effect today, are established on the basis of scientific advice provided by government biologists and take

into account the limits of catch required to ensure health of the stocks. Further, once the total allowable catch, or TAC, is established, hard, sometimes painful decisions have to be made as to which sector of the industry will be allowed to prosecute a particular fishery. The industry survived the crisis. And I suggest that the record performance this year in landings, value and exports does not reflect a government that has failed to support the Canadian fishing industry.

I do not wish to pretend there are no longer problems, Mr. Speaker. There are. But I also know that this government is not waiting for another crisis to respond. Solutions are being found and the government is working closely with all segments of the industry to ensure that the action taken is reasonable, equitable and successful.

A recent, striking example of this co-operative approach to fisheries management was the three-day Gulf Groundfish Seminar held in New Brunswick in late September. This government-industry seminar brought together more than 100 representatives of fishermen's organizations, processors, and federal and provincial government officials. The object was to review the whole question of groundfish stocks in the Gulf of St. Lawrence and to address the many issues involved in the management and sharing of these stocks.

During the course of the seminar, the minister announced the creation of a separate gulf region. This decision is now being implemented. Critics who try to make a case that the government is not taking action in support of the Canadian fishing industry have either chosen to ignore, or are not listening to, the facts. Have they, for example, followed the progress being made in the revamping of the licensing system of the east coast fishery? May I also remind critics who argue that the Department of Fisheries acts arbitrarily in such matters, that the development of a new licensing scheme involved consultation with a vast cross-section of the industry. In fact representatives of more than 25,000 fishermen and other segments of the industry have participated in the process.

● (1550)

The nature of the new licensing régime is to give fishermen a more direct voice in the management of their industry. Indeed, the changes to the old system are ones put forward by fishermen themselves.

The first step in the new licensing régime will be the categorization of personal fishing licences to reflect full-time and part-time fishermen. As well, local licensing allocation and appeal committees will be created, headed by people who are not members of the federal bureaucracy, and a majority of whose members will be fishermen.

The intention is to implement these two key recommendations early in 1981, with other revisions to the existing licensing system to be adopted subsequently over a phased period.

I referred earlier to the basic problem of the fishery in the early 1970s as being too few fish. I repeat that tremendous progress has been made in rebuilding stocks and, in fact, the limit has been reached in that effort for most stocks. For example, between 1974 and 1979, the catch of Atlantic groundfish increased from 418,000 tons to 686,000 tons, or by 64 per cent. That rate of increase will not continue. Groundfish stocks have generally met the prediction made in 1975 that it would take five years for them to rebuild. With the exception of northern cod, no more than 10 per cent to 15 per cent increases in volume can be expected in the future.

Therefore, the focus of the industry must shift from volume of fish to a concentration of measures to enhance the value of available catch. In this effort, quality of product and orderly marketing go hand in hand.

Here again the government is offering support and guidance, as well as the occasional prod, to the industry. Canadian fish must become known in the international marketplace as the best possible product, and we must produce what the marketplace is looking for. Only when these two criteria are met, can Canadian fish command the best possible price around the world.

In terms of the value of our fish products, Canada is now the largest exporter of fish in the world. In 1979, for example, we earned approximately $1.3 billion from exports of fish and seafood. But, we cannot rest on our laurels. We are a leader today in exports, but to stay there will require concentrated effort on the part of all segments of the industry. The Canadian name on a fish product must be synonymous with top quality, for it is consistent top quality that translates into top prices.

The government has a substantial history of involvement in programs to upgrade the quality of standards of Canadian fish. A comprehensive national fish inspection program aimed at ensuring the health and safety of the consumer, adherence to minimum quality standards, and the prevention of fraudulent practices, has been in effect for many years. As well, the department has provided financial assistance for improved handling and storage facilities, and has implemented assistance programs to provide increased icemaking and cold-storage facilities. For the inshore fishery, improved equipment for on-board handling, offloading, dockside handling and transporting of fish to processing plants have also been provided. Throughout all these programs, the industry has been co-operative and innovative in its efforts to produce a top quality product.

But, all that said and done, the government is now in the process of enhancing its support of programs geared at ensuring consistent quality of Canadian fish. In consultation with fishermen's organizations, processors and provincial governments, the department has established guidelines for quality upgrading initiatives, and has now embarked on a major quality program.

The program is geared to assisting the industry in meeting the greatest challenge before it—achieving and maintaining the best possible product to compete in increasingly competitive markets. Again, bearing in mind that the size of future catches will not be a great deal larger than the levels we have now reached, it is not an easy challenge, for fish is among the most highly perishable of all foods, and spoilage begins the

moment it is taken by fishing gear. To minimize the effect of the spoilage process, vessels must be equipped to ensure the fish is handled carefully and quickly. The fish must be protected from weather and contamination and properly stowed and chilled in clean pens, boxes, or other suitable containers.

To this end, existing regulations will be amended to require all vessels to use such facilities. It is hoped certification of vessels over 100 feet can begin this year, with all vessels being certified through a phased program over the next couple of years.

In conjunction with certification, there will be a program of measures designed to encourage good handling practices on board fishing vessels. By basing landed quality grades on on-board handling practices, the government hopes to see an increase in such quality-oriented procedures as on-board bleeding, gutting and icing of fish. As well, storage of fish on board should be at a depth of no more than 90 centimetres, that is three feet, below deck, and the use of forks and pumps for handling fish will be discouraged.

In consultation with fishermen and buyers, the department is also developing quality grades as a basis upon which prices can be related to quality. Grades will be regulated initially on a voluntary basis, and industry graders who apply them will be licensed by the government. Discussions are continuing on this proposal and involve and seek the co-operation of fishermen, buyer's representatives and provincial governments to ensure consistency and uniformity in the application of standards.

An hon. Member: Who wrote that?

Mr. Fleming: Certainly not the hon. member opposite.

Another measure in the effort to ensure top quality will be the amendment of existing regulations to prohibit the use of forks for unloading, and to control the use of pumps and other unloading equipment which may damage the edible portion of fish. The regulations will require the upgrading of equipment used at landing sites and the icing or chilling of fish while held at dockside.

While existing transportation requirements with regard to sanitation and chilling are adequate, additional provisions regarding depth of bulk storage and dividers in trucks are needed to further protect quality. Again, extensive consultation with the industry will continue prior to the implementation of any new measures.

The provision of an approved water supply at all unloading ports remains a particularly difficult problem requiring either installation of water systems or modification of existing unloading practices where acceptable water cannot be made available. This problem will be dealt with on a port-by-port basis, with the objective of having fully approved water supplies or modified unloading systems in each port by 1985. In the meantime, an interim standard will be applied to ensure the quality and safety of fish products.

Another step in the process toward achieving the best possible quality for Canadian fish products is the development by the Fisheries Council of Canada, in consultation with the department, of guidelines for good manufacturing practices. As well, at the request of the Fisheries Council, the department is drafting final product grade standards for groundfish fillets, including fillet blocks, frozen herring fillets, and cured herring products.

These forward-thinking measures, Mr. Speaker, are not the product of a government lacking in support of the Canadian fishing industry. They, and others to be enunciated by my colleagues who are also participating in this debate, represent positive action on the part of a government which believes in the vitality and viability of the industry and which, through extensive consultation, believes in developing policy in conjunction with the industry.

The government is proud of those Canadians who participate in this nation's fishing industry and it will continue to work with them and for them in support of their efforts.

I am sure other hon. members look forward, as I do, to hearing not only from a number of hon. members on this side of the House on the great progress made in the Canadian fishing industry, due in good part to the support of the federal government, but also to my colleague, the hon. member for Egmont, the Parliamentary Secretary to Minister of Fisheries and Oceans (Mr. Henderson) and former minister of fisheries in Prince Edward Island.

● (1600)

Mr. Mel Gass (Malpeque): Mr. Speaker, I welcome this opportunity to address myself to the New Democratic Party motion which condemns the government for its failure to support the Canadian fishing industry. The New Democratic Party must have looked long and hard to find an issue on which to condemn the government, yet it found one, the fishing industry. When it comes to managing the fishing industry the record of the Liberal government has been so poor that even the NDP cannot go to bed with the Liberals with regard to this part of our economy.

Last week when the NDP chose, with the Liberals, to handcuff this House by way of ending debate on something as important as our constitution, I thought this House would have to make provision for putting 31 more members on the government side of the House. I say 31, because only one member of the New Democratic Party gave serious thought to what was being done to this House. My friend and colleague, the hon. member for St. John's East (Mr. McGrath), put it correctly when he said that the NDP sold its soul for some potash.

Mr. Speaker—

Mr. Deputy Speaker: Order, please. I would like to call the attention of the hon. member to the motion before the House, and the question of relevance is involved at this point.

Mr. Gass: Mr. Speaker, the fishing industry is being managed so poorly by the federal government that if it were not dragging so many people down to subsistence living, it would be a joke. However, the fishermen of Canada do not refer to the fishing industry as a joke. It is deadly serious.

By its lack of action this government has allowed the controversy between Canada and the United States regarding the east coast fishing treaty to go on far too long. This treaty is of the utmost importance to our Canadian fishermen, and this government has been dragging its heels. It is allowing a small number of U.S. senators who are members of the U.S. Senate foreign relations committee to block ratification of the treaty which was negotiated in good faith by both countries. I am sure that the majority of American people do not realize that this issue is a source of strained relations between our two countries.

The Liberal government failed to take advantage of the good feelings which were evident earlier this year. Our Secretary of State of External Affairs (Mr. MacGuigan) who, incidentally, is the first external affairs minister to be relegated to the second row, speaks of the inadequacies of the American political system. The issue in this matter should not be the deficiencies in the American system of government. Rather, it should be the ratification of the treaty. We, as Canadians, cannot expect to change their system, so we should be attempting to work with it. Our government should be appealing to all members of the U.S. Senate and pointing out to all senators that non-ratification of this treaty is severely straining relations between us.

Added to the problem is our government's attitude toward the United States. This treaty was negotiated to set up a system of co-management of the fishery for the conservation of the stocks. When it appeared that ratification of this treaty may be in jeopardy, our Minister of Fisheries and Oceans (Mr. LeBlanc) decreed that the Canadian effort would be allowed to increase. This action was taken, supposedly, to show that Canadians will not allow themselves to be pushed around and that we must protect our claims to the fishery.

My concern with this action is that perhaps our goal of conserving our fish stocks for the future may be abandoned. When the treaty was negotiated I am sure that one major consideration in the negotiations was to allow the fishermen to take a maximum amount of fish while maintaining that future stocks will exist. If Canada steps up its effort in the fishery and the Americans retaliate by stepping up their effort, we may find that the only losers in this approach will be the fishermen themselves. If there is too much effort on the resource, the stocks may not exist as required in future years. I plead with the government to proceed carefully because there are literally thousands of people who depend on those stocks to make their living.

Canada should be making this issue of a settled treaty more of a priority. This government appears not to be treating this with the importance it deserves. The fishing community in Canada needs this issue resolved. Any fisherman in Canada today can tell us that fishermen have not been spared by inflation. While operating expenses such as the cost of gear, fuel and maintenance have risen substantially over the years, the fisherman's income has risen much more slowly.

The fishing industry has changed so dramatically over the years that a good fisherman must also be a shrewd businessman. It is not uncommon for a fisherman to have invested $250,000 so that he can work to make $10,000. A vessel which ten years ago cost $20,000 now costs upwards of $100,000. One of the purposes of passing Bill C-28 was to allow the government to guarantee loans of up to $150,000 when, prior to that, the government guaranteed only $75,000 under the fishing vessel assistance program. During debate on this bill the minister indicated that fishermen historically have been good risks, and he felt that Parliament should pass Bill C-28 because fishermen will continue to be good risks. I agree with the minister, but he is making it more and more difficult for the fisherman to maintain his good reputation.

A fisherman who negotiates a loan does so at a rate which is 1 per cent over prime. Unfortunately the rate of interest the fisherman pays changes every month as interest rates change. We all know that the policy of this government has not been to bring interest rates down but, rather, to allow them to rise steadily. The fisherman, after negotiating a loan, does not know how much he will have to pay back.

When the standing committee was studying Bill C-28 I attempted to introduce an amendment which would set the rate of interest charged to a fisherman at the time a loan is negotiated. This set rate of interest would allow the fisherman to know just how much interest he would have to pay. That way the fisherman would be able to determine if indeed he was going to be a good risk. It is unfortunate that a fisherman may become a bad risk because interest rates skyrocket. He may be put into a position where, through no fault of his own, he cannot meet his obligation. The amendment was not accepted, and the fisherman must continue to take his chances. The amendment was not put through because the government did not want it. Because the government could find a technicality, the amendment was ruled out of order. Once again the federal government missed an opportunity to assist the fisherman in a real way. That was unfortunate for the fisherman.

The most important reason for condemning the government for failing to support the Canadian fishing industry is that the minister consistently fails to create his long-promised revisions in policies. Rather than making decisions, the minister appears to be more comfortable sitting on the fence, and when he makes one of his rare decisions he fails to consult all sectors of the fishing industry.

When our government was in power, the minister's predecessor, my colleague, the hon. member for St. John's East, initiated a full-scale review of fisheries policy. The policy review, which was to be presented in April of this year in the form of a white paper, was entitled "A Fisheries Policy for the Eighties". This review included input from all sectors of the industry including fishermen, processors, unions, provincial governments and the federal government.

In addition, our government defined a licensing policy regarding freezer-trawlers and factory freezer-trawlers, and I challenge the present government to define its policy regarding this issue. I am sure it cannot because it appears that it has no policy at all on this matter.

Our government proposed that the Standing Committee on Fisheries and Forestry review and study the findings of the Levelton report on the east coast and the Sinclair report on the west. We in the standing committee are still awaiting these reports under the present minister.

• (1610)

Salmon stocks have long been a problem on the east coast. Our government created a new policy for Atlantic salmon and established the Atlantic Salmon Board. Has the present minister utilized the salmon board? If so, it has been very quietly. Our government negotiated a new international convention protecting Canada's rights on the high seas. These negotiations appear to have been delayed by the new administration. Our government proposed that a new DFO region be created in the maritimes. In July I was told by the minister that he had no plans to create a new region. This fall he announced that a new gulf region will be set up. I wish he would make up his mind. Our government defined a clear policy regarding over-the-side sales which met with the approval of fishermen and processors alike. The present minister changed that policy and was faced with opposition from the three maritime provincial fisheries ministers. Our government reopened the sword fishery in Canada. The present fisheries minister could not make that decision.

Our government inherited a woefully inadequate small craft harbours budget, and the hon. member for St. John's West (Mr. Crosbie) proposed in the December budget that an additional $14 million should go to small craft harbours to help make up the serious need for harbour and wharf improvements in Atlantic Canada. Our government instituted a comprehensive review of unemployment insurance for fishermen. The fishermen are still awaiting much needed changes in the UIC program.

Our government established a ministerial advisory council on the west coast with the intention of establishing one on the east coast. Just last Friday in the standing committee the deputy minister reported that the minister felt he was not committed to creating one on the east coast. The list of our accomplishments and initiatives in just nine short months goes on and on. We are still awaiting these major decisions by the present minister who has been back in power almost nine months.

The most notable difference between our government and the new government is that we chose to consult with our provincial counterparts concerning major issues in the fishing industry. In speaking with a number of provincial ministers over the last few months, it appears that the new form of federal-provincial consultation means the federal fisheries department phoning the provincial fisheries departments and informing them of the federal decision. Webster will have to amend his definition of "consultation". I should like to inform the House of the dreadful ways in which the Liberal government is managing our fishery.

Just recently the minister announced an allocation of 17,000 metric tons of squid to the Japanese. This is at a time when the world market for squid is facing a glutted situation and our fishermen are getting only five cents per pound. So, we give 17,000 metric tons of squid to the Japanese. What do we get in return? Last Friday in the standing committee I directed this question to the deputy minister responsible for the east. He replied that at the moment we have not received anything. It is just another indication of us giving and not getting. In his remarks Mr. Miller indicated that they needed more staff for fisheries protection officers.

Since there was insufficient money in the budget, just recently on the east coast vehicles and vessels were tied up or grounded because there was no money for gas. I say we need more money in the budget. Possibly we need more staff, but definitely we need more money in the budget for fisheries protection officers. When we talk about more money for fisheries protection, the minister refers to needed cutbacks, but at the same time the present government spends $30 million on advertising its own constitutional package.

Another issue about which I should like to talk is the Makivik Corporation which is owned by Eskimos in the north. It shows up the total inadequate licensing policy of the present minister and government. In 1979 the Makivik Corporation was given a temporary permit for exploratory fishing in the Ungava Bay. They were told verbally, although it was denied later, that they had exclusive rights in the zone, provided they gave the data they were compiling to the Department of Fisheries and Oceans. I have a copy of the telex sent to the Minister of Fisheries and Oceans dated October 17 from which I should like to quote. It refers to the Makivik Corporation fishing in Ungava Bay and reads in part as follows:

> During our operations two weeks ago in Ungava Bay, another of the northern shrimp producing vessels, the MV *Pandalus* of northeastern New Brunswick turned up next to our vessel and began to fish in the areas of stock concentration we were studying.

They complained to the Department of Fisheries in Halifax and were informed that the *Pandalus* was fishing without a permit. Also they were informed that the department was ordering the *Pandalus* to leave that area immediately. The *Pandalus* ignored that directive. It is hard for me to accept why a law-abiding citizen or corporation would completely ignore a directive from the fisheries department, unless they had prior consultation with the department or the minister and were told that it was okay to fish in that area. Over the weekend by a telephone call to the minister in Ottawa, over the heads of the department in Halifax, they received the permit. I checked into the port from which the *Pandalus* sailed and it seems it comes out of Caraquet, New Brunswick, which is in the riding of Mr. Herb Breau.

Some hon. Members: Order, order!

Mr. Deputy Speaker: I suggest to the hon. member that references to other hon. members in this place is usually by constituency, not by name.

Mr. Gass: Thank you, Mr. Speaker. The *Pandalus* received the permit to stay in the area and fish.

The matter which strikes me as being more serious than that is that five more vessels were given permits to fish in that area. After only one year of information and data being compiled by the Makivik Corporation, and over a weekend six more licences being given, it seems to me it is a very poor method of licensing the fishing industry of Atlantic Canada.

Some hon. Members: Hear, hear!

Mr. Jim Fulton (Skeena): Mr. Speaker, this afternoon I will direct the main body of my comments to two particular issues. One is the Amax Corporation, which is the Alice Arm dumping station, and the other is the Kemano completion. These two issues have a very real impact upon the fishing industry in that they relate to a reduction in salmon spawning and rearing grounds, and, combined with pollution, they are two of the most pressing and serious problems facing the fishing industry in Canada today.

I think it is important all members of the House, particularly those members on the government side, keep in mind what is happening to the Canadian environment in relation to the serious threat posed by acid rain to 20,000 lakes in Ontario and Quebec, the very serious pollution in the Great Lakes and most of the rivers in Canada, and the fact that unless we have some very serious moves in terms of environmental protection, not only in our rivers and lakes but in our near-shore marine areas in the oceans in the maritimes, British Columbia and the Arctic, very soon we will not have a fishing industry on which to stand and debate in the House.

This is not to underplay the serious economic problems which face the industry from overcapitalization, high interest rates and so on, but stock reductions throughout Canada from inadequate environmental and habitat protection are at the core of the disaster facing our fishing industry today. The pollution of our inland waters, the Great Lakes, the maritimes, the Arctic and the Pacific coast, along with the litany of developments ranging from Riley Creek in British Columbia to mercury pollution in the Wabigoon and English River system are signals that the fishery in Canada does not have or use the mandate given to it by the public interest.

● (1620)

Let me first deal with Amax, the Alice Arm situation in British Columbia, which I have raised in this House on a number of occasions in the past year. It relates to a special dumping permit, SOR-79-345, which was brought in April 10, 1979, in mid-election, as a result of a backroom cabinet deal between the Liberal party and the Amax Corporation. This permit allows the direct dumping of 100 million metric tons of effluent into Alice Arm, which is an area of substantial importance to the commercial and native fisheries on the northern B.C. coast. Some of the effluent is composed of arsenic, copper, lead, nickel, zinc, radium-226 and cadmium. I intend to deal in some detail this afternoon with one of those elements.

The Department of Fisheries and Oceans and the Department of the Environment, I would point out, have investigated the possibility of on-land tailings disposal and have found it not only feasible but have found that only a 2 per cent difference in return on investment is required to have a relatively benign environmental on-land tailings disposal. The difference, I would point out to hon. members, is $29 million for on-land tailings versus $6 million for direct dumping into the ocean.

I think it is important that all members keep in mind that what the Department of Fisheries and Oceans has decided is adequate for an acute lethality test is to place a number of rainbow trout fingerlings into a tank, run some effluent into it, and if not more than half the fish die within 96 hours, then the bioassay sample passes. I think that is a very questionable way of testing the impact on a commercial or a food fishery resource.

I would like to place on record today some excerpts from the Environmental Health Committee of the British Columbia Medical Association on just one of the elements of this 100 million metric tons federal government dumping. The radium-226 summary says:

—about 1 millionth of a gram (1 microgram-Mg) or 35 billionths of an ounce in the body, can cause bone cancer

—radium leaches into the environment much more readily after the ore is ground up than when it is embedded in solid rock. It is fairly mobile in the environment

—chemicals used in the milling process may further increase the leachability of radium-226

—radium-226 is concentrated in the food chain Cancer Causing Dose

—radium-226 is the second most toxic radioactive bone cancer producing substance after radioactive plutonium-239. It is between 10-100 times more carcinogenic than radioactive strontium-90.

—the lowest dose of radium-226 that has been found to cause bone cancer in man is 1.2 micro curies which is equivalent to 1.2 micrograms or 1.2 millionths of a curie or gram.

The summary goes on to refer to "Biological Pathways and Food Chain Concentration", which is crucial—and it is unfortunate the Minister of Fisheries and Oceans (Mr. LeBlanc) is not here today. However, I am sure that members over on that side of the House will transmit this information back to him, which relates to a dumping permit he granted in a backroom cabinet deal with this corporation.

The summary goes on:

A great variety of oceanic organisms accumulate radium far in excess of that present in sea water. Some marine micro-organisms (example diatoms) concentrate radium-226 from 1,000 to 3,000 times seawater levels.

The Department of Fisheries and Oceans is only requiring that the actual level in the sea water be monitored.

There is a great deal of research needed to demonstrate the mechanisms by which radium is concentrated as it goes up the food chain from increased water levels to aquatic plants, phytoplankton and diatoms, to fish and then to animals and man; or from increased water levels to terrestial plants, then animals and man.

I point out to members opposite that these are questions which have really not been looked into at all by the government in giving out this very unusual permit. As a matter of fact it is the only one of its kind to be granted to a mining corporation in Canada.

I will read from one of the documents upon which the cabinet based its decision. Under the heading, "Existing Regulatory Requirements under the Fisheries Act", it says:

These regulations, which were promulgated in February, 1977, prohibit the deposit of effluents (including tailings) with a suspended solids level greater than 25 ppm.

I would point out that the Minister of Fisheries and Oceans in his recommendation last year to the cabinet put in 400,000 parts per million in this special dumping permit. The document continues:

Therefore, if the marine disposal option is to be authorized pursuant to the Fisheries Act, a special, site-specific regulation for this operation would have to be developed and passed by the governor in council upon recommendation of the Minister of Fisheries and Oceans.

The Department of the Environment and the Department of Fisheries and Oceans are, in general, opposed to the unconfined disposal of tailings. However, the policy of the departments has been to acknowledge that the practice can be authorized under special extenuating circumstances.

The most recent departmental position with regard to this issue was presented in January, 1978, to the B.C. Pollution Control Board Inquiry into the development of the province's mining, milling and smelting effluent objectives. I quote from that presentation as follows:

To protect the Canadian fisheries, the federal cabinet endorsed the policy of containment of pollutants at source based on the installation of the best practicable control technology. However, it has been recognized by the Environmental Protection Service of Environment Canada that under special circumstances it is virtually impossible to install the required control technology—

And here we come to the economic factors, the deal on which the Liberals obviously made their decision:

—the Department of the Environment, on the basis of its review of January 1979 data, believes that the construction of such a tailings pond on land can be economically feasible. Regardless of whether the 1978 or the 1979 prices are considered, there is approximately a 2 per cent difference in the return on investment between on-land disposal and marine disposal of tailings.

So the government is on record as saying that a tailings pond can be designed and developed, can be maintained at only 2 per cent return difference on investment, and they opted for the latter, the cheaper $6 million direct-ocean dumping which, as I will point out in a few moments, has a terrible impact on the commercial and food fisheries in that area.

I go on to quote from the same document with respect to submarine disposal into Alice Arm:

—The potential for heavy metal buildup in the food chain to the point where there may be an impact upon the ecosystem, including man.

A report done by a biologist in British Columbia was released last week. It was called the McCart report. I quote from page 18 of that report:

The commercial fishery would be expected to benefit by about $4.25 million over the 26-year life of the mine, ignoring the possibility of price increases.

One of the things which has certainly not been looked at by the Minister of Fisheries and members on that side is the impact of 100 million tonnes of effluent going into the inlet. It is going to smother life on the bottom of the inlet and will spread up to the surface and cause serious problems in terms of heavy metal building and poisoning of various other fish species.

With regard to shrimp densities, I quote from page 29 of the McCart report. This shows some of the very serious flaws in the scientific evidence upon which the government based its decision. In relation to shrimp, I quote:

The confidence limits, expressed as a percentage of the mean, were plus or minus 188.5 per cent.

How anyone in their right mind, particularly the Minister of Fisheries and Oceans, could support a proposal going ahead when there was that sort of confidence limits is certainly, at the very best, questionable.

The conclusion of the McCart report says it all in my view. On page 68 it says:

The potential impacts are serious enough to preclude the marine disposal of tailings.

One of the groups which will be most seriously impacted, other than the commercial fishermen, are the Nishga people who live in that area. In the community of Kincolith, for example, its vice-president made a statement a few weeks ago. He is Mr. Rod Robinson of the Nishga Tribal Council, and he said:

The company has offered us a share in the mine. Our share is death.

That is certainly something that neither the Minister of Fisheries nor members on that side have responded to, to date. It was predicted that if the tailings were confined to depths greater than 100 metres the following would probably occur: (a) most of the area of Alice Arm to Hans Point will eventually be blanketed with tailings; (c) the productivity of deep water benthos fauna including commercially exploitable species such as shrimps, prawns, various species of king crab, as well as demersal fish such as halibut, rock fish, crab etc. will be reduced or where deposition is very heavy, entirely eliminated.

At this point I would quote from statements of Mr. Born, President of Amax, and by Mr. Lenton, the General Manager. First, Mr. Born:

The marine disposal, in the opinion of expert marine consultants and federal and provincial environmental officials, will have no detrimental effect on the marine life in the area and will not harm the salmon fishery.

● (1630)

I quote from Mr. Lenton:

The tailing will have no adverse impact on the environment in Alice Arm.

It is interesting to have a look at what other people have said, people who are perhaps not biased by having some tie, as the Liberals do, to the $23 million which they have saved Amax or the corporation in its direct interest. I quote from Stephen Pond, a University of British Columbia physiological oceanographer, who says:

There is evidence that heavier, saltier water from outside the inlet flows in, mixing up the water. The prediction made that the material would go down to the bottom and stay there is not likely to hold true.

In August, 1980, bishops of the Anglican Church and bishops of the Catholic Church in Canada called for a with-

drawal of the special order in council and for a moratorium upon development of the resource until technology is developed to dispose of the tailings safely. I point out that the Prime Minister (Mr. Trudeau) has not responded to either the bishops of the Anglican Church or the bishops of the Catholic Church regarding their very serious questions and allegations on the Amax project in British Columbia.

I quote from Dr. Albright, a microbiologist from Simon Fraser University:

> We cannot accept the argument that aquatic animals have adapted to high turbidities or heavy metal levels as support for the marine disposal option. It is not known what the chronic, long-term effects of heavy metals or turbidities are. There may also be hidden costs such as reduced growth or reproduction. Animals may show temporary adaptation, but increases beyond these levels, or for extended periods of time may exceed their tolerances. Should the worst happen, salmon could avoid their regular migration routes and avoid the mining area.

I quote now from the West Coast Environmental Law Association:

> The Alice Arm Tailings Deposit Regulations seem to run contrary to the over-all intent of the Fisheries Act, which allows exemptions only under extenuating circumstances, and only when minimum impact on fisheries resources has been clearly established.

We in Canada are not without experience in these matters. Just south of the present proposal is the Rupert Inlet operation of Utah Mines Limited which predicted that tailings would remain below 100 metres and settle in the deeper portions. I quote from an abstract regarding that particular operation:

> Present studies have shown that the waste discharge from the copper mine has resulted in the anticipated obliterative effect on the deep benthos and an unpredicted widespread deposition of tailings which has affected the shallower, highly productive regions of the system.

Based on that experience, which is still occurring today, where the effluent is now several hundreds of miles out to sea and having a very serious and unknown impact on the fisheries resource, both the commercial and sport and food fishery, the government should call for a full public inquiry into the situation in Alice Arm.

In my view the Minister of Fisheries and Oceans should definitely hang his head in this House. The cost to the commercial fisheries is documented as being in the millions of dollars. The cost to the Nishga native people in that area is death. The company will save $23 million and the Liberal party will receive full credit, along with the Amax Corporation, but at enormous public cost.

Having dealt with just one particularly acute pollution occurrence in this country, I would like to move on to a second area in which the Minister of Fisheries and Oceans is not upholding his constitutional requirements, the Kemano completion project which began in the 1950s when the government of British Columbia gave to the Aluminum Company of Canada special water rights in northern B.C. Alcan constructed a dam on the Upper Nechako system backing up a double chain of lakes and rivers through the top of Tweedsmuir Park, flooding 925 square miles of land, now called the Nechako Reservoir.

This water was diverted from the Fraser River system, one of the largest salmon spawning rivers in the world, through a 16-kilometre tunnel to an underground power house at Kemano and it takes Fraser River water completely out of that system and pumps it through a tunnel directly into another area of the Pacific Ocean. The Kemano Completion Project intends to virtually shut down the Skins Lake spillway blocking almost all the water released into the Nechako River.

There is also the plan to dam the Nanika River which would flood Kitprice Lake and Nanika Lake, reversing the flow away from the Morice-Bulkley-Skeena system and into the Nechako Reservoir and back again to Kemano and another area of the Pacific. So we see the water rights given by the B.C. government allowing water to be taken from the Fraser system, which is crucially required there now because of pollution and low water, and from the Skeena system, being dumped in a different way by reversing flows into another area of the Pacific.

Alcan presently has two-thirds of the Nechako flows which has reduced the flows at, for example, Fort Fraser by 97 per cent, Vanderhoof by 83 per cent, and Prince George by 40 per cent. The new proposal would have a direct impact on the 1,500 native people on the Bulkley and Skeena systems and they would be directly and negatively impacted by the completion proposal. Last year's fisheries department and International Pacific Salmon Commission's study indicated that damage to salmon stocks would range from somewhere between $88 million and $372 million if Alcan is allowed to go ahead with this proposal. Definitely we are not talking about small peanuts, but from the responses we have received from the Minister of Fisheries it certainly seems that way.

In my view, a full public inquiry is required on this issue as well because mitigation and compensation, something which was espoused both by the previous Conservative government and the present Liberal government, really do little more than look at the impact on the value of salmon. It is a far more complex question when we are talking about flows going into the northern Pacific and down the Fraser River in terms of the impact on everyone in every community all the way down.

For example, this past summer Alcan refused, on the request of the Minister of Fisheries, to raise the levels of the Nechako River as requested for the safety of the in-coming spawning stocks. I think it is important that we question the motivation of a corporation when it refuses to raise the water level for the protection of a resource that has an equal right to be in operation. We must closely scrutinize what the Minister of Fisheries and the Minister of the Environment (Mr. Roberts) have done, and ask why they have not called for a full public inquiry.

In my view, the whole thing comes back to a very similar situation with regard to the Amax question where there seems to be a very close corporate tie between certain members of cabinet and various corporations. To date, there has always been more than enough electrical capacity for expanded smelter activity in the Kitimat area. Since 1950 approximately one third of the power generated has been sold into the general

B.C. hydro grid, and more aluminum production could also be achieved by the conservation of the electricity used in the present smelters by modernizing the pot lines.

Alcan is saying that it wants to produce more aluminum, and it can do it now without going ahead with this other flooding project and the siphoning off of water from another system. The option is there, but it has never gone ahead with that option. I think that it is important that those ministers, and those members in public life who are responsible for the interests of the public, stand up for once and help to preserve an industry which is seriously faltering in Canada.

Ten per cent of the salmon stocks in British Columbia are impacted by Kemano I project and Kemano II project. The minister has the power to modify and prevent construction of the project and, particularly, he has the right to call a full public inquiry into the issue, something which the minister hopscotched around over the past number of years. The 1950 agreement made between Alcan and the government of British Columbia can be readily modified. It was brought in and passed by the B.C. provincial cabinet and can be changed by either an act of the B.C. cabinet or by the provincial legislature. Although I do not think there are many, the Liberals and the Socreds in this particular situation are clearly in cahoots with Alcan on this issue.

In concluding, who within the government stands up for the commercial, native and sport fisheries in this country? Certainly, in my view and in the view of many fishermen in this country, it is not the present Minister of Fisheries. The list grows day by day. The previous speaker touched on the Ungava Bay situation, a very important issue with regard to the giving out of licences when there is a scientific study going on. It is certainly not in the interests of the Inuit with regard to the shrimp fishery. The list grows day by day. There is Arvik in the Arctic, Amax on the B.C. coast, Alcan on the Fraser and Skeena, Riley Creek, the English-Wabigoon pollution, the Great Lakes, the maritimes, and on it goes. All these failures, in my view, are results of bankrupt policies which come from that side of the House, of putting corporate brownie points ahead of public interest in our fish.

Mr. George Henderson (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, the motion before the House today makes me wonder whether the opposition has any knowledge of the real state of Canada's fisheries. To listen to the hon. member for Nanaimo-Alberni (Mr. Miller), you would think we were on the brink of disaster. Well, Mr. Speaker, I want to take the few minutes available to me to set the record straight. I want to tell the House that, while the fisheries are not without problems, their general state is very healthy, and the industry is a vibrant and valuable net contributor to the national economy.

● (1640)

Members opposite may be interested to know that the fisheries last year contributed something in the order of $1 billion to our balance of payments. We have become the biggest exporter in the world, in terms of the value of our fish products. In fact we earned some $1.3 billion from exports of fish and seafood last year. An equally significant statistic is that the landed value of all Canadian fisheries was more than $873 million in 1979, and that is money which helps to support the economies of hundreds of small towns and villages on both coasts.

But the statistics do not tell the whole story. There is a feeling of stability in the fisheries. Catches are more reliable, plant work is steadier and stretches out over more of the year. There is growth in fishermen's organizations, as they gain status in their own communities and take a more direct role in the management of the industry from which they earn their livelihood. No longer is the fishery regarded as the employer of last resort.

The problems and opportunities of Canada's fisheries are certainly different from what they were only five or ten years ago. Throughout the 1970s the problems were problems of quantity. There simply was not enough fish to go around; the stocks were depressed, and a major rebuilding operation was necessary. That operation, which began after the disastrous experience of 1974, was given a major boost when Canada declared a 200-mile coastal fishing zone in 1977.

While I do not want to suggest that the 200-mile zone is the answer to all our problems, it has had a positive impact already. For example, Canadian fishermen's share of total fish catches taken from the Atlantic west of Greenland and north of Cape Cod ranged up to 37 per cent in the decade preceding 1977, but increased to 56 per cent last year.

In the waters within and immediately adjacent to the 200-mile zone, Canadian fishermen have made even more dramatic progress. Canadian catches in these waters increased from 895,000 metric tonnes in 1976 to 1.2 million tonnes in 1979, or an increase from 42 per cent to 73 per cent of the total taken by all fleets operating in the area. The principles of Canadian control and majority share of fishing within the zone have now been firmly established. Foreign fishing is permitted in the zone only after licence from the Canadian government, and is limited to stocks that are surplus to the needs of Canadian fishermen.

After Canada imposed the 200-mile limit there ensued a hue and cry for massive development, massive subsidies, massive fleet expansion. Fortunately this government resisted chasing pie in the sky—in the sea. This government's goal was, and continues to be, the encouragement of a solid industry which cannot only pay its own way but can contribute in a major way to the nation's economy. Nevertheless, we have to stop assuming that the fishery is some kind of gold mine. Instead, it is a garden, and if we care for it through sound management, it will last forever, helping to provide food for the world.

The policies of this government have added new co-ordination to the fishery, and a new degree of stability. We have avoided dictating too much development, by forcing people into boats or factories the government designs. Instead, we have tried to create a framework that sets the people free to work, free to develop their own future, in an industry that only six years ago faced bankruptcy and now can pay its own way.

This government is establishing the co-ordination, the framework, the buffer margins of supply and profit that will let innovations take hold.

But nothing will go right unless, before all else, we protect the foundation and keep a stable supply of fish for a prosperous, dependable fleet. The fish are forever there but forever fragile, requiring careful management. We have begun building up a co-ordinated industry that can reach high. If, however, we fool around with the foundation, the rest will topple.

Because co-ordination has given us a fishery policy that works, I fear the tendencies that would again fragment fisheries management. Many provinces want more fisheries jurisdiction, not in the processing sector or the educational sector where they have every right and reason to do more, but in resource management, the issuing of licences, and the division of quotas.

What is the reasoning behind their demands? The Fathers of Confederation singled out the fishery resource as a special case, and the Fathers of Confederation were right. Herring, cod and even lobster move from province to province and country to country. You could catch all the southern gulf cod in the winter at Cape Breton and catch them all again that summer in the Gulf, if only you could catch the same fish twice. A Quebec salmon swims back to its river from Greenland past St. Pierre and Miquelon and four other provinces. A fish caught in a four-way tug of war is going to be a funny looking fish at the end.

Should provinces control the resource because they are more politically responsive to local needs? The federal system also has local members of Parliament. The federal government also has seven times the provincial number of fishery employees in Newfoundland and the maritimes, and the national government understands local demands and pressures. We also know that, after a point, the more politics, the less fish!

I think the reasons for the positions being put forward by some provincial governments come down to one. Their interest is because they can see fisheries is on the rise, they can see they need more jobs, and everyone has a natural tendency to think he could run the show better if he had the power. The trouble is, a single province can never really have final power. It is impossible to divide up a migratory common property resource in a satisfactory way, in such a limited area, and among so many interests.

Some may say we can have it both ways—provincial jurisdiction over fishing, various committees to co-ordinate matters, and the federal government to deal with research and international negotiations. Some hold up the regional councils in the United States as an example. But the regional councils have great difficulties in regulating fisheries, as we have learned on Georges Bank, and they would have even greater difficulties if their coast had huge internal multiprovincial pools like the Bay of Fundy and the Gulf of St. Lawrence.

I want to turn now to an issue which is one of the most urgent and important aspects of fisheries development, and that is licensing. The Minister of Fisheries and Oceans (Mr. LeBlanc) recently announced that his department's process of consultation with fishermen, processors and others in the industry, has been pretty well concluded, and that steps are now under way to implement a new licensing policy on the east coast. I want to welcome this initiative, and to urge members opposite to give the proposals their thoughtful consideration and support.

I should explain that the first move toward a new licensing policy was taken in late 1978, when the Minister of Fisheries and Oceans initiated a thorough review of prevailing conditions. Officials of the department held two rounds of consultations with fishermen during the winter of 1978-79, and the findings and recommendations of that study came to be known as the Levelton report. After that report was made public in June, 1979, another round of consultations was held with fishermen and other representatives of the industry, to assess their reactions and opinions. A broad outline of the government's proposals has already been referred to today by the Minister of State for Multiculturalism (Mr. Fleming).

Over all, the new system should give fishermen a more direct voice in matters having to do with licensing, and make the whole regime more equitable. I know that all hon. members would want to join me in encouraging the Minister of Fisheries and Oceans to continue his progress in implementing such a system.

Licences are necessary in the fishery in the same manner as such controls are necessary in other industries, Mr. Speaker. But we should never forget that, like any other resource based industry—mining, forestry, you name it—the fishery is subject to limits. It is an industry based on a finite resource. We tend to understand that about other resource industries. For example, nobody in his right mind would send 50 loggers into a forestry project if only 25 were required, or send 100 miners into a mine that should employ only 50. The same sort of respect for reality needs to be practised in the fishery. And the reality is that there is a good living to be made, but by a finite number of people.

● (1650)

This government's belief in and support of the fishing industry are manifested in many ways, Mr. Speaker. I have already provided the House with some statistics that show Canada's success in the export markets of the world. Our fishery enjoys a high reputation for the quality of its products. But we have to acknowledge that some parts of the industry could do a better job to maintain the consistency of quality. It is for this reason that the government this summer launched a major program to help the industry establish consistently high quality standards. The purpose of this program is to help those engaged in the fishery get more dollars for every pound of fish caught and, at the same time, ensure the consumer of a nutritious and delicious product.

The government's program to adopt new quality requirements has been developed in consultation with the industry. It will include the following main elements: a process of inspecting vessels and certifying them as properly equipped to pre-

serve the quality of fish; an improvement in handling practices on board vessels; the establishment of a system for grading the quality of fish landed; the setting of quality standards for the unloading, handling and transport of fish ashore; the introduction of rigorous quality control programs in fish processing plants; and the introduction of equally demanding standards for final products.

I also want to take this opportunity to welcome the announcement by the Minister of Fisheries and Oceans to create a new separate management region for the fishery in the Gulf of St. Lawrence. This arrangement will provide a co-ordinated focus for management of the fisheries in this area which is, after all, one ecological complex. It makes sense to have a single administration of a resource in which fishermen from five provinces participate.

The new management arrangement, as it has been outlined by the minister, will provide more affective, consistent policy and directional guidance, and help to promote increased co-operation between government and industry. The problems and priorities of the Gulf are often different from those experienced along the Atlantic offshore, so that the new region will be better equipped to meet these concerns.

When one realizes that more than 12,500 fishermen from all five eastern provinces participate in the Gulf fishery, and that the landed value of the main species last year was more than $70 million, we get some idea of the importance of this area to the economy of eastern Canada. Of the 100 processing plants surrounding the Gulf, 17 are operated by co-operatives, and 25 are operated as family businesses. Of the remaining 58, some 17 are branch plant operations of firms whose principal fish processing operations are located outside the Gulf area. Only 13 of the plants are supplied, in part, by company-owned vessels and well over 90 per cent of the raw material is supplied by fishermen who own their own vessels.

Up to 7,400 people find seasonal employment in the Gulf groundfish processing industry. Of these, 2,100 are employed in Newfoundland, 200 on the north shore of the Gulf, and 5,100 in the southwest area of the Gulf. Through the creation of the new management region, more attention can be given to ways of making the groundfishery in the Gulf more competitive by cost-reducing techniques, product development, diversification, market development and extension.

Details of the new region, such as its precise boundaries, the location of the headquarters, and the resources required, have not yet been determined. I am sure all members will be interested in this information when it becomes available.

There are those in the industry who argue that Canada needs more freezer-trawlers, and even factory freezer-trawlers. To those I would point out that, taken together, the inshore and nearshore fleet of independently-owned vessels are the backbone of our fishing industry. These boats far exceed the offshore fleet in value of landings, number of boats, and number of fishermen. They are the basic source of life of the hundreds of fishing communities in whose name this government negotiated the 200-mile limit. When the question is asked for whom the fishery is being developed, we have to think in the first instance of the independent, inshore and nearshore fishermen.

The allocation of the fishery resource has been subject to a tug-of-war for a long time, but care must be taken to avoid parcelling out fish on the basis of "to the strongest, the spoils" Some would defend the rights of large vessels owned by large companies to roam to the very shore, on the basis of "rugged individualism"; but who is a more rugged individual than the small fisherman, owning his own boat, and counting on a fair chance at the nearby fish?

Canada argued before the world for the 200-mile zone, not so a few major companies could earn more dividends, but in the name of the small coastal communities. The shareholders of large corporations deserve their fair returns. The allocating of fish must be done for a variety of reasons, not just because it is economical, but also for community survival, for the preservation of a way of life, for the needs of the marketplace, for the reasonable well-being of fishermen and plant workers, and so on.

We need not worship the idea of a 12-month trawler fishery above all. Nor for that matter need we worship inshore fishery claims to exclusiveness, in a case where allowing only an inshore fishery might mean just six weeks work and nine months of unemployment insurance. Common sense reference points are required in establishing quotas and allocating fish between fleets.

I was pleased the Minister of Fisheries and Oceans convened a seminar this year with representatives of the fishing industry and the provincial governments of the Atlantic region to discuss Gulf of St. Lawrence groundfish. Such meetings have given fishermen, processors and the provincial governments an opportunity to participate in both short and long-range planning for a variety of fisheries. I understand that additional seminars will be held this fall and winter, and I think the minister should be congratulated for this practice of involving the industry representatives.

Some hon. Members: Hear, hear!

Mr. Henderson: Before resuming my seat, Mr. Speaker, I want to say a word about expectations. While it is certainly foolhardy to set our sights too low, we can run into a considerable amount of trouble if we expect too much of the fisheries. We have to resist the temptation to view the fisheries as the cure for all economic ills, to end unemployment, to roll back regional disparities and to work all manner of miracles. The fishery can make an important and a continuing contribution, but not a boundless contribution.

I congratulate the Minister of Fisheries and Oceans for his enlightened leadership. I congratulate the government for adopting this enlightened leadership and for adopting policies and programs for the betterment of the industry.

Mr. MacKay: Mr. Speaker, would the hon. Parliamentary Secretary to the Minister of Fisheries and Oceans (Mr. Henderson) entertain a brief question on policy?

Mr. Deputy Speaker: The hon. member's time has expired. However, the question can be asked with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. MacKay: Mr. Speaker, last Saturday at Pictou, Nova Scotia, I had many inquiries from people in the industry, specifically from Mr. Nickerson and officials of Ferguson Industries Limited. Could the parliamentary secretary give the House any idea what his government's policy will be about the subsidy assistance given for the construction of seiner trawlers and other vessels which are so vital to the success of the industry? The parliamentary secretary has just spoken so comprehensively about this, and many people are depending on it to provide employment to reduce regional disparity.

Mr. Henderson: Mr. Speaker, normally the parliamentary secretary does not speak on policy matters. I shall leave that to the minister and the hon. member can ask the question of him at a later date.

• (1700)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Winnipeg North Centre (Mr. Knowles)—Statute Law (Military and Civilian War Pensions, Compensation and Allowances) Amendment Act, 1980—Inquiry respecting reduction of phasing-in period for veterans' widows; the hon. member for Halifax West (Mr. Crosby)—Penitentiaries—Hostage-taking incidents—Danger posed to guards—Inquiry as to government action; the hon. member for Algoma (Mr. Foster)—Indian Affairs—Funding of band housing.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED FAILURE TO SUPPORT FISHING INDUSTRY

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

That this House condemns the government for its failure to support the Canadian fishing industry, as demonstrated

(a) by betraying the interests of Canadian fishermen in its international fisheries negotiations with the United States;

(b) by the imposition of unconscionably high interest rates and other policies which have led to instability in the fishing industry and inadequate income protection for Canadian fishermen;

(c) by its lack of action to devise and implement the long-promised revisions in policies regulating the industry; and

(d) by its lack of action to enforce existing legislation protecting our fisheries.

Mr. Thomas Siddon (Richmond-South Delta): Mr. Speaker, I am delighted to participate in this debate this afternoon and to compliment my colleague, the hon. member for Nanaimo-Alberni (Mr. Miller). He has roundly and soundly condemned the government for their negligence in dealing with the fisheries of Canada's Atlantic coast, the west coast and the inland waters as well. I am afraid my remarks will not be quite as complimentary as those made by the previous speaker, the hon. member for Egmont (Mr. Henderson).

What we have seen is 12 years of mismanagement of the fisheries of Canada, aside from a short nine-month period last year when certain initiatives were taken to sort out some of this mess. If hon. members opposite deny the validity of what I just said, perhaps they would be enlightened if I were to read the first sentence of a letter we recently received from the present Minister of Fisheries and Oceans (Mr. LeBlanc). This letter was sent to members of Parliament who represent fishing communities, on October 10, 1980. The first sentence of the letter reads as follows:

As you know, there are serious problems facing the Pacific coast commercial salmon fishery which call for immediate action as well as longer term solutions. To assist me in deciding the best course of action, I recently asked Dr. Peter Pearse and Mr. Fern Doucet to meet with representatives of the provincial government and the Pacific fishing sector in order to examine the principal problems—

What we read is an admission by the present Minister of Fisheries and Oceans that there are serious problems in our Pacific coast fishery, resulting from years of mismanagement and neglect. As my colleague from Malpeque pointed out, the previous Progressive Conservative minister, the hon. member for St. John's East (Mr. McGrath), initiated as his first act of office, a white paper policy review. Many people in the Department of Fisheries were involved and considerable funds were spent in preparing a new direction for Canada's fishery development in the eighties. For some reason this whole initiative has now been buried. The present minister will not report to this House on the findings of that major policy review which was conducted last year.

It was also an initiative of the previous Conservative government that the Sinclair and Levelton licensing reports were to have been reviewed by the standing committee in consultation with fishermen's groups. The present minister has done very little with regard to adopting, enacting or moving on the recommendations of Drs. Sinclair and Levelton.

The management initiatives that were taken during 1979 were very necessary and long overdue; on both coasts, for example, the establishment of a policy on freezer trawlers, the imposition of a moratorium on sea-licensed vessels on the west coast. The minister will know that, on the verge of our defeat

in this House last December, there were a number of very strident and some difficult policy announcements prepared, to be made, about which many of the Conservative minister's colleagues felt uncomfortable. However, they were necessary initiatives. The present minister has completely abdicated on them.

The previous minister also initiated a major review of the Freshwater Fish Marketing Corporation which has been managing, developing and burgeoning into a vertically integrated Crown corporation, dominating the fishery from lakeside to the export of the product. The management practices of that corporation are highly questionable. The previous minister, the hon. member for St. John's East, initiated an in-depth study of that Crown corporation. The findings of that study were to have been presented in April at a meeting of fisheries ministers of the affected provinces. To date we have not heard anything from the present minister.

I commend the present Minister of Fisheries and Oceans on finally admitting that there is a problem with regard to the west coast fishery in particular, and initiating steps for a solution of that problem. He returned from vacation at the end of August and immediately initiated a study by Messrs. Pearse and Doucet, two gentlemen who are going to solve all of the problems for him.

We commend the initiative reflected in that study. However, we wonder what was happening the previous seven months of that minister's reincarnation. We now see that international negotiations are beginning to bear fruit. The minister was kind enough a couple of weeks ago to invite input and opinions from members on this side of the House, but not until the Pearse-Doucet study had been under way for some six or seven weeks. We were given 48 hours to respond before he was off to a meeting in British Columbia where he would reflect on our recommendations and those of others in meeting the representatives of the west coast industry.

We are also grateful that in recent weeks we learned that the budget for managing the Pacific coast fishery was increased by an additional $3 million on a $60 million budget and that additional funding will be directed toward increasing enforcement personnel in particular. We appreciate that.

I must repeat that it is ludicrous for a minister who was in office since 1974, and granted the opportunity of a brief sabbatical leave, to take seven months to get himself moving again on his return to office. It has been a disappointment to those on this side that he has taken so long in getting to work on the serious problems which face the west coast fisheries industry at least.

The motion put by the hon. member for Nanaimo-Alberni is in four parts. The first two parts deal with international negotiations and the question of high interest rates and the difficulties that poses for fishermen. I will touch on that rather quickly. I really want to deal for most of my talk with the third and fourth parts of the motion which question the management policies of the present government and the minister in his previous incarnation. As well, I want to deal with the lack of adequate enforcement and protection of the habitat of the fishery.

First, with regard to international negotiations, meetings between the Canadian and United States negotiating teams have been far too infrequent. The approach to the problems of halibut and albacore tuna and the salmon interception, particularly affecting the Fraser River, has been piecemeal and reactionary to crises, sort of at the eleventh hour. There has been far too much of this last minute firefighting. For example, we knew in June and July there was a proposal which would have staved a crisis regarding albacore tuna which had been received by the minister and his department. They did nothing with that proposal until the U.S. tuna boats were already en route pursuing the albacore tuna once again into Canadian waters. The only way we avoided having once again to take U.S. fishermen into custody, as the previous minister did a year ago, was to come up with a last minute fix which many fishermen on the west coast feel was a sell out of our interests. It weakened our hand in negotiating with some of the other important concessions, particularly with regard to Fraser River salmon.

A great concern of mine with regard to international negotiations arises from the fact that members of Parliament and U.S. senators are not part of the process and are not even welcome at these negotiating sessions. I believe that slows down the process. It means that after an agreement is reached and signed as a tentative accord, it then has to be subjected to the real world of political pressures, as we saw with the east coast treaty, to the extent that all of that work may have been for naught because the political spokesmen do not fully understand the issues and the complexities behind the negotiations. I was disappointed when I asked in June to be permitted to observe the west coast negotiations which were held in Vancouver. The department, essentially, said no, my presence would not be welcomed there, although members of the fishing industry, members of the canning companies and of the various fishing organizations were welcomed, but it was not appropriate for a member of Parliament to be present. I really question that decision because I think that if we are going to make progress in these talks we must stop sitting back, as Canada usually does, and stop waiting for our American friends to put their cards on the table. We have to seize the initiative and we have to be realistic when it comes to the political factors which enter into these decisions. While we sit back on our complacent butts, the United States goes ahead and does as it wishes.

● (1710)

Although I am pleased to hear today that a tentative agreement is being struck for the west coast salmon interception problem, I am afraid that if we read this agreement carefully we will realize that all future increases of enhanced salmon stocks on the Fraser River will be given to Canada but we will have to pay the shot for enhancing them. That is an easy commitment for the Americans to make if there are no effective means of control to ensure that we do indeed reap the benefits of that enhanced stock.

I will be running short of time, Mr. Speaker, so I will comment quickly on the interest rate matter. The NDP motion implies that the government can regulate interest rates. I suggest that the interest rate problem is a consequence of Canada's very unhealthy economy and our growing, continuing and deepening vulnerability to the deficits that this government is incurring. But the government does have the opportunity, through the Federal Business Development Bank and the Fisheries Improvement Loans Act, to assist fishermen. In particular, this House would, when we revised the Fisheries Improvement Loans Act in June, have demanded that the chartered banks which lend money to fishermen, guarantee an interest rate for at least a five-year term, because at present I have many constituents who come to me saying, "We have a loan with the Federal Business Development Bank at 7 per cent, 8 per cent or 9 per cent. It is expiring and suddenly they want 17 per cent".

I should like to tell you, Mr. Speaker, what the impact of that is on a couple of fishermen who happen to have a loan of a quarter of a million dollars on a seine boat, for example. The impact of an interest rate rising from 9 per cent or 10 per cent to 17 per cent would be in the order of $25,000 in one year. We have to realize that those two fishermen, who are employing a crew, meeting all their expenses and having to contend with dwindling stock levels, are taking home between $8,000 to $15,000 or perhaps $18,000 a year, and suddenly they are hit with an additional $25,000 a year. How will they pay it? They will have to contend with bankruptcy in many cases.

I think there are initiatives which the government can take. The small business development bonds which were proposed in our budget are effective means of bringing down interest rates. They should be extended to the fishery sector. There is also the mechanism of tax credits whereby those who are investing in fishing vessels are allowed to deduct their interest expenses from income immediately before calculating taxable income.

As hon. members on the other side often point out, and as the minister is fond of saying, we have a problem in the west coast fishery of too many vessels chasing too few fish. We have an excess capacity of fishing vessels relative to the available stock level. I have to ask: who created this problem? Why did it come to this point in 1980 when we have far too many vessels and, in particular, when we have five or six hundred of the largest vessels, the seine vessels, which have accumulated tonnages, to some extent, on the basis of vessels which were sold under the federally-sponsored buy-back program in the 1970s? Now we have the ludicrous situation where these large seine vessels are able to fish a few hours a week in the summer if they are lucky, whereas the troll fleet is out fishing seven days a week and for a considerably longer period of time.

We have so much fishing power concentrated in this fleet of large seine vessels that they are only allowed to fish a few hours a week, and they are still economically viable on that basis. They may not be attractive in terms of employing large numbers of people, but the owners argue that they are the best return on investment capital. Perhaps we cannot argue with that if we believe that they are husbanding the resource as effectively as the trawlers and the gillnet vessels do.

We have a number of other problems with the west coast fishery. We have the problem of an inadequate emphasis on the salmon enhancement program, especially with respect to the more choice natural stocks of sockeye, chinook and such species running into the Fraser River system. We are putting a lot of effort into enhancing the cheaper varieties of salmon and none at all into the salmon enhancement facilities which should be built and under way on the Fraser River system.

We have a situation where there is inadequate enforcement, and only $4 million of the west coast fisheries budget, out of some $50 million, is devoted to provision of salaries for enforcement personnel numbering around 115 officers on the whole of the British Columbia coast.

There is too much waste of juvenile fish being thrown overside or being caught as a by-catch or of other species which a fisherman is not allowed to fish which is being caught be accident and thrown overboard because he is not allowed to take it to dockside. One wonders if we are really being wise in encouraging this waste by requiring that fishermen not bring to shore fish which they should not have caught in the first place. One wonders if it might not be much better to require that they not be allowed to throw fish overboard and that they account for their actions when they get to shore if they were fishing out of their zone, in an area where they should not have been. The onus would then be on the fisherman to explain why that happened.

We have a serious problem with poaching and the illegal selling of fish in the lower Fraser Valley in particular, and the ministry seems to be doing very little about that.

With regard to solutions, Mr. Speaker, there are two classes of solutions to the problem of too many vessels chasing too few fish. The minister knows very well that one type of solution has to do with conservation, that is to say, we have to find ways to stop over-fishing. The other solution is to enhance what we have, to increase the supply of fish. On the conservation side, it is, I believe, important that we establish a nominal allocation of the available catch among the three sectors of the salmon fleet and, for want of a better number, I would say that perhaps it should be allocated one-third each way. We must allocate between the two sectors of the herring-roe fishery, the seine and the gillnet fishermen who have been sharing that resource in recent years relatively equally.

To impose an allocation scheme requires a political decision, and I suggest that the present minister must show the courage necessary to take that political decision and tell each sector of the industry that they will fish with one gear type and that this will be allocated in accordance with recent historical precedent. He should tell them that upon completion of each fishing year the department would record the value of catches by these various gear types and plan their management policies for the next year in order to ensure that the allocation is properly met by imposing restrictions and regulations on the size of hooks, whether or not they should be barbless, the net size, and other area restrictions. The department has the power

to adjust the relative catch of the various types of gear in order to maintain a fair sharing of the resource among the various gear types.

If I have another moment or two, Mr. Speaker, I should like to say that it seems to me, if you have a formula for allocating the catch between the gear types, if there is a question of too much fishing power, we should leave it to the investors in those various gear types to decide whether they want to buy out some of their competitors. We should look at the possibility of a voluntary or self-operated buy-back program. If we have 500 of the same vessels and if those owners feel they are not getting enough action individually, perhaps they should pay a portion each year on their licence fee in order to fund the buy-back program. The same boat owners could fund their own buy-back program, and the gillnetters and trollers could do likewise. This would enable the initiative to be placed upon the investors in these vessels to decide for themselves whether they are willing to contend with excess competition, being subject to a specific quota of fish, or whether they want indeed to reduce the number of vessels in their sector of the industry.

● (1720)

On the enhancement side—and I see I do not have any additional time left—I just want to say that we must put much greater emphasis on enhancing the salmon stocks in the Fraser River system. We cannot wait until our friends across the way resolve the problem with the Americans. We have to invest in those important hatchery and enhancement facilities in the Fraser system now if we are going to realize a benefit from them by the end of this decade. So, we must do that. We must finance the enhancement projects, and I believe the fishermen are prepared to assist in financing those projects through some form of cash royalty if it goes into a dedicated fund specifically earmarked for SEP projects and if they have representation on a board of trustees which administers that fund.

Thank you for waiting for an extra moment, Mr. Speaker. I will take my seat.

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, the motion presented today is very important, and I would like to elaborate on some of the remarks made by my colleagues, the hon. member for Nanaimo-Alberni (Mr. Miller) and the hon. member for Skeena (Mr. Fulton), and also to acknowledge the significant contribution made by other hon. members on this side of the House who have spoken.

Some of the things which disturbed me in this afternoon's debate were the statements by the present Parliament Secretary to the Minister of Fisheries and Oceans (Mr. Henderson) and those by the previous one. What disturbed me about their comments was the implication that basically all is well in the fishing industry and that things are generally improving. The only conclusion I can draw is that the comments of somebody from downtown Toronto commenting on the fishing industry may be a little distorted, and although such a person may not have the age and experience to have seen the development of the west coast industry or the east coast industry and the way things have progressed over the years, I urge him to consider that the unanimous opinion of most of the people involved, especially in this House, is that it is in very serious jeopardy on the west coast.

The present parliamentary secretary had the fortunate experience of being able to travel to my riding and to take a few of the more choice species on the hook. I have certainly enjoyed the experience and acquired some fairly good insights, but obviously the hon. member must need another trip out there. I encourage him to return and to look more deeply into what appears to be a very serious problem which may not be apparent at first blush.

In my presentation today I would like to deal specifically with things which affect my riding. Some of the comments I have made before, but they could be reinforced here. In my riding there are two basic industries, fishing and forestry. Forestry, of course, is the prime one, but the fishing industry is vitally important to those people who live in small communities. Under the present management practices of the Department of Fisheries and Oceans, what has been happening on the west coast is that many small communities are in very serious jeopardy. The only thing many of the Indian communities have had to depend on over the years is forestry, and over the years they have been deprived of access to the forest resource. Unfortunately the only other asset is fishing, and that is being constantly curtailed, which I suggest places them in difficult straits.

In many of those communities we see unemployment rates which hinge around 75 per cent, and in an especially poor season when the canneries are not working and employment is restricted, Indian access to the resource generally and to licences, vessels and processing is minimal, and the picture looks very bleak. I suggest to the present parliamentary secretary that in fact that industry is in a very difficult situation in relation to some consideration of its historic appearance. Some people are doing well, but a very large number are doing poorly under the present system, and the prognosis is very grim.

I would like to deal with four aspects of the problem as I see it, and they deal basically with the management question, the environment question, the enhancement of the Pacific coast species, and the allocation of catch.

First, with regard to the environment, both of my colleagues, the hon. member for Nanaimo-Alberni and the hon. member for Skeena, have outlined their very serious concerns, but in my riding I face a number of serious concerns, as do the fishermen there. For example, there are large areas on the west coast of British Columbia, on Vancouver Island, and on the Queen Charlottes which are very rich in coal, and we are going to see a tremendous resource conflict.

We have the prospect of open-pit coal mining. Studies have been undertaken by the Department of the Environment and the Department of Fisheries and Oceans which say that this open-pit coal mining can go ahead. Proposals are already in. Second-stage studies are completed, and it looks as if we will be having open-pit coal mines. In the future, as we make the transition from oil and gas, we will see a tremendous influx of

open-pit coal mines. From my listening at public meetings and in discussions with officials in the department I have learned that we have not even begun to consider the drastic consequences for our fishing resources. As a matter of fact, just southwest of Campbell River an open-pit coal mine will be built in the headwaters to one of the major show hatcheries at Quinsam. I have never heard of such a contradiction; nevertheless, processing and an open-pit coal mine will be allowed. There really is no appreciation of what is going to happen there.

However, that is only the beginning. There will be numerous attempts to develop that coal resource as the pressure on us increases. What will happen is that coal will go in and fisheries will go out.

Another contradiction in developing those open-pit coal mines is that the department and other individuals who are developing them are trying to reassure us that the department has sufficient monitoring and enforcement capabilities to see that those coal developers follow the guidelines laid down, yet we wind up with enforcement people telling us that they do not have the person-years, the budget nor the time to deal with all the problems in the fisheries. The hon. member for Richmond-South Delta (Mr. Siddon) mentioned a $3 million increase in the enforcement section of the budget. That will not scratch the surface when we consider the tremendous development which will be going on.

There are numerous examples. We have the Amax situation and the pending situation at Campbell River. Mining is only one aspect of it, but the situation will become very serious in the future, and we are completely unprepared to meet what I feel will be the total destruction of our fish-rearing habitat as a result.

The forest industry, the number one industry in British Columbia, has been the number one competitor for land use as between fisheries and forestry, and essentially the predominant industry under provincial control is basically eroding the available habitat for fish rearing.

In the past loggers have come in and logged out the valley bottoms where the quick, cheap timber is available. Erosion and destruction of streams for spawning and juvenile fish rearing has been total. We wind up with flooding. Once the spawning species have gone up, the soil can no longer hold moisture and when there are heavy rains, they simply flush the system out totally. If we head up through the area around Bella Coola, we find that where there once were spawning streams we now just have conduits which run water down, and there is no spawning capability.

The unregulated forest industry has gone a long way in the past toward destroying the habitat on which this resource is based. The Kimsquit Valley will be logged out. In that area chums and a variety of other species are raised. We saw what happened at Riley Creek, and until that conflict is resolved satisfactorily and until the department has the capability of enforcing habitat protection, with laws which are essentially on the books, we will not find that our habitat will be preserved, and the resource will eventually be eroded out from underneath us.

Also with regard to the environment, as we come down the coast of British Columbia and down Vancouver Island, we find that the demand for land use in every estuary is for industrial purposes, for the dumping of municipal sewage or for land fill. Essentially we are giving up an area which is probably far more productive in its food raising capability than any farmland in British Columbia. I would point to the Comox estuary where there have been landfill projects. It was felt that the best place to build a sewage lagoon was right in the middle of that valuable productive estuary. Industries in that particular valley locate right smack in the middle of the estuary. They do not locate in other areas somewhat farther away where it might be slightly more difficult for them to develop. Every single development, every piece of landfill poured in there and every piece of sewage poured in there destroys the capability to raise fish. We are witnessing the destruction of the resource.

• (1730)

I should like to turn to the Campbell River estuary. The municipality of Campbell River appealed to the federal government for assistance in relocating industry, stopping further encroachment and trying to reverse some of the tremendous damage which has been done. We are now in the process of a new project in the Comox estuary which will dump more raw sewage. Basically we need a commitment on the part of the Department of Fisheries and Oceans and on the part of the provincial government of British Columbia to move quickly to preserve its extremely valuable fish rearing and food raising capabilities. But I do not see any action. I just see continuous and serious erosion in such areas along the entire coast.

Turning to the Fraser River, in the area in which I was born and raised, I had quite a shock the other day. On various occasions I have walked a good piece of that river from Mission to its mouth on both sides. I was under the impression that it was still in the state it was when I was much younger. The trip up that river in a fish boat the other day scared me, and I say that seriously. Not only is there a tremendous load and discharge of sewage, chemical wastes, poisons of all sorts and varieties into it, but there seems to be a structural change in that river designed to get rid of marshes and fishery habitat competing for land use in its estuary and, I guess, the associated fish-supporting aspects of that river. It has been mentioned before, but I should like to add my voice to it: with the destruction of that river will probably come the destruction of the fishing industry in the province of British Columbia. That river is in such a serious state right now that a parliamentary task force should be set up to study what is taking place.

The provincial government of British Columbia seems committed to asserting its constitutional authority. That is probably the only explanation we could give for some of the more bizarre aspects of its policymaking. It had the recent misfortune of one of the ministers in charge of lands coming out to my riding and stating that they were declaring a moratorium on booming grounds in Baynes Sound, an area located along

the shoreline of my riding. They were declaring a moratorium after they had let MacMillan Bloedel build one more big booming ground. The purpose of the press release was to suggest that the moratorium would apply after this big booming ground had been completed. Bark drops and decays and hydrogen sulphide develop and poison the water so that fish and fry can no longer use it and those areas stay poisoned for roughly 25 years. There are areas in the Comox estuary where these same logging companies have deposited a layer of bark and decaying material in which there is no oxygen and a substantial amount of hydrogen sulphide; no fish are capable of living in such waters. I suggest to the parliamentary secretary—and I would suggest it to the minister if he were here—that action on environmental issues associated with the fisheries would bear tremendous benefits, especially assertive action which would protect the base upon which the entire industry is structured. This is extremely important, and I suggest the minister and the government of the country have been negligent in defending that aspect.

We desperately need a coast-line management act to protect foreshore, estuary and habitat. There is not much point in continuing discussion of the Kemano project after the hon. member for Skeena has dealt with it but I should like to suggest one further aspect. The Kemano project is a conflict in resources; electricity has become more valuable than fish. When we look at its location, it is on the central coast of British Columbia. Some of the streams will eventually back up, ensuring a decrease in fishing, fish habitat and fishery capabilities on the central coast of British Columbia. It will be one further erosion of the capacity of people in that area to earn a living, as well as constituting an environmental disaster. Basically we are suffering from a tremendous degree of negligence in terms of preserving the environment upon which the west coast fishing industry relies. When we lose this environment—and we are continuing to lose it at a faster and faster rate—then we will not have to worry about buy-back programs, overcapitalization, a salmon enhancement program, reserving manpower or budgetary requirements, because we will have destroyed the capability to support that industry. It is extremely important that this be recognized and acted upon.

I think the area of management has been covered pretty well today. We have looked at the question of research, enforcement, the licensing scheme, possibilities for the allocation of fish, overcapitalization and so on; we have talked about consultation and concentration. Some key topics were developed today in terms of their impact upon the west coast fishery, but I should like to add a few comments of my own. Research is extremely important. It does not show. The hon. member for Nanaimo-Alberni suggested that it is not a very glamorous aspect and that it takes a lot of input over a long period of time before benefits are developed. It does not show like a new hatchery or a new fishing vessel. But it is absolutely vital. If we cut back long-term research commitments, or if we cut back on research at all, we will pay the price in the long run, because we will not be able to support the industry.

Other bizarre things seem to be happening there. Rather than budgeting or paying out of the budget for a planned research program, we now seem to be bargaining to get fishing vessel owners to undertake support programs for research, and we are paying them with a catch allocation. We seem to have grabbed the Japanese to come in and to research for us, because we are not willing to pay Canadian vessel owners to undertake some of that research. We are exchanging research undertakings for the right to catch fish. I suggest that is absolutely wrong. Since it is one of the pillars that support this very vital industry, we must plan our long-term research commitment and we must allocate the required resources. We should be supporting Canadian vessel owners and Canadian crews in undertaking that research, in developing the expertise within our own industry. Essentially we should be creating that employment and expertise here so that we can improve our own industry and not turn it back to the Japanese. Enough of it is controlled there already.

● (1740)

I would like to express my thoughts on enforcement, as well. We do not have enough fisheries officers. The government seems to be committed to cutbacks in staffing, in support services, in a whole variety of areas. There is a mentality which favours cutting back the civil service which provides these very vital services to the citizens of this country. It appears to me, though, that if we withdraw budget support for these essential programs we are really adopting on a penny wise and pound foolish approach. We should make a solid commitment to enforcement, provide expert fisheries personnel who can monitor these environmental problems, go after violators who degrade the natural habitat, and see to the enforcement of conservation program. Not only that, in the final analysis the government has got to back them up when they lay charges, when they say, for example, that a foreshore should not be paved in order to meet values which are less in the long term than the value of the fisheries. The government should be backing these people up. Without such backing, financial commitment and person-years, we might as well forget it because we will never really know what is developing and what is going wrong in that industry.

Enforcement is an extremely serious part of this process and we are not living up to our full commitment. With respect to the licensing scheme the two parliamentary secretaries who preceded me said it had come out better than sliced bread. Well, judging from the people I dealt with—this is probably the single largest file in my office—there are tremendous problems. People have been put out of the industry and lost their livelihood because of that licensing system.

Mr. Deputy Speaker: I am sorry to interrupt the hon. member, but his time has expired. He may continue only with unanimous consent of the House.

Some hon. Members: Agreed.

Mr. Skelly: I thank hon. members for giving me the opportunity to sum up. The licensing scheme has been a disaster, but I would like to move to the question of allocation, which was dealt with by the hon. member for Richmond-South Delta (Mr. Siddon), by the hon. member for Nanaimo-Alberni and the hon. member for Skeena. The allocation situation appears to be far more complicated. What will happen is this: we will reach a situation in which there will be allocating between sports fishermen, commercial fishermen and Indian communities. Many coastal Indian communities are absolutely dependent upon that resource. A commitment has to be made to the Indian people which will assure them of access to that resource so that they can support their communities at a financial or economic level which will allow them to lead what we consider to be a decent life. If we are to resolve unemployment and some of these financial problems and give a certain independence to those Indian communities, they must be considered in that allocation program. So when we are speaking of allocation we are not just talking about sports fishing or commercial fishing, we are not just talking about gear-type, we are talking as well about providing an allocation to a group in British Columbia whose only option, in many cases, because of the geographic location in which they find themselves is to resort to that resource.

With those remarks, Mr. Speaker, I thank hon. members and resume my seat.

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, I certainly appreciate the opportunity to participate in this debate although I note it is an opposition day. In my opening remarks I would like to refer to the first part of the motion which says:

> That this House condemns the government for its failure to support the Canadian fishing industry, as demonstrated
>
> (a) by betraying the interests of Canadian fishermen in its international fisheries negotiations with the United States;

Before I deal with that particular topic I would like to clarify a few inconsistencies which I believe have become evident here today. I believe it was the hon. member for Malpeque (Mr. Gass) who made some comments in relation to the Atlantic Salmon Advisory Board. He indicated that the minister was not involved in the process, nor in the past was he in the habit of using this particular board. It is my understanding that this is incorrect. I am told that the minister has met with the chairman and vice-chairman of this board on numerous occasions and that he has asked several members of the board to undertake specific consultations regarding the possibility of reopening the fisheries in the areas where a ban was imposed—I believe this took place some time in 1972.

I understand that these consultations have now been completed and that the minister will soon be meeting with those concerned to hear their advice. Dealing with the wider aspect, I believe the minister is prepared to listen to these officials, as well as others, on all aspects of the Atlantic salmon management.

There were also a few comments made by the hon. member for Central Nova (Mr. MacKay) with regard to the policy affecting freezer-trawlers and factory freezer-trawlers. The present government has not altered the previous government's policy of licensing vessels to fish underutilized species but otherwise of issuing no further groundfish licenses. And none have been issued. It is my understanding that only one holder of an underutilized species licence has acquired a vessel. Some have suggested that given the economics of fishing such species, the previous government may have given some people a licence to go bankrupt.

I think it would be useful to review the steps and events in our relationship with the United States over the past four years as they relate to fisheries. This review will indicate the efforts which have been made to protect the interests of fishermen on both our coasts. Canada and the United States each extended their fisheries jurisdiction to 200 miles in 1977—Canada on January 1, 1977, for both the Atlantic and Pacific coasts, and the U.S.A. on March 1, 1977. In the period preceding these extensions, negotiations had been initiated between the two countries to try to develop an agreement which would protect the interests of the fishermen of both countries when extensions of jurisdiction came into effect. These negotiations were under way when the Canadian extension came into force and Canada acted, at that time, to protect the negotiating process by passing an order in council to allow United States vessels to continue fishing in Canadian waters until a reciprocal fisheries agreement was completed. The assumption of the Canadian government at that time was that if negotiations for a reciprocal agreement were not completed by March 1, the date on which the U.S. extension would come into force, Canada would expect interim treatment of the same kind for Canadian fishermen until the negotiations were concluded.

As things worked out, an interim reciprocal fisheries agreement applicable to both east and west coasts was worked out. It was effective from February 14, 1977, to the end of the year. The first reciprocal agreement in the period following extensions of jurisdiction had two primary objectives. The first was to allow fishermen of both countries to continue their existing fishing patterns. The second objective was to avoid conflict or prejudice to legal claims in the boundary regions by ensuring that neither party would licence third countries to fish within the area of overlapping claims and providing for flag state enforcement by Canada and the United States, that is, within the area of overlapping claims Canadian laws would apply to, and be enforced against, only Canadian fishermen and the United States would take similar action with respect to United States vessels. This interim agreement was amended in 1978, subject to ratification by both countries. The amendments were designed to deal with problems which had developed under the fisheries agreement of 1977, particularly those involving troll fishing for salmon on the west coast. However, problems continued over the salmon troll fishery on the west coast while the 1978 agreement was being provisionally applied pending ratification.

● (1750)

Because of these difficulties, the Canadian government suspended provisional implementation of the agreement in June,

1978, and it was never ratified. The result of this suspension was that the U.S. fishermen were excluded from the Canadian fishing zone and Canadian fishermen were excluded from the U.S. fishing zone except for special arrangements for halibut fishing under the halibut fishing treaty on the west coast. Fishing by both countries continued, of course, in the areas of overlapping claims on both coasts.

The supsension of reciprocal fishing by the Canadian government in 1978 was a serious step taken with the full support of the Canadian fishing industry to protect Canadian interests. It had become obvious to both the government and the industry that the U.S. government was subject to powerful influences which were making it difficult or impossible for the United States to live up to its commitment to Canada. The suspension of reciprocal fishing at the initiative of the Canadian government avoided the creation of a situation where U.S. fishermen would be obtaining benefits in Canadian waters out of balance with the benefits Canadian fishermen were obtaining in U.S. waters.

The suspension also served notice to the United States that the Government of Canada would not let the interests of the Canadian fishing industry be eroded under pressure and that any agreement reached with the United States would have to be based on an equitable balancing of benefits and interests. Even though the reciprocal fishing agreement of 1978 never came into force, the arrangement between the two countries on how to handle fishing in the boundary areas was continued under, what I might call a gentleman's agreement.

The gentleman's agreement continued the same regime for the boundary areas as applied under the reciprocal agreements. That is, neither country would licence foreign fishing vessels to fish in the area of overlapping claims and there would be flag state enforcement by the United States and Canada. Canada and the United States now undertook an entirely new initiative to try to resolve both boundaries and fisheries on both coasts through the designation of special negotiators for this purpose, Ambassador Marcel Cadieux for Canada and Mr. Lloyd Cutler for the U.S.A.

I do not wish to dwell at length on the pros and cons of these complex negotiations. Suffice it to say that the negotiations for agreements on boundaries and fisheries on the west coast failed, but after a great deal of work by the special negotiators, the negotiating teams and the fishing industries of both sides, an agreement on the east coast was achieved, and signed on March 29, 1979.

The signing of the complex east coast fisheries agreement may be considered both a tribute to the negotiating teams and a reflection of the painstaking care by the negotiating teams to work out a fair balance between the fishing interests of both countries on a stock by stock and percentage point by percentage point basis.

First of all, the agreement refers the boundary issue to international adjudication. Next, and of overriding significance, the agreement provides for conservation of the fish stocks in the Georges Bank area for the periods both preceding and following the eventual settlement of the boundary by establishing a fisheries commission to manage the stocks, and effective arbitration mechanisms to ensure that those stocks will not suffer from any failure to reach agreement within the commission.

Finally, the agreement provides an insurance policy for the fishermen of both countries. No matter where the boundary is placed as a result of the international adjudication, each country is given a fixed percentage entitlement from the total allowable catch limit to be set each year for each stock. This will provide stability for the fishermen of both countries. But the system also provides for a considerable degree of flexibility. The agreed percentage shares are subject to review every ten years, with reductions in shares possible for a variety of reasons. There are ceilings on the amount of the possible reductions for each decade, and a maximum ceiling to avoid the possibility that any group of fishermen would find itself totally excluded from a stock in which it has had a traditional interest.

The situation on the west coast has progressed somewhat differently. Given the impasse reached in the boundaries and fisheries negotiations, discussions between the two countries have focused on individual stocks and, indeed, individual problems.

The salmon interception negotiations have carried on, continuing along the lines developed since the negotiations began in the early 1970s. A full report on the meeting in Seattle last week, which I understand met with some success, is now in the process of being prepared.

Canadian halibut fishermen continue to have access to U.S. waters off Alaska under arrangements worked out two years ago, which are to terminate on or about March 31, 1981. This was in exchange for allowing the U.S. fishermen access to groundfish off the Canadian Pacific coast. It is difficult to say at this time what is likely to happen to this area of reciprocity in 1981-82, but a major success for both countries is that we have kept the Halibut Commission in existence to provide an institutional framework for co-operation between the two countries on halibut conservation.

Finally, as hon. members know, we have had difficulties with the U.S.A. over albacore tuna in the Pacific coast. However, I believe we are well on the way toward a treaty which will provide substantial benefits to Canadian fishermen through access to U.S. ports to sell their tuna catches.

We should not, of course, overlook the fact that difficult issues lie ahead on the west coast. Boundaries remain to be settled, and we are still considerably short of a comprehensive framework to govern conservation and fisheries between Canada and the U.S.A. The difficulties we have had with the east coast agreement must inevitably give rise to misgivings about the possibilities, but the Government of Canada will continue to press for the adoption of a rational relationship with the U.S.A. on both our coasts so as to protect the interests of all those involved in the fishing industry.

On a final note—and I can see, Mr. Speaker, that my time is coming to a close—I believe the hon. member for Malpeque

(Mr. Gass) indicated that he condemns the government for dragging its heels on the east coast American-Canadian fisheries agreement. I do not know the hon. member would suggest to resolve that particular impasse. That problem lies in the hands of the Senate of the United States. At some point I would be interested to hear a suggestion from him in terms of encouraging the U.S. Senate to approve this particular agreement.

Mr. Crouse: Mr. Speaker, may I call it six o'clock?

[*Translation*]

Mr. Deputy Speaker: It being six o'clock, I do now leave the chair until eight o'clock.

At six o'clock, the House took recess.

[*English*]

AFTER RECESS

The House resumed at 8 p.m.

Mr. Crouse: Mr. Speaker, I welcome the opportunity to participate in the debate on the motion presently before the House since I represent a constituency in Nova Scotia where more than one-third of my constituents are directly or indirectly involved in the fishing industry.

The motion moved by the hon. member for Nanaimo-Alberni (Mr. Miller) states, among other things:

> That this House condemns the government for its failure to support the Canadian fishing industry, as demonstrated
>
> (a) by betraying the interests in Canadian fishermen in its international fisheries negotiations with the United States;

Later, it goes on to say:

> (d) by its lack of action to enforce existing legislation protecting our fisheries.

I well remember the statement made on March 29, 1979, by the then secretary of state for external affairs, the Hon. Don Jamieson and, of course, the present Minister of Fisheries and Oceans (Mr. LeBlanc). The statement, which was released with considerable fanfare, indicated that four agreements had been signed with the United States; two relating to the Atlantic coast and two concerning the Pacific coast. The East Coast Fishery Resource Agreement established a Canada-U.S. fisheries commission and provided for co-operative management and access and entitlement to specific stocks of mutual concern.

The treaty to submit the delineation of the maritime boundary in the Gulf of Maine area to binding dispute settlement provided for the submission of a case to a five-judge chamber of the International Court of Justice for a final decision on the placement of the boundary. In the event that the International Court of Justice was unable to function under the formula mutually agreed upon by the governments of Canada and the United States, the dispute was to be automatically referred to a five-member independent international court of arbitration.

The East Coast Fishery Resource Agreement and the halibut protocol were submitted to the United States administration and to the United States Senate for its advice and consent. Although these treaties were signed by the Secretary of State Cyrus Vance and Lloyd Cutler, serving as the special representatives of the President of the United States, and by Canada's ambassador Peter M. Towe and special negotiator Marcel Cadieux, to date no action has been taken on this important matter by the United States Senate.

In my opinion this is a flagrant abuse of power by the United States Senate and today, these ineffective treaties represent the biggest single issue Canada has with any particular country. The fact that our Department of External Affairs and our Department of Fisheries and Oceans have been unable to bring any pressure to bear on the United States Senate such as would lead to ratification and approval of these treaties is a sad commentary on the relations which presently exist between our two countries.

Canada, and Canadians, stand by the agreement as signed by the United States administration. We made that fact abundantly clear to the United States senators and congressmen in Washington on Wednesday July 23, 1980. Concerned as we are over the lack of action by Washington on this important matter, the delegation under the chairmanship of Hon. Hartland Molson, assisted by Hon. Richard Donahoe and Hon. Charles Elman plus nine members of the House of Commons, representative of all parties, met with nine American senators including Senator Claiborne Pell and Senator Edward Kennedy and with 11 congressmen in order to try to clarify our position.

We pointed out that the Canadian government cannot, in effect, accept renegotiation of the agreement with the United States Senate. In our view, if amendments are proposed by the Senate these would likely upset the delicate balance achieved after a year and a half of intensive negotiations and would work to the disadvantage of Canadian fishermen since the United States terms of access would undoubtedly be increased.

We also pointed out that amendment or rejection of the agreement could have a serious effect on Canada's bilateral fisheries relations with the United States and might well raise problems which could spill over into other areas.

Moreover, since the signing of the fishery agreement an increased American effort, especially for Georges Bank scallop, has already substantially diminished the share of Canadian fishermen in that stock at a time when the stock is going through a decreasing phase of its natural cycle.

During our discussion in Washington the U.S. senators argued that the treaty should be for a limited time, rather than permanent. I pointed out to them during my remarks that it allows for renegotiating catch shares every 10 years. The Americans wanted more scallops. In fact, the amendment moved by Senator Kennedy to the East Coast Fishery Resource Agreement stated that the agreement should terminate three years from the date of its entry into force. He also proposed further restrictions on Canadian scallop draggers operating on Georges Bank. Senator Kennedy believes that the

United States should control scallop management. Unfortunately, as I speak to you tonight, the United States still has no scallop management plan for its own fishermen. They have a groundfish management plan however, and for yellow tail flounder they set a quota of 10,000 pounds to be caught between October, 1979, and October, 1980.

● (2010)

By July of this year, United States fishermen had caught half as much fish again, which explains why Canadian fishermen have little or no faith in any United States management plan not backed up by an international treaty.

After my visit to Washington, there are some doubts in my mind that United States representatives who are opposing the treaty understand it. Maine governor Joseph Brennan does not agree the treaty is perpetual. He says the fisheries are always changing. This viewpoint overlooks the fact that fish on Georges Bank carry no passports. They can be Canadian today and American tomorrow, or vice versa. It overlooks the fact that the two sides must reconsider quotas every ten years and that the treaty, once approved, builds in joint management and dispute settling procedures.

Today there are more and more suggestions that Canadian fishermen should start taking all the groundfish, herring and scallops they can before the Americans do. Their reasoning is that action of this type would give Canadians more fish for the time being, thus making the United States government more conscious of the need for a long-term management treaty.

I am glad to see the Secretary of State for External Affairs (Mr. MacGuigan) in his seat tonight.—Another suggestion I have, if the treaties as they presently exist, are not soon ratified, would be to delink the boundary settlement from the fisheries treaty. As it is now, the boundary line treaty goes to arbitration only after the United States ratifies the fisheries treaty.

As soon as the presidential elections are over in the United States, I hope that our fisheries minister and the Secretary of State for External Affairs will go to Washington together for the purpose of recommending to the New England fishing interests, the U.S. senators and congressmen that their interests would best be served by prompt ratification of the treaties which Canada and the United States negotiators drew up with a view to protecting the stocks, as a result of which fishermen of both countries will benefit. Unless such an effort is made, Canada's fishermen will rightly share the view that this government is derelict in its duty, not only to them, but to Canadians generally.

I turn now to another contentious issue presently before the industry, namely the marketing problems faced by many large and small processors operating in Atlantic Canada. The present minister—and I regret he is not in the House this evening—has his own views concerning the industry's marketing problems. He expressed them in a rather uncomplimentary manner in some speeches this spring. These comments did not in any way help the industry in its marketing efforts, nor did they provide any solutions for improvement. To tell the industry that there are possibilities outside downtown Boston, that they need to take out a wider map than the map of Massachusetts, is, if I might say so, through you, Mr. Speaker, somewhat beneath the minister's dignity. That the industry is facing some marketing problems is a known fact. What is equally true is that in some cases these problems are directly due to the actions or inactions of the present Liberal administration. When the Minister of Fisheries and Oceans refers to "solidly organized" marketing organizations which have a great deal of "clout"—and I am using his words—with which Canadians must compete, surely he is well aware that these organizations are highly subsidized by their governments.

Norway, for example, paid direct subsidies to its industry amounting to $180 million in 1979—$120 million in the first four months of 1980—and it has paid similar amounts in every year since 1974. In addition, Norway has an outstanding tariff preference in the very important European Common Market. Canadians have been selling significant quantities in Europe in spite of the tariff disadvantage we face on some major products. However, there is no doubt that the European economic community tariffs are being used in a discriminatory way against Canadian imports, and now their reference price system is also being invoked against Canada.

I would remind the minister and this government that the commercial Canadian fishing industry cannot change tariff and non-tariff barriers. Only the government has this power. It seems to me the whole weight and prestige of the Canadian government in its trade relations with the European economic community should be applied to remove these inequitable trade barriers. That is the clout needed by the Canadian fishing industry.

The minister should also strengthen the muscle of the Canadian fishing industry by using his ministerial strength against the frivolous countervail petitions aimed at Canadian exporters by American fishermens' groups. The minister should be more concerned about these matters, if not for the sake of the fishing industry, then at least for the threat that it poses for governments, shipyards and regional development policies.

Quite frankly, I deplore as loudly as possible the confrontation policies which presently appear to exist between the minister and the fishermen, between the minister and the industry and between the minister and the provincial counterparts in Atlantic Canada. In my opinion, the industry and the government, rather than confronting each other in an adversary posture, should be working together in an effort to mutually solve the problems which come under their collective powers.

One of the policies being followed by the minister of fisheries, which is seriously damaging marketing throughout the industry, is his continued policy of over-the-side sales. This spring, the ministers of our three maritime provinces expressed complete dissatisfaction with the lack of meaningful consultation by the federal government on the issue of indirect or over-the-side sales. They questioned, for example, whether the present Minister of Fisheries and Oceans has the legal author-

ity to allocate amounts of fish to foreign buyers without the approval of the provinces. They agreed there should be no direct sales involving guarantees unless there was prior consultation with the provinces, and that all conditions and guarantees offered to foreign buyers be offered to Canadian firms as well. This seems only fair, and it would place Canadian firms in the same competitive position as foreign companies getting over-the-side sale permits. The provinces also wanted any participating foreign vessel to be granted a permit from the respective provincial authority.

When endorsing these proposals for consideration by the federal government, I want no misunderstanding about my own position. I am not advocating provincial control over our fisheries. I have stated on previous occasions in this House, and I repeat my stand tonight, that I firmly believe the deep sea fishery must remain under direct control of the federal government.

Some hon. Members: Hear, hear!

Mr. Crouse: I am sorry, I did not hear the hon. member for Gaspé (Mr. Cyr) who has just made a remark. He has the right to make a speech, I am sure and I know that whatever he said was complimentary to me because we are old friends.

Some hon. Members: Oh, oh!

Mr. Crouse: However, federal control does not prohibit provincial consultation and this is one area which can be investigated and expanded.

The present federal policy of authorizing over-the-side sales to communist countries with guarantees of extra squid, mackerel or herring to the ship, in the event its holds are not filled prior to leaving our 200-mile exclusive zone, may, on the surface, appear to be a bonanza to our fishermen. But in actual fact its over-all effect is extremely damaging to our industry. There is a growing concern today about the effect of over-the-side sales and their impact on Canadian efforts to develop markets for our fishing products, in particular, the so-called underutilized species, such as mackerel and squid. The problem seems to be that the Canadian industry keeps running into Canadian fish being sold by the Russians, or other east bloc countries, in our own markets. In fact, prospective sales have been turned down because the buyers anticipated Joint Trawlers Ltd., a Soviet company, would have an over-the-side contract in 1980 and would supply the mackerel cheaper. In fact, this has happened.

Recently I attended a Commonwealth Parliamentary Association conference in Zambia. While I was there I had an opportunity to meet with delegates from all over the Commonwealth, including some from West Africa. While speaking to a delegate from Nigeria, I learned that Nigeria used to provide a huge market for Canadian mackerel. We still sell some mackerel to that country, but we cannot develop a strong position in the market because of the competition provided by the Russians, selling Canadian mackerel which they buy through over-the-side sales in Canada. They pay more to the fishermen than is possible by Canadian processors due to our unemployment insurance costs and high taxes. Because of their fixed overhead, they must have a certain price for their product. The Russians sell for less in order to get hard currency.

• (2020)

I also learned from another source that a Canadian sales team were shown Canadian mackerel in Egypt which had been bought from the Soviets. The price paid by the Egyptians was well below Canadian costs of production. Consequently, the Egyptian buyers advised that they would not buy any more mackerel from Canada unless we could meet the competition. The competition is provided by a communist country using slave labour which pays no taxes to Canada. It does not matter what prices our processors offer to the fishermen. For example, if it is ten cents a pound, the Soviets will offer 12, and if it is 12 cents a pound, they will offer 14. It is economically impossible for Canadian processors to meet that kind of competition.

The same applies to our sales of squid. Japan is the main market for this product, followed by southern Europe. Here again, Joint Trawlers Limited, a Soviet fishing company, undercuts Canadian exporters in Europe, supplying the market with Canadian squid. Japan has import quotas in place for squid, so every pound of quota supplied by the east bloc countries uses up import quotas that Canadians need for entry into the Japanese market. It is also my understanding that Canadian squid from east bloc sellers is underselling Canadian squid being offered by Canadian exporters to Japan, further damaging our position vis-à-vis the import quota.

These are only a few examples. There are many incidents like this which show that our over-the-side sales are hampering Canadian marketing and market development efforts. The effect on Canadian employment is, of course, obvious. There have been attempts to require the fishermen's groups to supply the shore plants' needs in any over-the-side arrangement, but these have not come to anything.

The Newfoundland union was permitted a foreign vessel in Black Tickle, Labrador this summer to buy cod fish—yes, cod fish—in spite of the fact there is a shore plant there owned by the province, and in spite of the fact that Fishery Products Limited, a Newfoundland company, was prepared to transfer any surplus catch to St. Anthony where the cod fish was needed. This deal was approved by the present fisheries minister on the basis that the local plant at least would be supplied, but this did not happen until the foreign vessel went aground and became a total loss.

I believe we have a responsibility to establish Canadians in a position where they can harvest, process and market the species I have mentioned without facing unfair competition from the communist bloc countries, countries that are not required to operate under the profit system but whose aim instead is to work for the overthrow of western countries and the free enterprise system. In fact, if present over-the-side sales policies continue, we must seriously ask ourselves what is the over-all aim of this government as it applies to the fisheries?

You have taken over the processing and marketing of freshwater fish in western Canada; you have taken over the processing and marketing of cod fish in Newfoundland through the Salt Fish Marketing Corporation. Are you now proposing to destroy the independent fresh fish industry in Atlantic Canada so that you will have the entire industry under your control?

If so, if this is your policy, you should come clean with the Canadian industry and the Canadian people presently involved in its development so that they can plan the best course for their own future.

Some hon. Members: Hear, hear!

Mr. Terry Sargeant (Selkirk-Interlake): Mr. Speaker, I welcome the opportunity to speak on this motion, if for no other reason than to bring the House up to date on the latest developments concerning the fishing industry in my province and, in particular, in my riding.

It is a sad commentary on the knowledge that many Canadians have of their country that many of my colleagues in this House, on both sides, are surprised to learn that there is even a fishing industry on the prairies. Indeed, many members of this House thought I was pulling their legs when I talked of it. Therefore, I would like to inform the House tonight that a fishing industry on the prairies really does exist. It is a multimillion dollar industry, it employs thousands of people, it is the backbone on which many prairie communities were founded and it remains so in many of them to this day.

In the year 1978-79, net sales of the Freshwater Fish Marketing Corporation, which markets all fish caught on the prairies and in the Northwest Territories, amounted to over $34 million. I realize that this figure pales beside the coastal fishing industries, but it is nevertheless significant to the areas involved. As well, one must add the sale of rough fish, private sales, sales through co-ops and so on.

For the sake of this debate, let me bring my comments closer to home. In my riding of Selkirk-Interlake, there are over 1,000 fishermen doing roughly $10 million worth of business annually. Fishing has been very important to central Manitoba since the late 1870s when the Icelanders came to settle the shores of Lake Winnipeg. The existence of a large body of water with an abundance of fish meant a continuance of a known way of life to people who had for many years fished the north Atlantic. They did encounter one unknown obstacle, ice. The north Atlantic never froze over, but Lake Winnipeg did. However, with a little instruction from the local Indians, they were able to overcome that.

In a rather ironic turn of events, three years ago a fisherman from my home town of Gimli was hired to teach Newfoundlanders how to fish through the ice. My friends from Newfoundland, I must admit, are a touch embarrassed when I tease them about having to learn how to fish from a prairie boy.

For many communities in Selkirk-Interlake, fishing was for many years the major source of income. Gimli, Riverton, Hecla Island, Hodgson, Grand Rapids come readily to mind. In many communities to this day, fishing is still the main business. This is particularly true in many native communities. On Indian reserves at Easterville, Grand Rapids, Little Saskatchewan, Lake St. Martin, Jackhead, Dauphin River, Fisher River and others, unemployment jumps when the fishing season ends to as high as 95 per cent. I think these few comments indicate just how important the inland fishing industry is. In my opening comments, I said that many Canadians were totally unaware of its existence. Too often it seems that the government opposite is also unaware of its existence. In his comments this afternoon, the Minister of State for Multiculturalism spoke of his government's desire to make famous world wide such Canadian fish as salmon, cod, halibut and so on. I was a bit dismayed when he left out pickerel and whitefish, or the famous Lake Winnipeg smoked goldeye. However, we in the Interlake are long used to this kind of neglect from Liberal governments.

At this point in its history, the Manitoba fishing industry is facing some very serious threats. This is not the first time it has been threatened. In the late sixties, the business was floundering badly after years of abuse at the hands of large corporations, largely American owned, which treated their fishermen employees as little better than indentured serfs. However, the establishment of the Freshwater Fish Marketing Board in 1969 brought an end to this. After a somewhat rocky start, this board brought order to the industry and a much greater degree of prosperity.

A year later, Lake Winnipeg was closed because of possible mercury pollution. However, after considerable study, this proved to be wrong and the lake was reopened. The threats to the industry today are many. As my colleague, the hon. member for Nanaimo-Alberni (Mr. Miller), mentioned in his opening comments, the Garrison diversion unit is one of them. My colleague from Skeena mentioned acid rain. This has not yet had any great effect on Lake Winnipeg, but it will inevitably take its toll.

The biggest problem has been government neglect. I would like to focus briefly on three or four areas and explain what I have in mind. One area is licensing. The system of licensing used on Manitoba lakes at the present time is very unfair to many fishermen. On some lakes there are three seasons—summer, fall and winter. Many fishermen are able to get only one licence, others two, very few fishermen have all three. It is very hard to make a living and support a family on only one licence, or two. Last winter, the Manitoba government produced a new scheme of licensing which would inevitably have meant the wiping out of many small fishermen and a return to the pre-1969 era of big interests controlling much of the lakes. During the winter months, they held meetings throughout the province to introduce or to explain this system. I suppose it is indicative of their lack of understanding that they were rather taken aback when their system met with universal opposition. They withdrew the program quickly.

● (2030)

I realize that licensing is administered by the provinces, but the federal government has the right to make some input into policy. However, it has not done so to date.

Another area of contention to Manitoba fishermen, and indeed to many inland fishermen, is the unemployment insurance regulations which are designed for the needs of coastal fishermen and which do not take into consideration the very different needs of inland fishermen. This is especially hard in many of the communities where there is no other employment in the off-season.

The third area is the vessel subsidy program. As many hon. members know, for many years the government provided 35 per cent of the cost of new fishing boats for fishermen. This was a very good program and it was helpful, especially to natives and to young fishermen trying to get into the business. Last summer the government of the day withdrew this program. This caused much consternation to inland fishermen and it was especially hard on natives and on those people who have only one or two licences and who really cannot afford to buy new equipment. It was also hard on the boatworks. I know of two boatworks in the town of Winnipegosis, which is in the neighbouring riding to mine, which were forced to shut down. Two boatworks in the town of Gimli have had to lay off their employees. Last fall the program was reinstated on a limited basis, but at present we do not really know whether it will continue or where it is going to go, and this is very unsettling for many fishermen in Manitoba.

The single biggest threat is one which I have already mentioned, that is, the Garrison diversion unit. Let me explain briefly what the Garrison diversion is. It is an irrigation scheme in the state of North Dakota. It is a motherhood issue, something that has been dreamed of by North Dakotans for over 100 years now. The idea is to use some of the water from the Missouri River system to irrigate the dry lands of north and central North Dakota. The benefits of this system at present are rather questionable. In order to irrigate 250,000 acres of land, 220,000 acres of land will be taken out of production. The cost benefit factor is definitely negative. However, this is not of concern to Manitobans; it is an internal North Dakotan problem. What is of concern to us is that the Garrison diversion unit as defined will link up the Missouri River water basin with the Hudson Bay water basin and as a result of this link-up through-leaching chemicals will be introduced into the Red River-Hudson Bay system, as well as parasites and strange fish.

A year ago, on the first chance I had to speak to the House, other than in the question period, I introduced to the House two of these strange fish, the rainbow smelt and the gizzard shad. Tonight I would like to add a third, the Utah chub. All three of these fish are rapid breeders, very adaptable to new environments, and would seriously threaten existing fish stocks.

Let me read from a technical report issued by the Fisheries & Marine Service in February, 1979. It is entitled "Potential Effects of Exotic Fishes on Manitoba: An Impact Assessment of the Garrison Diversion Unit." With regard to the rainbow smelt, the report concludes:

—we believe that rainbow smelt will be successfully introduced and established in Manitoba waters . . . We believe that smelt, when introduced to Manitoba, will cause the collapse of lake herring populations in Lakes Winnipeg, Manitoba and Winnipegosis and will have a major negative impact on the lake whitefish fishery in the north basins of Lakes Winnipeg and Manitoba. Smelt will also have negative impacts on walleye fisheries in certain locales of Lakes Winnipeg, Manitoba and Winnipegosis. Declines in the abundance of higher-valued species will result in decrease in fishermen's incomes such as occurred in Lake Erie during the late 1950s.

With regard to the gizzard shad it says:

—we believe that gizzard shad will be introduced and can be established in Lakes Winnipeg, Manitoba and Winnipegosis. There are suitable environmental and habitat conditions, food supplies and spawning areas for establishment of gizzard shad populations in these waters . . . Magnitude of impact may range from minimal impact to the worst possible impact of total collapse of walleye and sauger populations in these lakes.

With regard to our new friend, the Utah chub, they say:

In summary, Utah chub have a high reproduction potential, a potential for population irruptions and likely can establish in Manitoba waters . . . Furthermore, if in Manitoba waters, Utah chub will have a negative impact on indigenous fishes and may become a nuisance to anglers and commercial fishermen (through sheer volume of catch in the nets). We expect Utah chub will compete with whitefish and walleye for food and likely displace, to a major extent, existing forage species, particularly minnows . . . Therefore, we consider this fish to represent the same potential for major impact as rainbow smelt or gizzard shad.

Now I should like to quote some figures. The report gives a table of the percentage reductions in population size. They use three figures, the lowest, the most likely, and the maximum. I will only use the most likely figures. In the Lake Winnipeg north basin, the effect on the lake whitefish will be a 50 per cent reduction; on lake herring it will be 75 per cent; and on walleye and sauger 50 per cent. In the south basin of Lake Winnipeg, the effect on the lake whitefish will be a 5 per cent reduction; on the lake herring, a 5 per cent reduction; and on walleye and sauger, a 50 per cent reduction. In Lake Manitoba, the effect on the lake whitefish will be a 30 per cent reduction; on the lake herring it will be 75 per cent; and on walleye and sauger, 75 per cent.

The end result of this potential hazard to Manitoba fisheries will be nothing short of disastrous. Let me tell you how seriously people in Manitoba are taking this. I am sure the Right Hon. Prime Minister (Mr. Trudeau) would not like to hear this comment, but there are people in my riding who consider the resolution of the Garrison issue to be of greater concern to this country, or at least to Manitoba, than the present constitutional issue. There can be no if's or but's on this issue. No link-up of the Missouri River drainage basin and the Hudson Bay drainage basin can be allowed. It is as simple as that. The actions of governments in Winnipeg and Ottawa have been far less than reassuring. The Boundary Waters Treaty of 1909 is quite clear. In article 4 it says:

It is further agreed that the waters herein defined as boundary waters and waters flowing across the boundary shall not be polluted on either side to the injury of health or property on the other.

Clearly the Garrison diversion unit will break that treaty. We get statements from the state department and the executive branch that the Boundary Waters Treaty will be adhered

to, but construction crews in North Dakota continue to dig canals. Just last month a tender call was issued for the construction of the New Rockford canal which runs in the direction south of Jamestown. The New Rockford canal is completely useless unless the Lonetree reservoir is completed. If and when the Lonetree reservoir is completed, the link-up between the Missouri and the Hudson Bay systems will be in effect and the Manitoba fishing industry will go down the drain. Meanwhile, our governments rely on diplomatic niceties. The Secretary of State for External Affairs (Mr. MacGuigan) knows well of my concerns on this issue. Indeed, I believe he is sympathetic and has been supportive of me and of some of the actions I have taken to oppose the Garrison project. Our ambassador in Washington and his staff have done an exceptional job within the confines of their role to express to the U.S. state department and to U.S. politicians our concerns on this matter. But, damn it, it is just not good enough. I have a premonition of the day when the first gizzard shad swims up the Red River.

● (2040)

On that day I see the United States state department reaffirming its position not to violate the boundary waters treaty and our government sitting there still believing the Americans. But it will be too late then.

As the motion put forward today by my hon. friend indicates, this Liberal government is indeed betraying the interests of Canadian fishermen not only on our coasts, as my colleagues earlier have said, but also on our fresh water lakes. If this betrayal does not end soon, members of this government opposite will be as welcome in Manitoba fishing communities as our friend the gizzard shad.

[*Translation*]

Mr. Alexandre Cyr (Gaspé): Mr. Speaker, I have listened carefully to the comments of my good friend, the hon. member for South Shore (Mr. Crouse). He did a good job during the few months that he was president of the Committee on Fisheries and Forestry, and I believe that we had very interesting proceedings during his term in office. I would like to congratulate him on the way that he managed and administered this committee during the few months of the Progressive Conservative administration.

Mr. Speaker, in reading once again the wording of the motion that we have been asked to debate today, it seems to me more and more obvious that our friends opposite have not only missed the target, but more important, that they have misdirected their shot by believing that it would be easy to show the failure of this government in the administration of fisheries and oceans, and especially oceans. If there is one area where the Government of Canada is making its presence felt, achieving remarkable results and making the rest of the world aware of the importance it places on the fishing industry, it is certainly that of ocean management. And if there is one person among us who illustrates the interest shown by the Government of Canada in this area, it is certainly the present Minister of Fisheries and Oceans, the hon. member for Westmorland-Kent (Mr. LeBlanc).

Mr. Speaker, we must thank God that the Minister of Fisheries and Oceans of the Progressive Conservative administration between May, 1979, and February, 1980, did not keep his portfolio any longer. Everyone recalls what happened when the large trawlers entered the Gulf of St. Lawrence. All the in-shore fishermen associations of Quebec, New Brunswick, Prince Edward Island, and even Nova Scotia appeared before the Committee on Fisheries and Forestry to express their dissatisfaction with this policy of the then minister.

Mr. Speaker, it is not a secret that our country is bordered by three oceans. We have the longest shoreline in the world. The sea which surrounds us and over which we extended our country's jurisdiction for fisheries to 200 nautical miles from our shores in January, 1977, for most people—and also, no doubt, for our friends on the other side—has resources, secrets and mysteries still unknown to us. To quote the words of another great parliamentarian, Sir Winston Churchill, when he was describing the Soviet Union: The sea, a great unknown, a mystery within an enigma—

Mr. Speaker, when it created the Department of Fisheries and Oceans in 1977, the government took on an ambitious task. Not only did it take over the responsibility for managing fisheries, it also took on the responsibility for managing the oceans over which it had already affirmed its jurisdiction. Of course there were relationships between ocean sciences and fisheries, but there was much more than that. There was also the challenge of the eighties, a challenge which extends to the responsibilities of the coastal states for the development of off-shore resources as well as the systematic and responsible development of renewable resources. It was, as it can be easily seen, a considerable task and an exceptional challenge.

As we say, the absent are always in the wrong. And I know today that the Minister of Fisheries and Oceans is not among us. He had some other commitments. Today he is on the Pacific coast, the bearer of good news to those who are in charge of fisheries in British Columbia. For once, we will prove the proverb wrong. It is not by chance that the minister was entrusted with the portfolio of the Fisheries and Oceans after our return to power in February last.

Let us recall a few facts which are all to his credit. The minister who comes from the maritimes had assumed the responsibility of Fisheries and Oceans when he was minister of the environment. It was not long, however, before he was concerned exclusively with fisheries and oceans. The fisheries file at the time was faced with enormous difficulties. My hon. friends opposite will doubtless remember how we dealt with this painful situation in 1974. The industry was coming out of a period of plenty which had lasted several years. Suddenly, it realized that the halieutic resources were not inexhaustible, that the natural environment was in the grip of serious pollution problems, that the fishing areas could be the object of

stubborn dealings between the users, in short, that all was not well in the best of all possible worlds, and that it had better get hold of the situation, impose regulations, and especially obtain from all interested parties the assurance to carry out their activities in a responsible manner, in anticipation of the future.

This is the assignment which the minister took on with determination and success. Our hon. friends cannot say anything to the contrary. The hon. member for Westmorland-Kent got back his portfolio after a short break. There are many people from the industry and the users who have expressed their satisfaction. Finally, Mr. Speaker, the captain was taking back the helm of the ship he himself had built and that he knew well how to sail through the tormented seas he knew so well. Thanks to the work of his officials, the administrators and the scientists of his department, the minister has been able to demonstrate with conviction that this industry that some considered of little importance had its place in our country. Through reasonable management practices and through responsible development and expansion programs based on precise data, he proved that this industry was capable of becoming prosperous.

The first to acknowledge this fact are the fishermen themselves, Mr. Speaker, coming from nowhere or just about, they again found themselves lords and masters of the seas and the oceans. Furthermore it is with a renewed pride that they say that they are fishermen and that they have undertaken without cease to roam a vast expense they had been given the keys, namely the oceans and the new economic zone of 200 nautical miles.

Now, what are the challenges ahead in the eighties? In fact, Mr. Speaker, the fishing industry had to undergo a change not only to maintain its present position but also to develop at the same rate as its competitors to be able to respond to new needs.

Fishing has evolved from a simple family business to a sophisticated industry requiring up-to-date equipment and efficient processing methods. It has recently been able to meet new market demands for non-traditional species of fish, which meant the acquisition of new production techniques.

What is the responsibility of the present Canadian administration? When dealing with ocean management, it is addressing a threefold task:

(a) First, under present conditions, dealing with the management of underwater oil operations.

(b) Second: Preserving a very precarious balance by waging a fight against sea pollution.

(c) Last but not least, managing Canadian fisheries within the 200-mile limit.

To make matters clear, I will recall the criteria by which management performance is rated. Mr. Speaker, I was very pleased, a moment ago, on hearing my good friend, the hon. member for South Shore, state that the administration of fisheries in the Atlantic ocean, within a 200-mile zone, must be the exclusive jurisdiction of the Canadian government and I told the hon. member to go and see his good Progressive Conservative friends in Newfoundland and impress upon them, as well as on the hon. Premier Peckford, that the management of Atlantic fisheries must remain under the exclusive jurisdiction of the Canadian government. I laud my good friend, the hon. member for South Shore, for his statement. For once, I am in agreement with him and perhaps with you also, my good friend, the hon. member for British Columbia; and we see here the hon. member for Malpeque (Mr. Gass) who supported this motion admit that he agrees with this policy of the Canadian government and especially with that of the hon. Minister of Fisheries and Oceans. In the field of jurisdiction of the Canadian government, the responsibility—and I am not saying that it should be shared but at least the main responsibility—for the management of the fisheries in the Atlantic area should be maintained.

There will be the cumulative amount of statistics compiled in another area. Furthermore, there will be all the effort of co-ordination of an efficient management system; this combined effort with regard to research in every discipline is directed to the integration of all those efforts to the benefit of the people who are expecting results, the individuals themselves.

That we should be faced with problems of production is easy to conceive; however, there is more. There are problems of transportation, equipment, training of manpower and also this nuisance of our time, problems of pollution. These problems can come up in many ways: a breakage somewhere and we are faced with raw materials being spread in the natural environment. When we reach the stage of processing, or usage we are faced with masses of deleterious gases released in the air. I am thinking of acid rain. I am just giving you an outline, of course, but I want to call your attention to that aspect of the problem which did not escape the Canadian government and which is a source of concern especially for the Minister of Fisheries and Oceans, the monitoring of the environment. This has been translated into a series of programs and specialized activities following the adoption by the Canadian Parliament of legislation concerning the protection of the environment which for the time being meet the needs which have been recognized.

In November, 1978, Canada and the United States signed an agreement on water quality in the Great Lakes. This agreement is aimed at eliminating almost totally all dumpings of toxic substances into the Great Lakes and setting a new limit on the permissible quantity of phosphorus for each lake; joint municipal and industrial programs on dumping of polluting products into the lakes are to become operational according to a very tight schedule. During 1979-80 the federal atmospheric environment service completed a study on sulphur contents in the air over a three million square kilometres area

in eastern Canada, including the maritime provinces and a major portion of Quebec and Ontario. The Department of Fisheries and Oceans was actively involved in programs whose findings have revealed a high frequency of acid rains over all that wide territory.

Mr. Speaker, I must say that I am proud to be a member of the subcommittee on fisheries and forestry which is now studying the effects of acid rains in Canada. I will now comment briefly on fisheries management in Canada's 200-mile zone. We often hear critics of the Canadian government and especially of the Department of Fisheries and Oceans declare without any misgivings that the government has done nothing for the management of fisheries and oceans in the 200-mile zone.

In fact, Mr. Speaker, the staff has increased considerably at the Department of Fisheries and Oceans since 1976 and national outlays earmarked for scientific research on fisheries totalled some $112 million annually. In conclusion I should say that the Canadian government has done a lot for oceans and for the administration of fisheries in Canada. It is certainly not a failure as the opposition claims, but indeed this political party, this government has done its best for the management of fisheries and oceans and the minister and member for Westmorland-Kent deserves full marks for that.

● (2050)

[*English*]

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I should like to thank the hon. member for Nanaimo-Alberni (Mr. Miller) for placing this motion on the order paper for debate today, because it gives us an opportunity which is all too seldom afforded to bring to the fore some of the problems in the east and west coast fisheries.

In thanking him I would not say I agree entirely with every single word he has put into his motion. In fact, I take exception to the word "betraying" which appears in the first paragraph because I think it is a very strong word. The negotiators I know in the international field, particularly those negotiating with the United States, are not the kind who betray. They may not properly take certain things into account; perhaps that is a better way of putting it. I would say the motion should read as follows:

> That this House condemns the government for its failure to support the Canadian fishing industry, as demonstrated
>
> (a) by its failure to take into account all the interests of Canadian fishermen in its international fisheries negotiations with the United States—

Now the very first one of these I would tie in with section (d) of this motion because the government has demonstrated all too obviously a lack of action to enforce existing legislation and its claim to the 200-mile limit. There has been altogether too little effort made by this government to live up to and enforce the extra maritime territory which was acquired by the decision to extend the fisheries zone out to the 200-mile limit. Therefore I think we do have a way of uniting sections (a) and (d) of this particular resolution, and if possible I may be able to get at one of the others.

● (2100)

One of the things I do wish to speak about this evening is the manner in which international agreements between Canada and the United States are concluded and what happens to them once they are concluded. We have heard from the hon. member for South Shore (Mr. Crouse) the problems related to the fishing agreement on the east coast. I was not at that special meeting in Washington when a group of members from both sides of the House, and from both Houses, went to Washington to explain to the United States Congress the Canadian position on the ratification procedure related to that particular agreement. However, I was present when the matter was first initiated in San Diego during the visit of the Canada-U.S. parliamentary group. At that meeting the member for St. John's East (Mr. McGrath) suggested that rather than take up all the time of the meetings in San Diego—there were other topics we were discussing at that time—it might be desirable for a special group to go to Washington. It did that in July.

We read this morning in a press release of recommendations made to the two governments by negotiators on the west coast which it is expected will be adopted as a treaty in due course. There are four, five or six elements in this agreement which I think are worth recording here. One is the recommendation which deals with the problem of interception, that is, which country may catch which fish. Conservation of all five species of Pacific salmon was taken into account during negotiations and recommendations were agreed upon as to who should be able to catch whose fish. Catches of salmon spawned in one country but caught in another should be limited. According to this press release it is generally agreed—as it has been agreed for years—that the division should be equal, although at the present time Canadians take about two million U.S. salmon each year while Americans take five million Canadian-bred salmon. That inequity is one of the problems which the negotiators have been attempting to deal with, and it is one worth noting.

Another matter which was included in the recommendations dealt with the situation which arises when one country wants to allow more salmon to return upstream so as to encourage a greater stock production. In that case there would be a proportionate decrease in the take on the American side resulting in the Americans proportionately reducing their take. Accordingly, there would be a smaller catch of American-bred salmon. Then there is the question of control over the Fraser River, and, finally, the recommendation that Canada should receive credit for fish spawned in northern British Columbia and Yukon rivers but caught in U.S. nets. That is a very special problem because of the panhandle and because of the flow of the rivers. The salmon enter the Yukon River, in American estuaries, swim up the Yukon and eventually breed in Canadian territory. At another Canada-U.S. interparliamentary group meeting we did see some of the escapement going through the fish ladders up in Whitehorse.

These are some of the matters which are dealt with in that particular fishing agreement but there are other agreements in train, agreements concerning the boundaries. There is an agreement on the boundary between the panhandle and British Columbia, the 54° 40′ point, which most of us who studied Canadian history way back can remember. I don't know whether they still talk about 54° 40′ or not. But there the Americans have claimed a great chunk of the waters leading into the Canadian waters at the Dixon entrance and further up north although there has been no positive negotiations on the extension of the 141st meridian, which is the border between the Yukon and Alaska, up to the frozen ocean, as the treaty suggests. There is definitely a U.S. claim to take a larger slice of the Beaufort Sea than is considered appropriate by the Canadian negotiators, the Canadians claiming the extension of the 141st meridian. That is right and proper. That is what the agreement said when it laid down that tortuous division between the Canadian and U.S. territories.

Having gone through all that, one of the things I do want to stress is the role Parliament might be able to play in these negotiations or in some part of the treaty-concluding process. The authorities are quite firm on this subject, and I quote from the present Under-secretary of State for External Affairs, Mr. Alan Gotlieb, who in 1968 wrote a treatise on Canadian treaty-making, in which he said:

> In Canada, the power to make, or enter into, a treaty is possessed by the Crown.

There is no question about that. Those concerned do draw advisory opinions from the interested parties and in the case of the west coast they obviously take them from the fishermen and from the province. The next stage beyond the conclusion of the treaty, however, is the ratification process. What happens to the treaty once it is concluded by the negotiating parties? The practice has grown up in Canada, of late at least, to consider this, too, as being an executive act, although if one goes back as far as 1928 one will find that in certain cases this House could ratify a treaty. Here I quote Mr. Mackenzie King, then prime minister, who, speaking in the House on April 12, 1928, concerning a convention, said:

> I might say to my honourable friend first with respect to the course of procedure that is being adopted of having Parliament approve this convention, that that course is in accordance with the principle underlying a resolution of this House which was introduced by myself a year or two ago, and at the time unanimously adopted.

In other words, in the conventions of treaty-making and treaty-conclusion and treaty-ratification, this House could ratify a treaty. We see this process in the United States, and it can be stalled in the United States in a way which I think is absolutely unacceptable. It is an executive act, the conclusion of a treaty. In the United States it is an executive act. But ratification is an act of the Senate, of the legislature. Now, I think there are two suggestions that ought to be made because on the United States side the Senate has held up ratification of that east coast treaty. I think we should insist that before we go into any negotiations of this importance with our American neighbours there should be a congressional component on their negotiating team. It is an unusual procedure and an unusual suggestion, but this is an unusual situation. Ratifying the boundaries will be even more difficult and even more unusual. There should be a congressional component from the United States involved in the negotiation process. I also suggest that when treaties of this significance and importance have been concluded, we in this House or in the Senate or perhaps in joint committee, should have an organized procedure for parliamentary ratification and that it should not be left merely to the Crown as has heretofore been the case, with some exceptions. Perhaps some of the very prominent constitutional experts in this House, one of whom claims that distinction now, could look into this particular matter to determine whether in Canadian parliamentary terms we could perform that particular act.

• (2110)

If we could in fact ratify such a treaty, then we could also hold up ratification of an agreement just as the Americans are holding up a particular agreement with Canada. The disaster which is being wrought on the scallops on the Georges Bank because of the failure of the treaty to be ratified in the United States Senate is something for which we may all pay in the near future.

The situation is very distressing, but if that possibility of double hostage-taking, if you like, were in existence, then we might very well have seen these particular treaties ratified. I suggest to the Secretary of State for External Affairs (Mr. MacGuigan) that this treaty which is now being concluded might very well, as a test case, be submitted to this form of ratification in the Canadian Parliament, once the agreement has been finally put into a form acceptable to the minister.

I would like to go on to make other suggestions and comments, but I feel that if I stop with that one single message it will perhaps be stronger and more emphatic. It would also enable some of my colleagues to take the floor. So I suggest that before entering negotiations with the United States we insist that they have a congressional component in their negotiating team and that we on our side, see to its ratification. I do not suggest that this procedure apply in all cases, but I suggest that Parliament should deal with ratification of particular treaties. For example, there might be good cause for the opposition to say, "This particular treaty deserves ratification by the parliamentary process".

Mr. MacGuigan: Mr. Speaker, I listened very carefully to the argument of the hon. member who just had the floor. Without detracting in any way from his very well presented thesis, I would like to say that the press reports in the last day or two that a west coast salmon treaty is just about ready for signing are entirely erroneous. All that has been discussed so far is what to talk about in the real negotiations.

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I would like to express my thanks to the hon. member for Nanaimo-Alberni (Mr. Miller) for bringing this subject before the House at this time.

Mr. Baker (Nepean-Carleton): It was a wonderful surprise.

Mr. Manly: We on the west coast face a real crisis and it is important that we take the time to discuss the matter. My colleague from Nanaimo-Alberni has put forward a comprehensive criticism of the government's failure to support Canada's fishing industry. Among other things, he mentioned its failure to stand up to the United States in negotiating our fishing treaty and its failure to refuse to allow them to push us on the boundary issue.

The hon. member pointed out that the continuing high interest rate policy of this government is an added burden on fishermen who are already facing serious problems of high payments on their boats. He pointed out the government's failure to limit the amount of gear that is going into the water, with the result we continue to have more and more gear chasing fewer fish. The hon. member for Nanaimo-Alberni pointed out the government's failure to develop our research capability at the very time we face growing management difficulties with the fishing industry. Finally, he pointed to the serious neglect of fish habitat.

It is interesting to hear what the Minister of Fisheries and Oceans (Mr. LeBlanc) had to say in an interview while in British Columbia last spring. The newspaper report I have here quotes him as saying:

> There are some problems on the west coast but in the past it has shown it can take the knocks.

The fishing industry on the west coast is taking very serious knocks and unless the minister and the department get to work it will receive a knock-out blow from which it will never recover. Along with other members of my party who are vitally concerned about the future of this resource and the industry in British Columbia, I plead with the minister and his department to take some positive action that will alleviate the situation.

Within the broad outlines of the criticism established by my colleague from Nanaimo-Alberni, I would, first of all, like to make some remarks of particular interest to my constituency, Cowichan-Malahat-The Islands. Second, I would like to point to some of the problems which the native Indian people of British Columbia face with regard to fishing. Like fishermen from all along the British Columbia coast, many of those in Cowichan-Malahat-The Islands have experienced a disastrous year. Depleted stocks, low catch prices, rising costs and high interest rates have all worked together to keep fishermen from breaking even, let alone making a profit or even making their wages.

Ten years ago the salmon catch in British Columbia was 280 million pounds. Last year it was half that at 140 million pounds. This year I understand we will be very lucky if we break 100 million pounds. Obviously, something very serious is wrong with the way in which the department has managed the resource. The people who are paying for this mismanagement are the people who have been led to invest money in boats and in gear with the hope of making their livelihood from fishing. They are caught in a vicious cycle of boom and bust.

I submit that the Department of Fisheries and Oceans must manage the resource much better and that we should not be subject at the mercy of periodic slumps. There is need at the present time for immediate help so that fishermen do not lose everything for which they have worked over the past few years. Right now their livelihoods are in jeopardy as they try to make the high interest payments on their investments in boats and gear. Unless action is taken to protect these fishermen, this industry will become controlled more than ever by large corporations, and as anyone who has looked at the industry knows, this has been continuing trend over the last 50 years, more and more power being gathered into the hands of fewer and fewer corporations.

Along with my concern for fishermen who are making high payments on their boats, I would like to make a plea for the shore workers. I would request that the government consider bringing in some kind of special legislation to lower to eight the number of weeks that shore workers must work in order to qualify for unemployment insurance benefits. It is important that these people, on whom the industry depends, on whom our economy depends, should not have to bear the entire brunt of the boom and bust cycle which is a result of the government's failure to act. They should not have to assume the entire burden. I think it would be right and fitting if the government shared that burden.

● (2120)

When I look around my constituency, Mr. Speaker, I become greatly concerned at the government's failure to protect the fish habitat. I welcomed the assurance given the other night by officials of the department that it would continue to protect the fish habitat in the Cowichan estuary regardless of what the provincial task force on the Cowichan estuary will say when it finally reports. We have been waiting for that report for more than two years.

There seems to be a determination on the part of some forces in British Columbia to further industrialize the estuaries. Of course, these are easy places in which to put industry but industry in such sensitive areas would destroy the very basis of our fishing industry and the basis of our present and future prosperity. The federal department should have the gumption to oppose this kind of industrialization which can only lead to the degradation and destruction of the fish habitat. There was federal representation on the task force. We are waiting for the results of its investigation to see whether the department is willing to protect the fish habitat or whether it is going to bow before the demands of those who want to industrialize the estuaries and who have no concern for the habitat of fish. People come to me to talk about the Fraser River and how important it is to the economy of British Columbia—indeed, to the economy of Canada. We regret the failure of this government to protect the Fraser River and keep it from turning into the world's largest sewer.

While the Fraser River is important—and I do not want to underestimate its importance—I want to emphasize that there are numerous smaller rivers and streams which, combined, have a very great fish producing capacity. In my constituency the government has been just as neglectful of these small areas

as it has been of the Fraser River. For example, the Cowichan River is in serious trouble at the present time and this is a river that has a fairly major impact on our fisheries. The study done for the Cowichan estuary task force two years ago pointed out that this river is important to Indian food fishing, to commercial fishing and also to sports fishing. I walked the banks of that river with an old-time fisherman last spring and saw how some of the side channels have been allowed to silt over and how the debris has accumulated. These side channels need to be cleared so that the fish can spawn there again. I was shown some of the log jams and the destruction they cause. As the water comes down river, it hits the log jams, and forces its way into other channels and develops swift currents that eat away more and more of the bank. As a result there is less space in which the salmon can spawn. What used to be one of the best salmon rivers in British Columbia is being destroyed by neglect. What we need is some kind of joint federal-provincial arrangement to take care of this river and others like it.

I was disappointed to learn that of the $28.5 million budgeted for the salmonid enhancement program in 1980, only $1 million was put aside for natural enhancement. Too much of the emphasis in the salmonid enhancement program is laid on big engineering projects. When the program was introduced three or four years ago, departmental officials held hearings in small and large communities throughout British Columbia to find out what the people thought was the most necessary aspect of it. The message in one community after another, was that emphasis should be placed on natural methods of enhancement and on stream clearing. Instead, the department has chosen to establish the big engineering projects. Of that $28.5 million allocated to the salmonid enhancement program, only $125,000 is available for public participation projects and small stream work.

In my constituency, the Cowichan Indian band has a salmonid enhancement projet but it is hard pressed to find the funds to carry out the work. In this House we have spoken about the problem of Indian unemployment. This is a program which could help the salmon industry and put people to work at the same time but the funds do not seem to be available. The government has suggested that the band could apply to the Canadian Community Development Project for funds.

Of course, the government knows full well that the money allocated for these projects in all of western Canada, is but a drop in the bucket and does not begin to meet any of the real needs—either of stream clearance, the hatchery project, nor to speak of the need for employment. It is just a cynical public relations move.

I am concerned about the government's failure to protect the fish habitat from spraying by chemicals about which we do not have sufficient evidence, such as the krenite spraying that took place in British Columbia during last summer.

My next area of concern relates to Indian fisheries, Mr. Speaker. I welcomed the announcement made a week ago that $4.2 million would be made available to Indian fishermen in special aid. I think this recognizes an important crisis. Unless help is given now, even more Indian fishermen will be squeezed out of business. Since 1969 when the Davis Licence Limitation Plan was introduced, the Indian people have been squeezed out of the industry. For example, one group of Indian people on the west coast of Vancouver Island found that between 1973 and 1976, the number of Indian-operated trollers declined by 54 per cent. These figures indicate very dramatically how the Indian people are being squeezed out.

We should recognize that a crisis exists at the present time and, we should also recognize that the Indian people face a continuing crisis. We know that 59 per cent of the Indian population is under age 25 yet there is no program to provide jobs for these people, and they are not able to enter the fishing industry. Traditionally, the Indian people on the west coast have been referred to as the salmon people—people who depended on the ocean and on the annual runs of salmon even before there was a commercial industry there.

• (2130)

This has been their culture and life. They are being squeezed out of it. It is important we recognize the significance of this crisis and make money available to help them. We need money for the economic development of the fishing industry on the coast. I thought the Indian fishermen's assistance program was helpful, but there have been severe criticisms of it. Some of the Indian people have asked whether it was right that one small group of people should be allowed to develop themselves while others were being squeezed out of the program. More of the Indian organizations are asking for programs to help the whole Indian community to develop Indian community well-being rather than simply to develop individual well-being. We need training programs for our Indian people, so they can become involved in more of the complex areas of the fishing industry.

Perhaps we should also be looking at a very old method of catching fish by the use of fish traps which the Indian people used. I realize it is heresy to talk about this in our time because we are so committed to the idea of free enterprise in the fishing industry, to the idea of using more and more gear and burning up more and more oil chasing after fish. However, maybe there is a possibility that the old method of establishing fish traps at the mouth of a river, through which mature fish come would eliminate the trouble of catching all the small fish which must be thrown away. Then we would be able to manage individual streams and develop the resource for the entire community. We would be able to take some kind of rational approach to the fishing industry. Perhaps in five or ten years more people might realize that fish traps are a more sensible approach than the present gear-intensified craziness which is presently destroying our resource and making it more difficult for people to make a living from it.

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, I am particularly pleased to speak to this motion because the fishery is the lifeblood of my province and it is vital to many of my constituents in Humber-Port au Port-St. Barbe.

What we have before us is a motion which condemns the Government of Canada for its failure to support Canada's fishery—condemns us to where, I do not know; nevertheless it condemns the Government of Canada. The motion goes on to accuse the Government of Canada of betrayal, or of following a course of anarchy in its fisheries policy; also it complains of a lack of change in policy and finally it accuses the government of failure to enforce those policies already described as a betrayal to fishermen in the first place. I would suggest the motion in itself is a contradiction in its terms.

Let me suggest to the hon. member in the New Democratic Party who put forward this motion that I respect his right to present it. I respect his right to raise his concerns about Canada's fishery. In fact, I agree, with many of his concerns and I am sure the Minister of Fisheries and Oceans (Mr. LeBlanc) would agree also. I am concerned about large corporations getting control of a bigger chunk of the fishery. I am concerned about companies that would like to monopolize the fishery at the expense of our fishermen. I am concerned too about the threat which industry is posing to Canada's fishery every day.

In my own province, the most stringent environmental guidelines will have to be applied to protect our fishery from offshore oil and gas development. However, I would respectfully submit to my colleague opposite that to offer constructive advice, in other words, to move a motion for the consideration of this House which might bring about important change, would be more productive and positive than any negative motion.

It is my intention to clarify some of the matters raised in this House today by opposition members as they relate to the fishing industry on the west coast of Canada and in my own area on the east coast.

First, dealing with the west coast of Canada, I shall start with a few statistics. Traditionally, the west coast fishing industry represents approximately 35 per cent of the total revenue generated by the fishing industry right across Canada. It is responsible for the direct employment of roughly 22,000 people. The five main species of Pacific salmon are sockeye, chum, pink, chinook and cohoe and they are, of course, the backbone of the fishing industry off the coast of British Columbia. As such they represent a bountiful renewable resource.

Over the years, salmon have provided a good living for many west coast fishermen. Annual income of $50,000 to $70,000 have not been uncommon in recent seasons. If honourable members have any doubts about the state of prosperity of the west coast fishing industry, they have only to cast their eyes over fishing fleets in such places as Steveston or Prince Rupert and contemplate the investment of tens of millions of dollars tied up in boats and gear, much of it the latest and most advanced technology on the market.

Unfortunately, and it is unfortunate, the situation in 1980 is not as buoyant as it has been in previous years. My information is that despite some unexpectedly high chum catches in recent weeks, salmon landings generally in B.C., up to the end of September, were running 22 per cent below those for the corresponding period in 1979. Extrapolating that trend to the year end indicates that 1980 salmon landings will range between 52 per cent and 91 per cent of the ten-year average, depending on the species, with the over-all total at about 77 per cent of the ten-year average. That is not good news. Predictions are that the total landed value of this year's salmon catch will amount to approximately $103 million. This is a 36 per cent drop from the 1979 value of $160.5 million and it is much below the four-year average of $140 million in the period 1976 through 1979. The fact that salmon prices are from 10 per cent to 20 per cent lower than last year is a contributing factor to the over-all decrease in landed value. I might point out that catches of salmon fishermen in the northern part of the province were actually higher than in 1979, both in the troll and the net fisheries. The fishermen who are doing poorly this year are mainly those fishing off the southern part of British Columbia, particularly the trollers.

Making this a worse-than-usual year for the industry in B.C. was a strike earlier this year. Indeed, there was a strike in my province, which will no doubt reflect itself in the figures at the end of the year. Because of the strike by the herring fishermen in British Columbia, most of them did not participate in the previously lucrative roe herring fishery this year.

What will the impact of this downturn be on the average west coast fisherman? Certainly there will be a decrease in the net incomes of many fishermen in 1980. In some cases, this could lead to repossession of vessels—God forbid—where the owners are caught in a credit squeeze. However, because of the healthy earnings of past seasons, there is every expectation that most west coast fishermen will be able to cope with the situation and get through until next season with a little belt tightening.

I have been assured that officials of the department are continuing to closely monitor the impacts of current economic conditions on Pacific fisheries in order to assess whether special assistance may be necessary.

Mr. McKinnon: Mr. Speaker, I rise on a point of order. Could the hon. member who is speaking answer a short question at this time?

● (2140)

Mr. Tobin: I will accept the hon. member's question when I am finished.

Although the fisheries economic picture on the west coast this year is not as bright as one might have wished, it does forcefully point up the unpredictability which characterizes the fisheries harvest and the extreme complexity of managing the fisheries resource. And nowhere is this task more complex than in the salmon fishery on the west coast.

As an example of this complexity, one might take the Fraser River system which has more than 40 different stocks of chinook salmon, whose movements once they leave the river are still not fully understood. Each stock is unique with its own set of characteristics which allow it to migrate the required

distances, to develop in temperatures indigenous to its spawning area and generally to survive in the environment of its home river. For example, McGregor River chinook travel nearly 500 miles to their spawning grounds, compared with Capilano stocks which only swim about four miles upriver. Egg incubation periods differ from stock to stock and so do the rearing times of young fish.

The Fraser is probably one of the most complicated systems that fisheries management personnel must cope with. This is due to the fact that the commercial fleet is concentrated in the areas through which the Fraser stocks must pass, coupled with the long and perilous journey up the main stem of the river which the fish must make to reach their spawning grounds. The intense fishing pressure, the natural hazards facing the salmon's survival and encroachment on the habitat of the salmon as a result of various industrial activities and competing resource uses, all add to the problems of fisheries management. Not only are a few stocks declining in the face of this onslaught, but some are in danger of extinction.

However, our fisheries managers are not ready or willing to throw in the towel in their fight to save and hopefully, enhance, the Fraser chinook stocks. For them and for the Minister of Fisheries and Oceans, the struggle to save the salmon takes on aspects of a religious crusade. They know what they are trying to do is worth while and that the results of their labours will benefit not only the present generation, but generations yet unborn.

A key element in this fight is a massive tagging program which over the next few years is hoped will generate the information that fisheries biologists need to effectively manage the commercial, sport and native food fisheries, and to plan future enhancement programs.

Last year nearly 600,000 three-month-old chinook fry from British Columbia rivers and hatcheries, had a fin clipped off and a coded wire identification tag inserted in the nose cartilage. When sport fishermen catch one of these fin clipped fish, they are asked to turn the heads into depots across the province. The commercial catch is sampled for marks in the processing plants. The nose tags are removed and the number codes read and recorded. In this way it is possible to identify the date and origin of the fish and gain information on where, when and how the fish was caught, thereby assisting biologists in charting the migration patterns of the different stocks of salmon of British Columbia.

The statistics from tagging will also allow fishery managers to pinpoint more accurately the times and places when a fishery should be closed down in order to allow stocks to escape the fishermen's nets or hooks and return to the river to produce the next generation.

However, establishing a fishing plan which will ensure adequate escapements to each river is made even more difficult when stocks from a variety of rivers are mixed together in the same fishery. For example, if a stock from a highly productive river and stock from a river that is not as productive are fished together, too large a percentage of the less productive stock may be caught, thereby furthering the decline of that stock.

A similar problem arises when stocks from an artificial enhancement facility and "wild" or natural, stocks are fished together. This is because enhancement facilities obtain much higher survival rates than occur in the wild. With cohoe salmon stocks, for example, survival rates of 80 per cent from the egg to smolt stage—that is when they first venture into the ocean—are common in hatcheries. By contrast only about 11 per cent or 12 per cent of the cohoe which incubate and rear in the stream in totally natural conditions will survive to the smolt stage. Thus if natural and enhanced stocks are fished together, the fishery manager must choose between the harvesting of fewer fish from the enhancement facility than necessary, or the harvesting of too many wild fish.

I must apologize to hon. members if I have become too technical in attempting to explain what the fishery manager is up against when involved with the west coast salmon fishery. My sole intention is to provide a better insight into the complexities of the matter. And at that, I must admit that I have only just scratched the surface.

The opposition motion seeks to condemn the government for alleged lack of action to devise and implement revised policies to regulate the industry or to enforce existing legislation protecting the fisheries. Certainly as far as the west coast of Canada is concerned, there is little to substantiate such allegations.

Earlier I made brief mention of the problems of safeguarding the habitats where salmon breed and grow from degradation or complete destruction as a result of various industrial activities such as logging, construction of hydroelectric dams, dredging, dumping of wastes, mining operations and so on.

Obviously it makes little sense for the federal government to invest millions of dollars in salmon enchancement schemes to increase the supply of salmon if there is no control over assaults on the basic habitats of the stocks—the cradle of the runs, as it were. For this reason the Department of Fisheries and Oceans has placed a high priority on its habitat management activities, and nowhere more so than on the west coast.

Miss MacDonald: What's his name?

Mr. Tobin: For the hon. lady's information, it is the member for Humber-Port au Port-St. Barbe. I am very much interested in the west coast fishery. I wish the hon. lady were as well.

At this point, it might be of value if I said a few words about the salmonid enchancement program, so important to the people of B.C., particularly fishermen. This ambitious and imaginative program was launched in 1977 by the federal government in co-operation with the government of British Columbia and is designed to double the annual catch of Pacific salmon in the space of 20 years or so, that is, add about 25 million salmon to the current catch. The federal government investment in the initial seven-year phase has been set at approximately $150 million. It is the government's intention to continue this funding, based on the success of the initial phase, to bring about the required objectives.

In economic terms, the objective of the salmonid enchancement program is to increase the landed value of the salmon harvest from the current yearly average of $160 million to $400 million, in 1980 dollars, by the year 2000. This will be achieved by allocating the increased production to its best use and by undertaking cost-effective programs to increase the quality of fish products.

A further objective would be to double direct sport fishing benefits from $50 million to $100 million by the year 2000, as well as continuing to meet the needs of the traditional Indian subsistence fishery.

I realize there are others who would like to say a few words on this motion. I simply want to add as a Newfoundlander and one who is very concerned about Canada's fishery, that I share many of the concerns raised here today, in particular with regard to the environment, on the question of whether to allow industry to grab a bigger chunk and the problem of preventing monopolies from forming.

I repeat, however, that a motion which merely condemns but offers no positive and constructive advice is not good enough. I would suggest that my colleague in the New Democratic Party come back with another motion which makes some concrete suggestions. I would then support his motion.

Mr. McKinnon: Mr. Speaker, I would like to direct a serious question to the hon. member for Humber-Port au Port-St. Barbe. Almost all of his speech dealt with the west coast salmon fishery. I would like to ask him whether his speech was prepared for him by the Department of Fisheries and Oceans or whether he prepared it himself.

● (2150)

Mr. Tobin: I am quite pleased to tell the hon. member opposite that I have had a great deal of help in preparing this speech. In fact, my good colleague and friend, the Parliamentary Secretary to Minister of Fisheries and Oceans (Mr. Henderson), provided me with a great deal of research material, and I certainly appreciate it. I am not one of those who would dare venture to rise in the House of Commons without at least having had the opportunity of asking for advice and information which could be useful to me in participating in the debate.

Some hon. Members: Hear, hear!

Mr. Howard Crosby (Halifax West): Mr. Speaker, thank you for this opportunity to make some remarks in connection with the motion condemning the government for its neglect of the fishing industry. It provides me with an opportunity to make some general remarks about the great importance of the east coast fishery to Nova Scotia and the Atlantic provinces.

First, I should make it clear that in my constituency of Halifax West, less than 5 per cent of our work force is employed in the fisheries industry. Nonetheless, it is a matter of great importance to all of us because in the fishing industry in Nova Scotia we see part of our hope for the future. That industry, along with developments in the field of energy and marine transportation, will bring us, we hope, to a new era in the 1980s.

Let me begin a discussion of the fishing industry in Nova Scotia by listing some facts which underline the magnitude as well as the importance of our industry to the whole of Canada. We rank fifteenth worldwide but first in export sales of fish. There are over 100,000 people directly employed in fishing, and this accounts for $1.3 billion in export sales. That compares favourably with export wheat sales which amount to approximately $2.2 billion. Canadian fish production has an estimated worth of $1.6 billion, and at least $1 billion of this is earned on the east coast where most of the production is centred in Nova Scotia and Newfoundland to the extent of about 80 per cent of the total. There are 600 fish plants along the east coast and they have an effect on over 200 communities.

In the short time remaining to me, Mr. Speaker, let me speak more generally about the fishing industry. First of all, we must note that it is a world-wide industry and that Canada is only a part of it. For that reason, we must deal with other nations and other jurisdictions in order to achieve our great potential in the fishing industry. When I mention the world-wide involvement of the fishing industry, I am mindful of the fact that no treaty affecting the scallop fishery and the fishery on Georges Bank has been signed between the United States and Canada. We along the east coast of Nova Scotia urge the Department of Fisheries and Oceans to take action in this respect. Any delay will cause the disruption of the industry and potential irreparable damage. We deal with other foreign states. Recently one of the assistant deputy ministers in the department brought public attention to the fact that a new treaty must be negotiated with France which will affect the cod allocations in the Gulf of St. Lawrence to prevent the fishing industry operating in the Gulf of St. Lawrence from being jeopardized. We are very conscious of the world-wide connections of the industry and we urge the Minister of Fisheries and Oceans (Mr. LeBlanc) to be conscious of it as well.

As well as dealing with other nations, the Minister of Fisheries and Oceans, in his role as supervisor of the fishing industry in Canada, must deal with the provinces, and, as we all know, that has caused a great deal of grief and concern. We in Nova Scotia support the position that the federal authority must take total responsibility for the fishing industry. That is not to say that the provinces should not be consulted in matters of vital interest to them, particularly, as I have mentioned, in the matter of the allocation of the Gulf of St. Lawrence fish stocks.

In 1976, by action of the federal government, Nova Scotia-based fishermen were precluded from entering into the Gulf of St. Lawrence for the purpose of utilizing northern cod stocks. That situation was remedied in 1979 and an allocation was made in the Sydney-Bight area just outside the traditional Gulf of St. Lawrence area. This is a very important segment of the Nova Scotia fishing industry where 1,000 metric tons of cod are caught, producing 35 jobs and around $750,000 in revenue. It has been said that the Nova Scotia fishing fleet

could easily take 23,000 metric tons of cod fish without affecting the over-all industry, fish which, instead, are taken by France and other foreign nations.

I do not need to remind the House what a tremendous economic liability we suffer in Nova Scotia from not having access to the Gulf of St. Lawrence stocks. It is up to the minister to resolve these federal-provincial problems. He can only resolve them by conducting negotiations with those concerned, not by confrontation or by putting down those who are legitimately in the fishing industry, whether it be inshore of offshore. But that, I am afraid, is not the course which the minister has pursued in the past. He has said, and I have the quotation here, that he is not running a winter works program, that he cannot react to the needs of the fish plant workers and the employment problems in areas which are dependent on the fishing industry. That is the kind of remark which causes difficulty and destroys understanding, and for which the minister must take responsibility.

Last Sunday I was watching the proceedings in the House as re-telecast on the CBC and I saw the hon. member for Essex-Windsor (Mr. Whelan) making a particularly earthy speech, typical of a person using earthy language. My son, who is only 11 years old, was there listening with me and he asked me, "Who is that?" I said, "That is the Minister of Agriculture", to which my son said, "Thank God he is not the minister of fisheries". But I had to say to him that I am not at all certain that the Minister of Fisheries and Oceans possesses a greater understanding of his portfolio than does the Minister of Agriculture, and certainly he lacks the knowledge which it is imperative for him to have if he is properly to supervise the fishing industry in Canada.

I should like to take this opportunity, Mr. Speaker, to draw attention to some of the problems of the fishermen in Nova Scotia and elsewhere on the east coast. They are the victims of the lack of a clear licensing policy on the part of the federal government. There are part-time fishermen who have licences and do not fish, but there are also full-time fishermen who cannot get licences and who cannot upgrade their equipment and their vessels because of confusion over licensing. This must be remedied immediately. The Minister of Fisheries and Oceans has told us that in 1981 he will introduce a new fisheries licence policy, but we have no guarantee that it will be any better than the last.

Another concern of the fishermen in my area is that the government should clarify its policy on loans for vessel construction. Anyone who has delved into this matter knows about the confusion caused by the size of boats and the great number of years before which they qualify for replacement. Action has to be taken in this respect.

With regard to small-craft harbours, the government and the department has a budget of $15 million for this item. But do you know, Mr. Speaker, that they cannot even put a light on a wharf in a small-craft harbour so that the fishermen can utilize the wharf at night, in the early morning and when the sun goes down at six o'clock? A wharf costing thousands of dollars is not much use if it remains unlighted in order to save the federal treasury $100 or $200. This must be changed and we must start paying attention to our small-craft harbours.

There are many other matters which need mentioning—some of them were covered by the hon. member for South Shore (Mr. Crouse). There is the matter of direct sales which has destroyed the squid industry. We must find other ways to get a fair price for our fishermen. There is the matter of aquaculture, in which Norway is way ahead of us. They are already producing tons of valuable fish species through an aquaculture process. With regard to research, we welcome the fact that notwithstanding the closure by the Minister of Fisheries and Oceans of the fisheries lab, National Sea Products and H.P. Nickerson have formed a company to develop fisheries research. The name of the company is Fishes Resource Development Limited. I hope the minister will give the company some assistance because research is such an important segment of the fishing industry.

• (2200)

In manufacturing, we are spending $130 million on purchasing fish equipment outside Canada. This, too, must be changed. We have to develop an equipment manufacturing sector.

I see that the clock has reached ten. I will terminate my speech by warning the minister that if he does not take action, the motion against him will indeed be supported on all sides of the House.

[*Translation*]

The Acting Speaker (Mr. Blaker): Order. It being ten o'clock, it is my duty to inform the house that the proceedings under section (11) of Standing Order 58 are deemed to have terminated.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

STATUTE LAW (MILITARY AND CIVILIAN WAR PENSIONS, COMPENSATION AND ALLOWANCES) AMENDMENT ACT, 1980—INQUIRY RESPECTING REDUCTION OF PHASING-IN PERIOD FOR VETERANS' WIDOWS

Hon. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on Monday, October 20, as recorded in *Hansard* at pages 3822 and 3823 I put a couple of questions to the Minister of National Defence (Mr. Lamontagne) in his capacity as the Acting Minister of Veterans Affairs. I am grateful to the minister for being here tonight so that we can

discuss again for a few minutes the important issue involved in the question I put to him.

I always hope that in one of these late shows one might get a favourable answer which tells us we are winning in an important cause. If the minister is not able to do that tonight, at least I hope he will leave the door open so that it will not be long before we do win what I regard as a very important issue.

As hon. members are aware, for about 50 years we had a provision in the Pension Act which denied a pension as of right to a widow of a disabled veteran if that disabled veteran's disability pension was below 48 per cent. Some of us feel that that provision was wrong through all of those 50 years; we finally got rid of it earlier in this session. Indeed, it was the last activity on the part of the former minister, the Hon. Daniel MacDonald, on July 9, when what was then Bill C-40 was put to the House. It has since become chapter 19 of the statutes of 1980.

That bill did some other things as well, but the main thing it did was to bring to an end that 48 per cent rule and to establish a regime under which pensions can be paid to widows in cases where the veterans' disability rate was below 48 per cent.

That was good. That was an important, red letter day. It was a landmark decision on the part of the Parliament of Canada. However, there was in it a provision which for many widows will spoil it because many of the widows I have in mind will not live to draw the pension to which they are entitled under that piece of legislation.

The reason is that there was included in the bill a phasing-in period which means it will take six and a half years before all the widows given entitlement under that legislation draw their pensions. The phasing-in works on the basis of what the rate of pension was. This month, October, pensions are payable if the disability rate was 38 per cent or more. In April it will come down five more points, and then each year after that it will come down five points until finally, in 1986, the piece of legislation will be fully in effect.

I think this was most unfair. I think it was thoughtless and that this House should not have been asked to include that phasing-in provision in this piece of legislation. I am sure—I know—that the former minister did not like it. In fact, before the House met on April 14 he indicated that he hoped to bring back the bill regarding widows' pensions which had been introduced in the previous session by the hon. member for Victoria (Mr. McKinnon) when he was minister of veterans affairs but that he hoped to improve it, particularly with respect to the phasing-in period. However, when he brought down the bill, it was the same bill we had had from the hon. member for Victoria. The result is that in this month of October about 1,500 widows will qualify for the pension we passed in July. But that leaves 24,500 widows who have to wait six months, a year and a half or up to six and a half years. Surely that can be corrected.

• (2205)

I know the argument put forward is that we must consider the costs. The statistics we have been provided show that in the first full year of operation this plan will cost about $6 million and that in the final year when all the widows are covered it will cost about $42 million a year. That is a difference of $36 million a year. To any of us as individuals that is a lot of money, but around here it is not very much. As for the envelope system they have over there, there is nothing sacrosanct about it, that each department gets only so much money. The Acting Minister of Veterans Affairs who is also the Minister of National Defence could recommend to the government a transfer of $36 million a year from the budget of the Department of National Defence to the Department of Veterans Affairs and the people in national defence would not know he had done it. They would have to leave the wing off one airplane or something like that.

There is no logical argument for this. Surely there is a place for compassion and understanding. These women are older women, and I hope we will find a way either to shorten that phasing-in period or to get rid of it altogether. I have had a lot of experience around here writing letters to constituents and to persons all over Canada. I have never had more difficulty that I have in writing to widows who are 75, 77 or 78 years of age who tell me they have written in about their pensions and they have had a letter back from the appropriate official in which he says, "Yes, your entitlement has been established, but please write us again in 1985 and we will see that you get the pension in 1986." How does one say that to a woman who is 77 or 78 years of age and who thought that Parliament had given here entitlement to a pension as a widow of a disabled veteran?

The minister said the other day that the department would take care of urgent cases. The government always puts it that way. We are not asking for charity or welfare. We are asking for what is their right. As I say, I hope the minister will say yes tonight. I know it is in his heart to do so. If somebody is keeping him from doing that, at least I hope he will leave the door open for making this needed change to this session's Bill C-40.

Hon. J. Gilles Lamontagne (Minister of National Defence): Mr. Speaker, considering the importance of the subject matter and the well-known interest of the hon. member for Winnipeg North Centre (Mr. Knowles) on the subject, it is only fitting that the Acting Minister of Veterans Affairs should answer his question, even though parliamentary secretaries or other members of Parliament sometimes answer for ministers.

Mr. Knowles: Thank you.

Mr. Lamontagne: The hon. member knows of the government's commitment to help those Canadians who need it most. This is very important. This pledge was kept last July when the late Hon. Daniel MacDonald introduced Bill C-40 in the House. With the co-operation of all members, the bill received quick passage and made available to the widows of disability pensioners benefits which had not previously been available to them. The hon. member just mentioned that in his remarks.

The Pension Act was amended to ensure that widows of veterans who died while receiving disability pensions of between 5 per cent and 47 per cent were eligible to receive proportionate widows' pensions which amounted to half of what the veterans received prior to death. These new provisions came into effect on October 1 of this year for the widows of veterans who were receiving pensions of 39 per cent to 47 per cent. The approximate 1500 widows in this group, as mentioned by the hon. member, endured hardships as a result of the extent of their spouses' disabilities and may not now be as financially secure as they would have been had the veteran not been disabled. These widows are now eligible for immediate assistance from this government. On April 1 of each succeeding year until 1986 other groups of widows are to become eligible for benefits—

● (2210)

Mr. Knowles: Provided they are still alive.

Mr. Lamontagne: That is what you just mentioned. However, Bill C-40 also amended the War Veterans Allowance Act. This legislation provides income support to veterans, widows and their dependants. Should a widow, who is not yet receiving widows' benefits under the Pension Act, be in financial need, assistance may be sought from the department under the War Veterans Allowance Act. Bill C-40 made substantial amendments to this legislation and corrected many of the inadequacies which had developed over the years.

The veterans under age 65—

The Acting Speaker (Mr. Blaker): Order, please. I am unable to catch the hon. minister's eye. I have to warn him that his allotted time is about to expire.

Mr. Lamontagne: Could I just finish, Mr. Speaker? The veterans under age 65 are presently benefiting from the additional $106 million made available in Bill C-40, which was not available in the veterans bill presented by the previous government last December.

In conclusion, this government is proud of what it has accomplished for veterans in this country and we remain committed to helping those persons who need it most. That is why the War Veterans Allowance Act was amended. Should the economic climate improve we would be prepared to have another look at the implementation strategy and I can assure the hon. member that I will put pressure on when it is possible. To help those who need it most is the essence of our policy.

I know I can count on the collaboration of the hon. member for Winnipeg North Centre and maybe after tomorrow night we might be able to do something more. I can assure you that if we can do it for the veterans we will do it.

PENITENTIARIES—HOSTAGE-TAKING INCIDENTS—DANGER POSED TO GUARDS—INQUIRY AS TO GOVERNMENT ACTION

Mr. Howard Crosby (Halifax West): Mr. Speaker, on October 14, 1980, I asked the Solicitor General what he proposed to do about the situation at Dorchester Penitentiary in the province of New Brunswick. My question followed an incident which had occurred the weekend before which resulted in the death of William Morrison. Mr. Morrison, as you may know, was taken along with another guard as a hostage and in an attempt to rescue both Mr. Morrison and the other guard, Mr. Morrison met his death. This was a most serious and tragic event and one which concerned not only the members of this House but all those involved in the corrections system. However, the incident and the resulting death were not without warning as far as the Solicitor General (Mr. Kaplan) is concerned. Just a few days before, on October 9, acting under Standing Order 43, I asked the House to instruct the minister to conduct an investigation of the activities that were taking place at Dorchester Penitentiary. This was not the first time I had addressed questions to the minister on the subject. In June and July of 1980 there were rumours that there were difficulties in Dorchester Penitentiary which resulted from the transfer to that institution of dangerous persons who had been incarcerated in the British Columbia Penitentiary and other federal institutions. The Solicitor General, in response to this complaint, indicated that such was not the case. But I, nonetheless, gave to the minister my concerns about dangerous offenders who were incarcerated in Dorchester Penitentiary, and in other federal institutions. I asked the minister whether he did not think that all the hard core inmates across the prison system who had demonstrated that they were violent and dangerous should not be gathered into one group and sent to one institution for incarceration. The minister, in reply to my question during the proceedings of the justice committee, said he could not dismiss the hope in connection with any human being that he would not change his attitude and decide that he would like to go straight. The minister went on to suggest to me and to the members of the committee that it was right and proper to keep hard-core, dangerous offenders in institutions where they were in contact with other prisoners, notwithstanding that most people would have given up any hope of reform on their part. He said that one of the objectives of the prison system was to keep inmates, however dangerous, as close as possible to ties they had with the street so that rehabilitation could be reinforced if the inmate did choose to go straight.

● (2215)

The three inmates who caused the incident at Dorchester which resulted in the death of William Morrison can hardly be taken to have made such a decision. All three had been previously charged and convicted of murder and had been denied parole except after the minimum period of 25 years. Yet they were abroad in that institution.

My purpose in speaking again on the matter tonight is to implore the Solicitor General to take some action that will protect prison guards and other employees of our federal

national security institutions from dangerous and violent prisoners. The minister said in response to my question that he had now begun to prepare a list of names of those offenders across the system who are the most violent and dangerous and who represent the greatest threat to order in those institutions.

This action comes too late for William Morrison and his family, as well as for other guards who have had such difficulties with other prisoners in the past. Surely, some action must be taken now. It has been said to me by persons who work in the prisons that since the abolition of the death penalty and the imposition of long periods in which a prisoner is not eligible for parole the situation is quite different in maximum security institutions from what it was. Prisoners have no hope of release within a reasonable period of time. They are under no constraint whatever and can suffer no greater punishment than has already been inflicted upon them.

The minister must change his policy, gather up the violent and dangerous prisoners in our institutions and take some action. Perhaps the best action would be to open the doors of the prisons to public scrutiny so that we might know what is going on in those federal institutions. We have asked for an inquiry, and I would repeat our request that the Solicitor General allow a public, independent body to examine our prison system to suggest what I regard as necessary reforms.

Mr. Ron Irwin (Parliamentary Secretary to Minister of Justice and Minister of State for Social Development): Mr. Speaker, I think members on both sides of the House will agree with the hon. member for Halifax West (Mr. Crosby), that it was a most serious, tragic event that happened at Dorchester. On Tuesday, October 14, 1980, the hon. member raised this issue requesting information with regard to the number of incidents which have occurred in federal institutions and asking what action the Solicitor General (Mr. Kaplan) intends to undertake to respond to these warnings.

The hon. member further asked why the Solicitor General had rendered the correctional officers and staff helpless in the face of obvious danger. I respectfully submit that that is an overstatement, albeit in the form of a question. The Solicitor General rejects the allegation that he has rendered the correctional officers and staff helpless. As he stated to the House on Tuesday, October 14, the correctional service is at present preparing a list of the names of those offenders across the system who are the most violent and dangerous and who represent the greatest threat to order in the institutions.

We are not dealing with a tea-party. Everybody in a correctional institution is there because he has committed a crime, probably several crimes. It is individuals of this type we must sort out. It is a very difficult job. Once the list has been completed, consideration will be given to additional programs within the institution to further protect the correctional officers. We all agree that they have a very difficult job to perform, one that most people do not want to undertake.

● (2220)

All incidents are reported direct to the Solicitor General and a security inquiry is conducted on each serious incident. The service attempts to learn from these incidents by analysing the circumstances and applying solutions, when possible, on a national basis in order to prevent further occurrences.

More specifically, definite action has been taken in terms of the difficult problems which have plagued Dorchester Penitentiary in recent months. The Inspector General, at the request of the Solicitor General, conducted inquiries into every major incident at Dorchester. In that vein, the Solicitor General should have in his hands very soon, the latest report on the tragic hostage-taking incident which resulted in the death of correctional officer William Morrison. These inquiries will no doubt recommend certain actions to be followed. The management team at the institution did develop a plan of action to review and reinforce security measures throughout the institution. In late August, the institution was locked up in order to facilitate cell by cell searches as well as several surprise searches of cells. New security fences were installed inside Dorchester's walls; posts and post duties were also reviewed. Unfortunately, however, the latest tragic incident took place.

The experience acquired as a result of the designing and implementation of this plan will be of benefit to the service on a national basis. Nevertheless, we are not dealing with an exact science; we are dealing with an art. Unless we take every offender out and shoot him, these problems will continue. That is the only way you will not have any repeaters—when they create the offence, just shoot them. That is the guarantee of not having a repeater.

Mr. Crosby: That is not what your minister says.

Mr. Irwin: I suggest that as long as we have people in prison there will be difficulties. Our first and foremost duty is not to rehabilitate but to ensure that the guards and members of the institution who are looking after the people, are protected. After that we have a duty to rehabilitate the offenders.

I want to assure the hon. member that this is of concern to all of us. We regret the incident as much as he does, but it did occur, and we have to find solutions.

INDIAN AFFAIRS—FUNDING OF BAND HOUSING

Mr. Maurice Foster (Algoma): Mr. Speaker, on May 12 I put a question to the Minister of Indian Affairs and Northern Development about the subsidy housing program for Indian bands. I wanted to know when the amount of $12,000 per unit would be increased. This question resulted from a number of representations I had received from Indian bands across the Algoma-Manitoulin area.

As everyone knows, the whole Indian housing program has been a top priority in terms of need. A recent survey indicated that 26 per cent of Indian families are doubling or tripling up in order to find accommodation, and 25 per cent of the homes

on Indian lands require urgent repairs. A number of other problems of health and safety have been implicated in the lack of adequate housing for Indian bands and that is the reason for the number of representations I have received from the bands in my constituency.

On July 31, the minister announced an increase in the allocation of financial assistance for Indian housing projects from $12,000 per unit to around $20,000 or $22,000 per unit, as well as a certain amount of increased assistance from Canada Mortgage and Housing Corporation.

The statement by the minister on that date indicated that this increase in subsidy from $12,000 to approximately $22,000 would be supplemented by job-creation programs. That is really where the problem starts, because although the minister indicated the increase in his press release, the amount of assistance available through the Department of Employment and Immigration has dropped drastically. Although additional funding is available through the Department of Indian Affairs and Northern Development, the kind of financial assistance available for the labour and construction of band housing has dropped drastically. For instance, in the Algoma constituency our allocation this year for native projects under the Community Development Program was only $115,000 for some 12 Indian bands and some 4,000 to 5,000 status Indians. In past years, for instance, in 1979-1980 under the transitional LEAP program, of the $923,242 we received, much of it went to housing. In 1978-1979 under the Canada Works program, of the $721,386 we received, much of it went to housing and in 1977-1978, we received $743,902. It is very apparent from the kinds of representations I am receiving from bands throughout my constituency that there is inadequate funding for the labour portion in the construction of homes.

● (2225)

It is important for the Minister of Indian Affairs and Northern Development (Mr. Munro) who, after all, has the final responsibility for Indian housing and for direct employment programs throughout the winter to thoroughly review the matter and see that additional funding is provided, otherwise the serious housing problem which now exists will not be corrected and a lot of people will be unemployed who should be employed under the direct employment programs over the winter months.

Mr. Baker (Nepean-Carleton): Your plea will fall on deaf ears.

Mr. Ron Irwin (Parliamentary Secretary to Minister of Justice and Minister of State for Social Development): Mr. Speaker, on July 31, 1980, the Minister of Indian Affairs and Northern Development (Mr. Munro) announced that an additional $20 million would be allocated this fiscal year to improve Indian housing on reserves. At that time the housing subsidy was increased from a maximum of $12,000 per unit to a maximum of $22,125. This amount is supplemented by a transportation allowance of up to $7,000 for construction of housing units in very remote areas of Canada.

My hon. friend from Algoma has, I believe, 17 or 18 reserves in his riding and I know he is always concerned about the plight of the Indian. As far as job-creation opportunities are concerned, my friend should also realize that right now it is not just the Indian who is suffering, but also the white man with closures such as those at Chrysler and Massey-Ferguson. Notwithstanding this subsidy, the Indian still does not have enough to build proper housing. I am familiar with the housing that is being built. Therefore, CMHC has made available loans over and above the subsidy. The construction that is being done in my friend's riding is being done quite well, according to CMHC and national housing standards.

There is a thrust toward community-based planning and development of Indian self-government which I am sure, Mr. Speaker, you are well aware presents quite a problem. How far does the government go into telling the Indian what to do? How far does the Indian go in as governing his own affairs? There has been a compromise of sorts following this concept. For example, when a band obtains approval for the construction of ten houses, capital subsidies for ten units will be forwarded to the band. The band will then allocate the subsidy dollars to band members or to band-owned housing projects, or a mixture of both. This will be done in accordance with the chief and council's perceptions of who needs housing units the most. The band's only commitment is to see that at least ten housing units are built for an input of ten units of housing subsidy.

In 1980, after consultation between the Department of Indian Affairs, Indian associations, Canada Mortgage and Housing Corporation and other departments and agencies of the government, a comprehensive set of recommendations concerning this subject was developed. The government is continuing to review means to revise an on-reserve housing policy and program to seek the most effective means to overcome the present backlog of new housing units required and the larger number of existing units in need of repairs.

The Acting Speaker (Mr. Blaker): Order, please.

The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m.

Motion agreed to and the House adjourned at 10.30 p.m.

HOUSE OF COMMONS

Tuesday, October 28, 1980

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

THE CONSTITUTION

PROPOSED RESOLUTION—TELEVISING OF JOINT COMMITTEE PROCEEDINGS—MOTION UNDER S.O. 43

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I rise under the provisions of Standing Order 43 to seek the permission of the House to move a motion on a matter of pressing and urgent necessity.

In view of the clear statement by the Prime Minister (Mr. Trudeau) last Thursday as reported on pages 3965 and 3969 of *Hansard* that the Special Joint Committee on the constitution could make its own decision on televising its own proceedings, and in view of the fact that on August 22, 1978, the present Secretary of State for External Affairs (Mr. MacGuigan) ruled, when chairman of the Special Joint Committee on the Constitution of Canada, that committees did not have the power to authorize the televising of their own proceedings, I move, seconded by the hon. member for Nepean-Carleton (Mr. Baker):

That the Prime Minister direct his House leader to bring a motion before the House authorizing the televising of the proceedings of the proposed Special Joint Committee on the proposed constitutional resolution.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

PROPOSED RESOLUTION—REPRESENTATION OF SPECIAL INTEREST GROUPS BEFORE JOINT COMMITTEE—MOTION UNDER S.O. 43

Mr. Bill Domm (Peterborough): Madam Speaker, this government has denied representation in Parliament through closure. It now seeks to deny representation in committee to minority and special interest groups by preventing the committee from travelling. Therefore I move, seconded by the hon. member for Prince George-Peace River (Mr. Oberle):

That, to use the government's own words in the very first paragraph of the proposed resolution for constitutional change that within the "reasonable limits as are generally accepted in a free and democratic society with a parliamentary system of government" groups of Canadian citizens be recognized and enabled to travel to present their case to this joint committee, and that their travel costs be underwritten by this government using perhaps some of their surplus advertising dollars, since this government refuses to allow the committee to go to the people.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

PENITENTIARIES

DORCHESTER, N.B.—CALL FOR PUBLIC JUDICIAL INQUIRY—MOTION UNDER S.O. 43

Mr. Svend J. Robinson (Burnaby): Madam Speaker, I rise on a matter of urgent and pressing necessity pursuant to the provisions of Standing Order 43 in connection with certain recent events at Dorchester Penitentiary in New Brunswick.

In view of the allegation of the shooting of hundreds of prisoners in a crowded gym by a number of prison guards in June of this year, in view of the escapes of four convicted murderers, in view of the tragic death of a prison guard at Dorchester Penitentiary and the suicide of a prisoner, and finally, in view of allegations of beatings and gassings of prisoners both before and after the tragic hostage-taking incident, I move, seconded by the hon. member for Regina East (Mr. de Jong):

That this House call upon the Solicitor General to commission an independent, public, judicial inquiry into all the recent serious and tragic events at Dorchester Penitentiary in recent months.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

LABOUR CONDITIONS

AUTOMOTIVE INDUSTRY—PROTECTION OF WORKERS FROM LAY-OFFS—MOTION UNDER S.O. 43

Mr. Joe Reid (St. Catharines): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of national concern and of urgent and pressing necessity. Because of the recent news reports which state that Chrysler Corpora-

tion is considering the closing of 16 of its plants, and in light of yesterday's announcement that General Motors had a loss of $567 million, the largest such quarterly loss of any American corporation, and because of the fact that 21,000 Canadian automobile workers have been placed on indefinite lay-off, I move, seconded by the hon. member for Halton (Mr. Jelinek):

That this government take immediate steps to ensure that Canadian automobile workers are protected from further disastrous lay-offs by seeing that no further Canadian auto plants are shut down.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

ENERGY CONSERVATION

FINANCIAL INCENTIVES TO HOME OWNERS—MOTION UNDER S.O. 43

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, I rise under the provisions of Standing Order 43 to present a motion on a matter of urgent and pressing necessity. Recently all public utilities commissions in Ontario received a bulletin stating that Canadian home owners would be provided a financial incentive to convert from oil to gas, electricity, wood or solar, as the case may be. In view of the fact that there is a very definite need to reduce the consumption of oil in this country, I move, seconded by the hon. member for Prince Edward-Hastings (Mr. Ellis):

That the government confirm its intention to implement such a program and that such a financial incentive be made available to Canadian home owners and businessmen without delay.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

INTERNATIONAL AID

CALL FOR INCREASE IN FUNDING—MOTION UNDER S.O. 43

Mr. Bob Ogle (Saskatoon East): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the fact that the amount of money which the Government of Canada has allocated for the purposes of international emergency relief—$5 million according to the 1980-81 estimates—is less than the $5.2 million which has been misspent on federal government polls since March of 1979, and barely one-sixth the new budget of the Canadian unity propaganda office, I move, seconded by the hon. member for Winnipeg-Birds Hill (Mr. Blaikie):

That this House direct the government to be less liberal with itself so that it can be more liberal with the funds which it sets aside for those who are truly in need, as opposed to those only in need of humility.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

NUCLEAR TESTING

CALL FOR BAN ON ATMOSPHERIC TESTS—MOTION UNDER S.O. 43

Mr. Chas. L. Caccia (Davenport): Madam Speaker, under the provisions of Standing Order 43 I should like to move a motion for which there may be favourable disposition around the House. In view of the recent Chinese atmospheric nuclear testing, recent underground testing by other countries and the reported possibility of an impending series of nuclear tests to be carried out by the French authorities any time now in the Mururoa Atoll, I move, seconded by the hon. member for Vancouver South (Mr. Fraser):

That this House expresses its deep regret and strongly urges all governments concerned to ban once and for all, for the benefit of mankind, all nuclear testing in all environments.

Madam Speaker: Presentation of this motion requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Madam Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Madam Speaker: I have to ask again; I thought I heard a no. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

NATIONAL UNITY

EFFECT OF CONSTITUTIONAL PATRIATION—MOTION UNDER S.O. 43

Mr. Girve Fretz (Erie): Madam Speaker, I rise on a matter of urgent and pressing necessity. Given the fact that the Prime Minister's wilful adherence to an artificial timetable for the patriation of the constitution has caused, and will continue to

cause, ruptures in the fabric of Canadian confederation, I move, seconded by the hon. member for St. Catharines (Mr. Reid):

That this House censure the Prime Minister for his actions and advise him to wait for the fullness of time, for surely the universe will unfold as it should, without his insistent and divisive prodding.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

CUSTOMS AND EXCISE

EDUCATIONAL MATERIALS—CALL FOR CONTINUANCE OF TAX EXEMPTION—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. Whereas the government is considering removing the tax exemption on imported essential educational materials, including chemicals, which will increase the costs of education, therefore I move, seconded by the hon. member for Calgary West (Mr. Hawkes):

That this House urge the Minister of Finance to continue this tax exemption on imported educational materials that are essential to the education of young Canadians.

Madam Speaker: Presentation of such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE CONSTITUTION

ROLE OF PRIME MINISTER IN VISITING WESTERN CANADA

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, my question is directed to the Right Hon. Prime Minister. I should like to ask the right hon. gentleman a question, a little sadly but seriously. In 1964 on the university stage as a professor, one Pierre Trudeau wrote:

—federalism is . . . a pact or quasi-treaty in the sense that the terms of that compromise cannot be changed unilaterally.

Earlier this month, on television, the right hon. gentleman said:

Every member of Parliament from every corner of this land is asked to participate in this historic act.

He was referring to the debate. On the political stage, however, the Prime Minister has acted unilaterally and has choked off debate. Could the right hon. gentleman please tell this House what role he intends to play when he goes west tomorrow? I am glad that he is going west and I hope he travels around other parts of the country. However, could the Prime Minister tell the House what role he intends to play and give us one good reason why we should believe anything he says, either in the west or in the east?

● (1415)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I am sorry the hon. member is satisfied with only one good reason; I could give him very many.

Some hon. Members: Hear, hear!

An hon. Member: Name one.

Mr. Trudeau: He suggested that my reasons touched at least on two points, first on the nature of confederation and, second, on freedom to debate.

On the nature of confederation, I point out to the hon. member that the resolution before the House does not change the essential balance, Madam Speaker, between the federal and the provincial governments.

Mr. Crosbie: Come off it, Pierre!

Mr. Trudeau: In a very real sense our federal structure rests upon the division of powers between these two levels of government, and there is no shift of power from the provinces to the federal government—

Mr. Crosbie: Bushwhack!

Mr. Trudeau: —or from the federal government to the provinces.

Some hon. Members: Oh, oh!

Mr. Trudeau: I hear the Tories murmuring their discontent. I would be happy to answer any number of supplementary questions, and particularly any that would show that there is a shift of power.

An hon. Member: Here we are again.

Mr. Trudeau: The pact of 1867 giving certain powers to the provinces and certain powers to the federal government has not been altered in favour of the federal government, which seems to be the suggestion opposite.

So much for the statement I made in 1964, and which I repeat again today. If we had wanted to alter unilaterally some of these powers, Madam Speaker, we would, of course, have considered putting in a section to strengthen the Canadian economic union. This we carefully refrained from doing.

On the second point having to do with cutting off debate, I repeat the offer that was made to the opposition by many people on this side, that is, to have much longer hours.

Mr. Baker (Nepean-Carleton): You did not.

Some hon. Members: Oh, oh!

An hon. Member: The committees are sitting.

Mr. Trudeau: Rather than just proceeding with just one stage, as would be usual, with the resolution coming once before the House, we provided for three stages—

Mr. Baker (Nepean-Carleton): No.

Mr. Trudeau: —so there could be three different occasions on which members of this House and of the other place could debate the subject.

Some hon. Members: Hear, hear!

Mr. Trudeau: I suggest that we are all morally certain that if we had proceeded just with a resolution, without a reference to committee and a report then to the full House, with three occasions for debate, people opposite would have been the first to condemn us by saying: how can we examine this lengthy resolution in only one stage? It is because we anticipated these objections—

Some hon. Members: Oh, oh!

Mr. Trudeau: —and in order to meet the concern of the opposition, we suggested that there be debate here for prolonged hours if necessary.

An hon. Member: Dictator.

Mr. Trudeau: We have then referred it to committee so there could be discussion and the hearing of witnesses. Then there will be a third stage when it will come back to the full Parliament.

An hon. Member: Order.

Mr. Trudeau: Madam Speaker, I think that is living up to the commitment that I made earlier.

Mr. Nowlan: Madam Speaker, obviously I cannot become engaged in the debate with the Prime Minister. I am very glad he took some time in answering the question; perhaps he has a guilty conscience for not participating in the debate.

Does the right hon. gentleman really think you help the future of the land by breaking faith with some of the past when you change from the tyranny of unanimity—which were the words the Prime Minister used—to what many people are quite rightly saying, namely the tyranny of unilateral action? In that respect, I ask the Prime Minister if he really thinks that the federalist forces would have won the referendum battle in Quebec if in Quebec they knew that the "renewed federalism" was going to be what it is today, a one-man show?

Mr. Trudeau: Madam Speaker, I ask the hon. member, whom I respect, to consider his question. He is suggesting that we are being tyrannical by using unilateral action—

Mr. Nowlan: They are both extremes.

Mr. Trudeau: —rather than getting the consent of the ten provinces.

● (1420)

Mr. Clarke: That is not what he said.

Mr. Trudeau: That is exactly what he said. Madam Speaker, I wish there would be a little bit of control on the other side and that they would at least listen to their own questions if they do not want to listen to my answers. That was exactly the statement by the hon. member, that I had gone from the tyranny of unanimity to the tyranny of unilateral action. Therefore, the hon. member behind him should stand corrected or sit corrected, and I hope he will stay sitting a long while.

Now, that being established, I want to point out to the hon. member that he and his party on two occasions supported what he calls the tyranny of unilateral action; once last May or June when all of us in this House voted that we should patriate, and there was nothing in the motion then, which we all approved, saying that we need provincial consent.

Some hon. Members: Hear, hear!

Mr. Trudeau: Second, just last week his own leader and party moved that the House patriate with a certain amending formula without the consent of the provinces.

Some hon. Members: Hear, hear!

Mr. Trudeau: I say without the consent of the provinces, and the opposition leader knows that.

Mr. Clark: Not true.

Madam Speaker: Order, please. Does the hon. member have a supplementary question?

Mr. Nowlan: I did not know the Prime Minister was finished. In view of some of the remarks in that answer, I would point out that the motion put forward by my leader last week was between the two extremes of unanimity and unilateral action. It was something called the Vancouver proposal which obviously the government members do not agree with. My question is this. The Prime Minister must have been advised of this by the House leader. Can he now tell this House when closure was invoked by a government—and let us not talk about 1913 when Ichabod Crane was there, many years ago—when more government members had spoken than not only members of the official opposition, but the only opposition?

Mr. Trudeau: Madam Speaker, I must correct the hon. member when he refers to the Vancouver formula, which is the Alberta formula. I must tell him that the essence of his argument was that I was proceeding unilaterally without the consent of the provinces. That was the thrust, to patriate the constitution and do other things. I am now telling him and his party that last week that is exactly what they proposed, that without the consent of the provinces this House vote on a resolution to patriate with an amending formula.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

● (1425)

[*Translation*]

INQUIRY WHETHER DISCUSSIONS HELD BETWEEN PRIME MINISTER AND LIBERAL LEADER IN QUEBEC

Hon. Roch La Salle (Joliette): Madam Speaker, I should like to put a question to the Right Hon. Prime Minister. Might I point out to him that the proposal he made last week at least allowed the constitution to be amended here in Canada, by Canadians, instead of through the intermediary of the British government.

As the Prime Minister is aware of the result of the referendum and is now committed to the promise he made at that time; as Mr. Claude Ryan said, in light of the proposal of the Prime Minister of Canada on the way to patriate the constitution, that if he had been told all he had to do was to listen to what the federal government is now saying, in a letter to the editor of the newspaper *Le Devoir* which the Prime Minister must surely have read, that he would never have been chairman of the No committee; and as last Sunday, the leader of the opposition in Quebec, Mr. Ryan felt obliged to ask the British parliamentarians to reject the request of Ottawa, I therefore conclude that there has been very little communication with the Prime Minister; and as the Prime Minister repeated yesterday, to a question put to him, that he did not know whether Mr. Ryan would change his mind, that he had no way of knowing; under the circumstances it seems that communications are totally lacking between the Prime Minister of Canada and his Liberal colleague in Quebec, and chairman of the No committee—

Madam Speaker: Order. Is that the question of the hon. member, that is, that communications—would the hon. member put his question?

Mr. La Salle: Right away, Madam Speaker. Can the Prime Minister tell the House whether, after the federal-provincial conference, he had the decency to discuss with his Liberal colleague who chaired the No committee, in view of some of the proposals contained in the Beige Paper, his decision to act unilaterally, a decision which had already been contested by his Liberal colleague in Quebec?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, since the preamble to the hon. member's question was fairly lengthy, I will reply to it in the terms I have just used to answer his colleague from the maritimes.

The hon. member is blaming us for disagreeing with Mr. Ryan because we are proceeding unilaterally. I think those are the words used by the hon. member for Joliette. I remind him that last May or June the House unanimously passed a motion introduced by one of his colleagues, the hon. member for Edmonton West I believe, which indeed suggested that Parliament move to patriate the constitution. That resolution said nothing about provincial agreement. I indeed suggested that they should at least be consulted, which was done, of course, throughout the summer. But the motion introduced by the hon. member for Joliette and his colleagues asked for patriation by way of a resolution of this House and not by way of a resolution passed by the ten provinces. That is the first point.

The second point is, as I have already mentioned, that last week the hon. member himself voted for a resolution put by his leader asking that this House patriate the constitution, with an amending formula of course, but without the consensus of the provinces. So what is he complaining about? Of a unilateral patriation which he himself and his party have already endorsed?

Mr. La Salle: Madam Speaker, if I may—and this is very important—I shall remind the right hon. Prime Minister that our proposal required that amendments be made here in Canada, by Canadians and for Canadians. The Prime Minister stopped short of saying so and he has not answered my question either. Considering the present situation in Quebec, the embarrassment the proposal is causing their Liberal colleagues in Quebec and the respect we have for Mr. Ryan's proposals, does the Prime Minister intend to disregard the appeal Mr. Ryan has made for a re-evaluation and reopening of negotiations with the provinces instead of asking the British parliament to rule on fundamental rights for Canadians, which should be done in Canada? I ask the Prime Minister, Madam Speaker, if it is his intention at least to try to get the support of his Liberal colleague in Quebec instead of dividing the forces, as is now the case.

Mr. Trudeau: Madam Speaker, I cannot hear without being amused the member who pleads that the Liberals should not tear each other to pieces. Madam Speaker, the member has sat on this side of the House as an independent. If he is so much interested in the union of my forces, he should leave his hypocritical party which suggested a unilateral patriation last week and which this week condemns us when we proceed in such a way. As for our intention to make amendments in Canada, Madam Speaker, this is the purpose of our resolution since from 1953 we have been unable to patriate our constitution, so that all major amendments made since then, whether they deal with unemployment insurance, the admission of Newfoundland in confederation, etc., have been legislation passed in England and not in Canada. Now, the procedure which we are following is not new, it has been in effect since 1867. All the amendments voted by the House must be ratified in Great Britain. This is exactly what is being proposed today, that it be considered and put to a vote in the House and then voted on in Great Britain, as has been the case for 113 years.

• (1430)

[*English*]

HEALTH AND SAFETY

PROTECTION OF WORKERS UNDER FEDERAL JURISDICTION

Mr. Derek Blackburn (Brant): Madam Speaker, my question is directed to the Minister of Labour. As a result of a one-week tour by the NDP caucus committee on occupational health and safety to the maritimes, we were shocked to learn of the state of anarchy in the field of health and safety caused by the fact that jurisdiction over health and safety is spread over 13 government departments and agencies, resulting in neglect of workers' safety and their lives.

I would like to ask the minister what specific measures he plans to correct this jurisdictional problem and to bring federal legislation up to provincial standards so that the one million workers under federal jurisdiction can receive the same level of protection as their provincial counterparts.

Hon. Gerald Regan (Minister of Labour): Madam Speaker, I thank the hon. member for the question, but I think he will have to be more specific as to his area of concern. It is quite true that the ten provinces under our constitution have substantial responsibilities in areas of safety and health in the workplace because of the limitation of federal jurisdiction in labour. I certainly do not agree with the premise in his question that federal laws provide any less of a level of safeguard to the safety and health of workers than do the provincial jurisdictions' acts. There is a great variety—

Some hon. Members: Oh, oh!

Mr. Regan: If hon. members opposite would just settle down a bit, they might be able to deal with this matter better. There is a great variety of provisions in the various provinces on the subject, but the hon. member will be aware of the fact that in mining, for instance, as a federal government we are responsible only in the case of the uranium mines in Ontario and Saskatchewan and in the case of coal mining through our ownership of Devco in Nova Scotia. All the rest of the mines, if those are the hon. member's concern, fall under provincial jurisdiction. I can assure the hon. member that the province of Ontario, in exercising for us health and safety inspections, does an excellent job and applies appropriate standards.

Mr. Blackburn: Madam Speaker, obviously the Minister of Labour has not talked to workers on the job site for a very long time. If he had, he would not have made that response.

My first supplementary question is directed to the same minister. In view of the fact that the government is considering eliminating the federal transportation regulation requiring truck drivers to maintain trip log books, and in view of the fact that these drivers are already forced to drive very long hours, particularly in the private sector in interprovincial traffic, will the minister assure this House that truck drivers' log books will continue to be maintained so that these drivers will not be forced to work or drive inordinately long hours—I am speaking of CN and CP now in particular—thus adding to the threat of death and carnage which already exists on our highways?

Mr. Regan: Madam Speaker, the hon. member will be aware of the fact that because of the peculiarities of railway legislation in this country and its history the area of responsibility of the Department of Labour has some limitations. However, I can assure the hon. member of two things. The first is that I am wholly confident that there will be no reduction in safety provisions along the line he has indicated. Second, I have occasion to talk to more workers in the workplace in the course of a month than the hon. member has in his lifetime.

Mr. Blackburn: Madam Speaker, my final supplementary is directed to the same minister. It was very evident to the members of our committee that the inspectors under the minister's department have been extremely lax in the course of their duties at the CN diesel shop in Moncton. Will the minister instruct his department to inspect the brass and babbitting department as well as the degreasing tanks where there are workers exposed to caustic fumes due to inadequate ventilation? Will the minister also assure the House that measures will be taken to bring health and safety standards and procedures in all aspects of health CN operations in line with the best contemporary health and safety standards? I ask that in view of the fact that over 1,000 workers are killed in their workplace in this country every year.

Mr. Regan: Madam Speaker, I certainly will take under consideration any representation an hon. member makes that I look into a particular situation or shop in relation to the standard of safety being practised there. In relation to the suggestion the hon. member makes about Moncton, I will have that situation investigated promptly. With reference to the other aspect of his question, I repeat that I am satisfied that the federal level of safety standards compares very favourably with those in the provinces. I will have the specifics mentioned by the hon. member fully reviewed.

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FEDERAL-PROVINCIAL RELATIONS

ENERGY PACKAGE—CORRESPONDENCE BETWEEN PRIME MINISTER AND PREMIER LOUGHEED

Hon. Don Mazankowski (Vegreville): Madam Speaker, I have a question which I should like to direct to the Right Hon. Prime Minister. It arises from his reply to Premier Lougheed's offer which was contained in a letter to the Prime Minister, delivered to his office on October 17, to the effect that the Premier of Alberta was prepared to fly, within hours' notice, to Ottawa at any time to meet with the Prime Minister in an effort to resume negotiations on arriving at an agreeable energy package.

Given the fact that the Prime Minister's response, as indicated by Mr. Lougheed, was to the effect that there was no

room for negotiation, that the federal government had locked up the budget and that the Prime Minister implied that it would be very inconvenient to alter it, why did the Prime Minister refuse any further discussions with Premier Lougheed because they would inconvenience his timetable? Surely this action on the part of the Prime Minister seems to be less than co-operative and conciliatory.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, if the facts as stated by the hon. member were correct, it would indeed seem a bit strange. I point out to the hon. member that I do not know exactly what has been said by Premier Lougheed. However, quite the contrary, I invited him to come down and meet me in Ottawa. I was prepared to have discussions with him. Though his letter was dated the seventeenth, I do not know at what time it left Alberta. It was sent on a Friday; I received it Monday morning.

An hon. Member: Tell Ouellet about that.

Mr. Trudeau: It is not so unusual that a letter posted at perhaps eleven o'clock in the evening in Alberta would only reach my hands by Monday morning, but those are the facts.

I thereupon considered whether I would meet Premier Lougheed or not, and I repeat that I invited him to come down to meet me yesterday on this subject. The point is that I did not want him to come under the illusion that there would be major changes in the budget made at that point. I think even hon. members opposite will realize that the budget, which was going to be brought down eight days after I received the letter, was pretty far advanced in its preparation. So in fairness I told Premier Lougheed that I would be happy to see him, but if he had really wanted to suggest major changes I imagine he would have written me sooner than eight days before the budget was to be brought down.

There were discussions earlier in the month of October between ministers when the Minister of Energy, Mines and Resources—I believe on October 2 or 3 or thereabouts—went west and made a whole new series of proposals which were turned down. They were still open until, I would say, about the 15th of the month. But the hon. member and the House should realize that by October 20, since the budget was being brought in on the twenty-eighth, we were pretty close to a final package. I had to be quite frank with the premier on that, but I assured him that the budget would contain many pleasant surprises and that if he wanted to have a preview of them, he would be welcome, although it is probably contrary to the principle of budget secrecy. Since our provisions do impact in a very particular way on Alberta, I would have been prepared to give him a preview of the budget yesterday, which is well in advance of the usual timetable.

● (1440)

Mr. Mazankowski: Madam Speaker, there seems to be some conflicting evidence here, inasmuch as the Minister of Finance, as late as last Friday, indicated in an answer to the hon. member for Winnipeg North Centre that budgetary options were still being considered at present. Given the fact that the negotiation of an energy package was of the utmost importance to the people of Alberta, and indeed to all Canadians, is it not true that the Prime Minister telephoned the Premier of Alberta Thursday afternoon, October 23, and said that there was absolutely no room for negotiation, that they had locked up the budget, that he implied that it would be very inconvenient to alter it, and that in any event there was no room for negotiation? The answer which the Premier of Alberta gave in the legislature yesterday indicated that the door was absolutely closed, notwithstanding the fact that the Minister of Finance said last Friday that options were still being considered. The Prime Minister cannot have it both ways, surely.

Some hon. Members: Hear, hear!

Mr. Trudeau: Madam Speaker, I was not in the House on Friday and therefore I am not quite sure to what suggestion from the NDP that answer was given. But surely no member in this House would think that three days before the budget is brought down such a fundamental question as energy pricing and the whole energy regime could still be renegotiated with any of the provinces. If that is the suggestion, let me point out that it is an absolute impossibility for such a thing to happen. Even the hon. member for St. John's West knows that the very printing of the budget is probably finished, except for very minor details, as long as three days before the budget is brought down.

Those are the facts and that is what I said to Premier Lougheed. I said, "We cannot, at this late stage, reopen the whole question of negotiations on energy; so if you are coming down for that, I am sorry, it is too late, but I am happy to receive you." I told him that he was the premier and he had budgets of his own—

Madam Speaker: Order, please. Answers should be shorter. The question period is far advanced and we have not had many questions.

* * *

THE CONSTITUTION

PROPOSED RESOLUTION—REPRESENTATION OF NATIVE GROUPS BEFORE JOINT COMMITTEE

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, my question as well is for the Prime Minister and it is with regard to the exchange of correspondence between him and the NDP which resulted in the unconditional surrender by the NDP of any principles or commitments they ever had—

Some hon. Members: Hear, hear!

Mr. Oberle: —with respect to human rights, the rights of minorities in our country, and particularly the very special rights which native people have in our society. I should like to ask the Prime Minister whether it was entirely the letter of the NDP that was the basis of support on which the Prime Minister acted, not only to circumvent Parliament but to circumvent any meaningful further discussions with the prov-

inces and with the native people, the aboriginal people of our country, before this action was taken in Britain, or is he now prepared, in recognition of the response which has been received in the House and from the native people throughout the country, to reopen the discussions and in particular provide access for these minority groups to the committee in a meaningful way?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, it is not my role to defend the NDP; I am sure they can defend their own actions.

Some hon. Members: Oh, oh!

An hon. Member: They are in your caucus; why don't you defend them?

Mr. Trudeau: I may have defended them many, many years ago, Madam Speaker, and I would have been prepared to defend them again had they accepted my offer to join this party when we formed the government.

Some hon. Members: Oh, oh!

An hon. Member: The cat is out of the bag.

An hon. Member: They are an extension.

An hon. Member: You seduced them.

Madam Speaker: Order, please.

Mr. Trudeau: It still seems difficult to understand how they can be accused of having surrendered their principles when what they asked for was exactly what the western premiers were asking for—

Some hon. Members: No.

An hon. Member: False.

An hon. Member: They got nothing.

Mr. Trudeau: I am not saying they did not ask for more. We know that the premiers are insatiable and that they asked for a great deal more. But I am suggesting that what was asked for by the NDP was action in the field of indirect taxation of resources and interprovincial trade on resources, which is certainly not going against the principles of anyone in the House; therefore, I do not see how it can be a surrendering of principles.

As for the entrenchment of the rights of native people, here again I fail to understand the logic of the party opposite. Because what we are doing is bringing back the constitution in the hope that then we will be able to deal with amendments relating to the native people and to many other subjects. I point out to the Tory party that that is exactly what they were doing last week when they proposed to this House—

Some hon. Members: Oh, oh!

An hon. Member: Sit down.

Madam Speaker: Order, please. Even the Chair is confused as to whether the question is still being answered or new questions are being asked. I ask hon. members to try to discipline themselves. I think today I cannot go on numbers, I will have to go on time and immediately recognize, in the normal order, members from the NDP and allow the rest of the time to the Conservatives. This question period has to be disciplined to some extent. Does the hon. member for Prince George-Peace River have a supplementary question? Will he make it short, please.

Mr. Oberle: Madam Speaker, clearly we have two types of rights which need to be protected in the constitution, the rights as the Prime Minister perceives them—

Some hon. Members: Question.

Madam Speaker: Order, please. Will the hon. member put his question immediately without a preamble, please.

Mr. Oberle: Does the Prime Minister depend on the leader of the NDP to write a letter to Her Majesty the Queen and the British parliament to convince them that they should patriate a package, which is clearly a wanton denial of the basic rights of many people in this country, except for those rights which the Prime Minister wishes to entrench for his own purpose?

Mr. Trudeau: Madam Speaker, put very simply, the Conservative party last week moved that this House adopt—

Mr. Oberle: Bring the constitution home and let us deal with it here.

Madam Speaker: Order, please.

Some hon. Members: Oh, oh!

An hon. Member: Patriate the constitution.

An hon. Member: Why don't you sit down; you cannot answer the question.

Some hon. Members: Order.

Madam Speaker: Order, please. It is the Speaker who maintains order in this House. The Right Hon. Prime Minister will continue to answer the question, and I hope he will have peace so he can answer it.

Mr. Trudeau: Madam Speaker, very simply, the Tory party last week proposed a motion and voted affirmatively on that motion to patriate the constitution with an amending formula. There was nothing in that resolution, as was pointed out by the hon. member for Ottawa Centre in the debate, to protect the native people—nothing. The idea was to get the constitution here and then put something in to protect the native people. That is exactly what we want to do, to get it here and then put something in to protect the native people.

● (1450)

Some hon. Members: Hear, hear!

DROUGHT ASSISTANCE

REQUEST FOR EXTENSION OF BOUNDARIES

Mr. Doug Anguish (The Battlefords-Meadow Lake): Madam Speaker, I would have liked to address my question to the Minister of Agriculture, as it is about the federal herd maintenance program. However, in his absence I would like to address my question to the minister's parliamentary secretary or to the minister in charge of regional economic expansion.

As I said, my question concerns the federal herd maintenance program and I have received in excess of 20 complaints from the constituents I represent in the area called Pierceland. The farmers and ranchers there who have applied have been told they would not be considered because they are outside of the designated drought areas, in spite of the fact the drought conditions are actually worse than those inside the drought area, according to local records.

I was wondering if the minister could give us some assurance that the boundaries of the drought areas would be extended to include these areas, specifically the Pierceland area, and generally other areas which have experienced severe drought and are not covered by the boundaries drawn around the major weather stations.

[*Translation*]

Mr. Marcel Ostiguy (Parliamentary Secretary to Minister of Agriculture): Madam Speaker, it is well known that a federal-provincial committee is studying this question. So I am making a note of the hon. member's question and we will reply in the House in due course.

[*English*]

Mr. Anguish: My supplementary question is this. If the committee decide not to extend the boundaries, will they give some assurance to farmers and ranchers who are so severely affected by drought in those areas that if they must be considered after the applicants from the designated drought areas, can they assure us there will be enough money in the program to cover them under the herd maintenance program?

[*Translation*]

Mr. Ostiguy: Madam Speaker, I maintain the answer I gave a moment ago. We will advise the House in due time.

* * *

PUBLIC WORKS

REPLANNING OF OLD PORT OF MONTREAL—GOVERNMENT POSITION

Mr. Jacques Guilbault (Saint-Jacques): Madam Speaker, my question is for the Minister of Public Works and has to do with the intentions of the government concerning the replanning of the old port of Montreal. Since this morning's issue of *La Presse* mentioned that the old port project has now been shelved, could the minister say whether it is true, first, that this project no longer has the agreement of other levels of government and second, that the government is on the verge of implementing a new global approach aimed at reviewing all such undertakings throughout the country, something which obviously would seriously delay the old port project of Montreal?

[*English*]

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I thank the hon. member for his question. It gives me the opportunity to say that the development of the old port is a ministerial priority with the Department of Public Works, and it is a personal priority with me. I have visited the site and talked to the mayor and officials. My officials and I will be coming forward to cabinet with a document to proceed with development of the port.

I might say that in the past I have visited the old port and it is a favourite of mine as, I am sure, it is of many Canadians. I am certain that many people across this country would like to see that development.

* * *

THE CONSTITUTION

BROADCASTING OF PROCEEDINGS OF JOINT COMMITTEE—GOVERNMENT POSITION

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is to the Prime Minister. It relates to his answer as reported on page 3965 of *Hansard* which I will quote in total:

> The answer to the second question about television is that the committee, I believe, is master of its own procedure in this area—

The Prime Minister was stating his belief and he will now know that his colleague, the Secretary of State for External Affairs, in another capacity as co-chairman of the committee on the constitution in 1978, ruled that it is not within the powers of the committee to decide itself on that question. The Prime Minister will know he was wrong in his answer of October 23.

That being the case, and hoping that the Prime Minister wants the people of Canada to know what is going on in discussion of this constitutional resolution, will he now agree to present an order to the House of Commons which would allow live and full television and radio broadcasting of the committee sessions on the constitutional resolution?

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, since giving my answer I have had the opportunity to check with our House leader, who has asked for opinions on this. It turns out that, exceptionally, I was not wrong and that, indeed, the committee is master of its procedure. We hope that the committee will address itself to this question. I do not know how they will decide but I hope they will address themselves to the question.

Mr. Baker (Nepean-Carleton): Are you in favour of it?

Mr. Trudeau: Madam Speaker, it seems that members opposite, including their leader, thought that the committee could not address itself to this question. I suggest it can.

Mr. Nielsen: Are you in favour of it?

Mr. Trudeau: I am also asked by some of the backbenchers if I am in favour of it. I have no preference one way or the other, Madam Speaker. If the committee members make a good case to televise the proceedings, I think it would be a good thing. It will cost a little bit of money, but I am sure everyone will be prepared to chip in.

Some hon. Members: Oh, oh!

Mr. Clark: Madam Speaker, we could undoubtedly cover the cost from the advertising program which the Government of Canada is mounting. I am sure the Prime Minister would admit that this question of having the public of Canada know what is being done about its constitution is sufficiently important that there should be a party position on it. While I do not wish to intrude upon his ground and speak for the NDP, I know that the NDP leader has already indicated his view as a party leader, as I have indicated my view as a party leader, that it would be well to have the proceedings televised and covered by radio. We would recommend that our members on the committee vote for that.

Will the Prime Minister tell us, in his capacity as the leader of the government party, if he will urge his colleagues on that committee to have the proceedings fully covered by radio and television so that Canadians will know what is going on about their constitution?

Mr. Trudeau: Madam Speaker, that is a repeat of the same question. I just answered that I have no preference. I am not all that keen on television but I have no objection to it. If the members of this party in the committee decide that it is a good thing, and they have the support of our friends in the NDP—

Some hon. Members: Oh!

Mr. Trudeau: —and our great friends from the Tory party, then it can be done.

* * *

PUBLIC SERVICE

INQUIRY WHETHER SENIOR TRANSLATORS ACCEPTING FREELANCE WORK

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, my question is for the President of the Treasury Board. Yesterday we were informed by the translators' union that there had been some cases during the strike of senior management types in the Treasury Board doing some freelance translating on their own, drawing their own salary plus a freelance commission or freelance salary for doing the translation work. I wonder if he could confirm that to the House, and if he can confirm it can he tell us what disciplinary action he has taken?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I am not aware of any such circumstances, hence I cannot confirm it to the House.

Mr. Nystrom: I wonder if the minister is aware of a memo dated August 19 from Mr. Roch Blais, who is a director of special operations in the Treasury Board, in which he talks about the need for an internal freelance team to be established by the Treasury Board. I wonder if the hon. gentleman can tell us whether or not he is aware of the memo which went out to all of the translators, a copy of which I have here, and whether or not he thinks it is a violation of the conflict of interest guidelines that have been issued by the Government of Canada governing public servants. It says, and I quote:

> No conflict should exist, or appear to exist, between the private interests of public servants and their official duties.

Is the minister aware of this? If he is aware of it, what disciplinary action has he taken? If he is not aware of it, may we have a commitment from him that he will look into this matter and take some disciplinary action?

Mr. Johnston: Madam Speaker, I am not aware of it. Furthermore, I cannot tell from the information which has been put before the House exactly what the nature of the conflict is or exactly what the problem is. Many of us do our own translations. In this part of the House, as a matter of fact, people usually originate their own material in both languages.

* * *

THE CONSTITUTION

REPRESENTATION OF SPECIAL INTEREST GROUPS BEFORE JOINT COMMITTEE

Mr. Bill Domm (Peterborough): Madam Speaker, we were all saddened these past few days to learn of the intent of the government to spend between $20,000 and $30,000 on advertising for 13 minutes during the Grey Cup. My question is to the Prime Minister. I have received a letter from an Indian reserve, signed and dated October 27 and delivered to my office, which says:

> We will do anything. We will crawl to dignity and recognition in order to be heard in constitutional matters.

Will the Prime Minister answer this House with a simple yes or no. Is he going to make it possible for special interest groups like native people and women's organizations, to come to Ottawa and present their case to the government? Or is the Prime Minister expecting these people, as this native says, "to crawl with dignity" and ask for recognition when they do not have any funds? How are these groups going to get before this committee in order to present their case in the interests of human rights, native land claims, aboriginal rights and women's rights?

• (1500)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, first I would point out that if we had not gone the committee route, a route to which the opposition is now objecting vigorously, there would have been no occasion for the natives to be heard. We are referring the matter to committee so that the natives as well as other special interest groups can be heard on this resolution.

Mr. Blenkarn: How do they get here?

Mr. Trudeau: I am asked how they get here. I indicated in answer to that question last week that I hoped the committee would set funds aside to provide those groups which have no other means of getting here with the funds to get here.

Mr. Andre: You will give them a means test before they come.

Mr. Domm: Madam Speaker, the response of the Prime Minister conjures up in my mind the last election.

Some hon. Members: Order.

Mr. Domm: Madam Speaker, I have only said half a sentence, yet members opposite are asking for my question when they have delivered answers which say nothing for two or three minutes. My question to the Prime Minister is this. Is he satisfied that the legitimate concerns of women, who make up 51 per cent of the electorate, have had a fair opportunity for input into his unilateral action to bring in constitutional reform, and is he satisfied that women and native people in Canada have had a fair opportunity to present their cases on human rights before this government?

Mr. Trudeau: Madam Speaker, I have just been informed that we have already announced that some $400,000 will be available to each of the three native groups so that they can prepare and present their constitutional views. I am sure that out of this $400,000 they can find travelling money to come to Ottawa to present themselves before the committee.

* * *

BUSINESS OF THE HOUSE

Mr. Knowles: Madam Speaker, on a point of order, may I draw to the attention of the President of the Privy Council (Mr. Pinard) the fact that there have been certain discussions about when the recorded divisions might take place during the budget debate. I believe I can say that there has been agreement that instead of taking a vote this Thursday night, the votes on both our subamendment and the Conservative amendment will be taken on Tuesday night and that the final vote will be taken on Thursday night of next week.

Since I believe I am stating what has been agreed to among the House leaders, would the government House leader confirm what I have said and make the necessary designation?

[*Translation*]

Mr. Pinard: On that subject, Madam Speaker, indeed we have the intention of designating Friday this week as an opposition day, which indicates that the votes will necessarily be held next week, Tuesday evening and Thursday evening.

To make everything clear I would like to confirm the days for the budget debate. The debate will begin tomorrow morning, after the budget speech this evening, and will continue on Thursday. I understand that the New Democratic Party intends to move a subamendment. The division on that subamendment will be deferred and held the same evening at the same time or imediately before the vote on the amendment of the Progressive Conservative Party, if there is one.

Friday being an allotted day, the third day of debate on the budget will be Monday, the fourth day next Tuesday and the two votes will be taken Tuesday evening if a subamendment and an amendment have been moved. The fifth day of debate will be Wednesday next week and the sixth on Thursday.

I understand that my colleague from Winnipeg North Centre has had the agreement of the House leader of the Progressive Conservative Party. That being so we on this side of the House agree as well and as soon as we are through with this point of order I would advise you, Madam Speaker, that I have another point of order to raise.

[*English*]

Mr. Baker (Nepean-Carleton): Madam Speaker, I think that arrangement is agreeable. While we are discussing House business, with regard to its effect on the televising of the committee hearings and since the Prime Minister (Mr. Trudeau) has indicated he does not care one way or the other—and I would assume that the government House leader would take a position stronger than that—there would appear to be some considerable doubt, or at least differences of opinion, with respect to whether a House order, or an extension of the reference is required, or whether it can be done in committee.

Apparently there have been rulings both ways. My understanding is, and the government House leader can check, that at one time before the Standing Committee on Public Accounts in 1976, the parliamentary counsel, Mr. Joe Maingot, QC, gave evidence to the effect that in his opinion it would require an order of this House to ensure that the committee proceedings would be televised. My colleague can check that out, and I stand corrected if I am wrong.

If the matter is checked out and proved to be correct, given the agreement there is now in this House, at least among the opposition parties, that this constitutional committee be televised, and if it should be the opinion of the parliamentary counsel that an order of this House is required, will the government House leader now undertake to take such steps in the House as are necessary to have that matter resolved once and for all so that it is no longer a matter of debate, but rather a matter brought to conclusion?

Mr. Pinard: Madam Speaker, on this point let me first state very clearly that the committee will be public whether or not it is televised.

Mr. Baker (Nepean-Carleton): We know that.

Mr. Pinard: I am glad that hon. members opposite know that, but I would also like to make it clear to the people of this country. With regard to the very nature of the question, I am of the opinion, after consultation, that if we refer back to the order of the House on January 25, 1977, it will be determined that the House of Commons had agreed to the broadcasting of its proceedings not only in the House of Commons but in the committees as well, provided the concept of electronic *Hansard* was respected.

We have succeeded in implementing broadcasting in the House of Commons, and in my view this decision still holds. Consequently, I am of the opinion that the joint committee which will be established will have the power to determine whether or not it wishes its deliberations or proceedings to be broadcast. If it wishes to be broadcast, then obviously it will cost money to provide for the installations which are necessary if the concept of electronic *Hansard* is to be respected, because that is the essence and the spirit of the decision which was taken in this House in 1977. If such a request is made, then the matter must be approved by the Senate. We cannot speak in the name of the Senate in this House.

In so far as this House of Commons is concerned, my view is that we are not required to agree or disagree. If the committee wishes to be broadcast, then all that needs to be considered is the financing. The financing will be allowed if it is requested through the Commission of Internal Economy at this level. I for one do not intend to stop the broadcasting of the proceedings of a committee merely for reasons of money. That is my technical answer.

Once again, my views are that we do not need to determine the matter one way or the other in this House. It is up to the committee to make up its mind. If the committee would like to be broadcast, it is up to the Senate to approve the matter. If the Senate approves the matter then the Commission of Internal Economy will be required to approve the expenses and cost of such proceedings to be broadcast if the concept of respect for the electronic *Hansard* is followed.

Madam Speaker: Is it therefore agreed that the votes should be deferred as determined and explained by the President of the Privy Council?

Some hon. Members: Agreed.

• (1510)

[*Translation*]

Mr. Pinard: Madam Speaker, it is about the composition of the special committee following the vote which was held earlier last week. The whip of the official opposition has indicated to me that at 5 p.m. he will be able to provide me with the names of the hon. members from his party who are likely to sit on this committee. As he has suggested, therefore, I seek the unanimous consent of the House to revert to motions at five o'clock, so that we on this side may proceed with the appropriate motion dealing with the composition of the special committee.

Madam Speaker: Is there unanimous consent of the House?

Some hon. Members: Agreed.

* * *

[*English*]

POINT OF ORDER

MISS MACDONALD—PROCEDURE IN CHAMBER

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, I rise on a point of order about which I feel very deeply. Yesterday, at the time when you informed the House about the death of the Hon. Judy LaMarsh, there was some confusion about timing and when members of Parliament might pay the traditional tributes that accompany the passing of a privy councillor, and therefore it was not done. Tributes, of course, have been paid to her outside the House but, Madam Speaker, I would beg your indulgence and the agreement of the House to include in the official record of this chamber—the chamber she served so well—a few words in memory of one who was a friend, a great parliamentarian and a great Canadian. I would do that, Madam Speaker, as an expression of our affection and admiration.

Madam Speaker: I would certainly allow that. But yesterday there was no confusion, in my mind at least. It was just that nobody rose so I could not recognize anyone. If the hon. member now wishes to be recognized I would be glad to do so.

* * *

THE LATE HON. JUDY V. LAMARSH

TRIBUTES TO FORMER PRIVY COUNCILLOR

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, in the passing of the Hon. Judy LaMarsh, the Parliament of Canada and the people of Canada lost a friend, one who served her country well in war and peace.

Judy LaMarsh—or Judy as she was known far and wide—loved this House, loved the cut and thrust of debate, loved the challenges she had to grapple with on behalf of the people of Niagara Falls but, more than that, on behalf of all the people of Canada.

Carrying out her legislative responsibilities, many of them controversial in nature, certainly was not easy for her. She had to battle a tough opposition here in this chamber, and not always across the aisle—sometimes within the ranks of her own party. She had to do battle with the provinces on a number of occasions. She had to do combat with the media. But she was never one to back away from a fight, as anyone

who knew her can attest. She approached such challenges with relish. And this, of course, was characteristic of her approach to everything. Grab hold of life was her belief; pour all you can into it, get all you can out of it in the way of real satisfaction.

What made thousands of Canadians Judy LaMarsh fans was her great zest for living, her great humanity, her willingness to pour her heart out for a friend—indeed loyalty to friends was a great part of her credo—but, above all, her gusty, no holds barred performance in the arena of public life.

I said she loved this chamber. She knew how to work with it. Her friendships cut across party lines often, but she was a faithful partisan in the best sense of the word.

As a minister, she had a record of legislative achievement that few others could match. She helped set the social and cultural structures that remain her monument to this day: the Canada Pension Plan, the Canada Assistance Plan, medicare, the Broadcasting Act, Status of Women in Canada, and the Centennial year celebrations. All of these attest to her ability, her enthusiasm, her concern for people and, above all, her vision of Canada.

It was not always easy for her, but at a time when few women were active political figures she dominated the political scene in Canada. She was an inspiration to many others, and will remain so.

Courageous, controversial, warm-hearted, determined; she was all of these, and more. She always knew she had a job to do and she did not pussy-foot around it. She got on with it. And when things did not always go her way, she came to terms with that and got on with something else.

I saw her several months ago in hospital when she knew that her remaining time was limited. She had come to terms with that also. "After all," she said, "I never wanted to be old and alone and a woman". Judy LaMarsh never will be old and alone. She will be remembered by thousands of Canadians as someone who contributed greatly to the betterment of our society; she will be remembered by members of this Parliament as a loyal friend, a tough opponent, a courageous parliamentarian, a dedicated Canadian. Madam Speaker, she will be sorely missed.

All hon. Members: Hear, hear!

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, on behalf of my colleagues in the New Democratic Party, I should like to join in the words you uttered yesterday and with the hon. member for Kingston and the Islands (Miss MacDonald) in the tribute she paid just now to the memory of Judy LaMarsh. Seldom have I heard words of tribute so well expressed as those just spoken by the hon. member for Kingston and the Islands. We all join in the sentiments she expressed.

I had the honour of meeting Judy LaMarsh for the first time on the day she took her seat in this House of Commons following a byelection 20 years ago this month. During the time she and I were both members of this House, I had a great deal to do with her because of our interest in social and other legislation. She made a mark on the history of this country that will be remembered for a long time.

As only the second woman to be a member of the federal cabinet, she pioneered in that area and millions of Canadians, for generations to come, will be grateful for the benefits of the Canada Pension Plan which was put through this House because Judy LaMarsh stuck with it in spite of a considerable amount of opposition of which some of us were aware.

We got to know her as a warm and friendly person. It hit us hard to learn that she had to end her days with so much suffering from such a serious illness and to die at such an early age. But life is measured not by its length but by its quality and its contribution. In those terms the name of Judy LaMarsh stands high in Canadian history, and we pay our tribute to her memory today.

Some hon. Members: Hear, hear!

Hon. Jim Fleming (Minister of State (Multiculturalism)): Madam Speaker, on behalf of the government and members on this side of the House, I am very honoured to have the opportunity of offering a few words of respect for the Hon. Judy LaMarsh.

I did not have the pleasure of sharing moments in the House of Commons with Judy because she left Parliament shortly before I arrived in this place. I have known Judy LaMarsh for more than two decades, however. I believe that I would not be in this House today, Madam Speaker, were it not for my activities in my own party at the University of Toronto in 1960, when I had occasion to meet Judy LaMarsh at a meeting in my home town of Kitchener. It was the spirit, the independence and the drive of Judy LaMarsh that led me to believe that if a member of Parliament could have all those traits, have so much fun in her system, be so full of goodness and be so principled, then to follow an interest in politics and perhaps a political career in the future would be a desirable thing.

Judy LaMarsh was a distinguished minister in this party. She was the first woman to serve in a Liberal cabinet. She served in two senior portfolios, as minister of national health and welfare and also as secretary of state, distinguished herself in both, and is particularly remembered for her role in the introduction and passage of the Canada Pension Plan, as other members have mentioned. Perhaps 1967 was the year of the first real awakening among Canadians from coast to coast that they could be proud and could respect our character, culture and diversity. Indeed all the things we seemed to discover about ourselves in centennial year were in the spirit of Judy LaMarsh, the minister who made that such a success.

● (1520)

When I met Judy LaMarsh she was not discouraged by the plight of our political party at that time. She was never discouraged in her fight that women should have a more just position in political life in Canada. In the last year or two she faced a terrible trial. Again, Judy's wonderful courage and

ambition to succeed in the things that she believed in, life, health, and caring for others, once more carried her through.

If I may, I would just like to add the statement of the Prime Minister (Mr. Trudeau) issued yesterday when we all received the sad news. This statement is dated October 27, 1980, and reads as follows:

I was deeply saddened to learn today that the Honourable Judy LaMarsh had finally lost her courageous struggle with cancer.

We are left, however, with many vivid memories of Judy—as a cabinet minister who developed Canadian social security into a program which is now the envy of the world—as the master impresario of Canada's great centennial celebration—as a successful and respected lawyer—as a committed champion of womens' rights—as a best selling author and, of course, as a deeply involved Liberal partisan.

No tribute from me would be complete without reference to Judy's characterization of me at the 1968 leadership convention. Even when it was at my expense, I could not help admiring her colourful and frank style, which was always accompanied by an ongoing sense of dignity and a large measure of good humour.

Judy LaMarsh lived her life as a Canadian in full measure, and for this we can all be grateful.

Some hon. Members: Hear, hear!

Mr. Al MacBain (Niagara Falls): Madam Speaker, on behalf of the people of Niagara Falls riding I wish to thank this House for its condolences on the untimely death of the Hon. Judy LaMarsh. Her passing is a time of great sorrow for Canadians everywhere. She served her country with distinction both in war and in peace. Hon. members will understand when I say that in Niagara Falls her loss is very great indeed among her people. Our feeling of sadness is very personal, and will be with us for a long time.

We appreciate your kind words of sympathy, Madam Speaker, and the tributes expressed to the voice of Niagara, which is now silent.

Some hon. Members: Hear, hear!

* * *

PRIVILEGE

MR. SHIELDS—PROCEDURE RESPECTING CONSTITUTION PATRIATION

Mr. Jack Shields (Athabasca): Madam Speaker, I rise on a question of privilege concerning the matters of closure and government propaganda as they affect members of Parliament. These have been brought to your attention on many occasions in recent weeks, and I am sorry that I have to draw your attention to a very similar situation.

In my capacity as member of Parliament for the riding of Athabasca, I feel it is my responsibility to stimulate discussion and debate regarding the proposed constitutional reform. For this reason I had hoped to provide some of my constituents with material pertaining to the constitution and its reform so that they might make up their own minds.

Madam Speaker: Order, please. The hon. member is raising a question of privilege. He may raise a question of privilege without notice if it follows from today's deliberations. I do not feel that what the hon. member is referring to now follows from the deliberations of today. If he wishes to pursue the matter, the hon. member should send me notice and I could hear him tomorrow. Of course, he knows that a question of privilege not following from the deliberations requires at least one hour's notice, which I have not received.

Mr. Shields: Madam Speaker, I will pursue the matter and send you notice, thank you.

ROUTINE PROCEEDINGS

[*English*]

McDONALD ROYAL COMMISSION

ANNOUNCEMENT OF DATE REPORT TO BE RECEIVED

Hon. Bob Kaplan (Solicitor General): Pursuant to Standing Order 41(2) I table, in both official languages a minute of a meeting of the committee of the Privy Council establishing March 31, 1981, as the reporting date for the McDonald royal commission.

Mr. Clark: Madam Speaker, I rise on a point of order. Could the Solicitor General (Mr. Kaplan), who has just tabled this further extension of the sittings of a royal commission which was supposed to have wound down some long time ago, tell us whether he expects this to be the last extension or whether he expects to be back to this House with further extensions? Can the Solicitor General give the House some indication why it is felt necessary to extend the date for the royal commission's report?

Mr. Kaplan: Madam Speaker, this is the final date being established now. The government does not contemplate any further extension.

As to it being an extension in itself, there was no reporting date provided at the time the McDonald commission was established. I believe it was only since the middle of 1979 that a regular practice was established. A practice has been in effect since then of providing definite termination dates within the order in council establishing all royal commissions. There have been five since that time and all of them have had a termination date.

Considering there has been no termination date for the McDonald royal commission, I do not consider it a reasonable observation, if I may say so, that this is an undue length of time. It provides almost six months which is not long for a commission which had not been looking forward to any particular termination date. On the other hand, it is a sufficient amount of time for the commission to complete matters it thinks should be completed and to put its report together.

[*Translation*]

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

Madam Speaker: The hon. President of the Privy Council rises on a point of order.

Mr. Pinard: Madam Speaker, I am advised that I made a mistake when I stated that the first day of debate would be tomorrow morning. If indeed I said that, it was not on purpose. It is clear that the House will sit tomorrow afternoon at two o'clock.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the questions to be answered today are Nos. 1,364, 1,416, 1,435, 1,443 and 1,533.

Madam Speaker, I ask that the remaining questions be allowed to stand.

[*Text*]

FEDERAL BUSINESS DEVELOPMENT BANK—ASSISTANCE TO PERSONS IN THE CONSTITUENCY OF OXFORD

Question No. 1,364—**Mr. Halliday:**

For the fiscal year (a) 1977-78 (b) 1978-79, how many persons in the constituency of Oxford applied for assistance and received monetary assistance from the Woodstock, Ontario branch of the Federal Business Development Bank?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): The Federal Business Development Bank advises: The Woodstock, Ontario Branch opened on September 1, 1979. Out of a total of 61 applications, 59 loans were authorized to the end of July 1980. Prior to September 1, 1979, the constituency of Oxford formed a part of the London branch.

INTERNATIONAL DEVELOPMENT RESEARCH CENTRE—CONTRIBUTION TO BRANDT COMMISSION

Question No. 1,416—**Mr. Blenkarn:**

1. Did the International Development Research Centre make a contribution to the Brandt commission and, if so, in what amount?

2. Will the recommendations of the Brandt commission cost the Canadian taxpayer any money and, if so, how much?

3. Does the government accept the recommendations of the Brandt commission?

4. Has CIDA made any grants to the North-South Institute in the past four years and, if so (a) what was the amount (b) what were the grants for?

5. Has the International Development Research Centre made any grants to the North-South Institute since 1976 and, if so (a) what was the amount (b) what was the purpose of the grant?

Hon. Mark MacGuigan (Secretary of State for External Affairs): I am informed by the Department of External Affairs, the Canadian International Development Agency and the International Development Research Centre as follows:

1. In 1978, the IDRC approved a grant of $100,000 for the Brandt commission in support of its study of the global issues arising from the economic and social disparities of the world community, the identification of desirable and realistic demands for development policy in the next decade and the preparation of proposals for accelerating social and economic progress in the developing countries.

2. The Brandt commission report is still at a preliminary stage of examination within the international community. It is therefore unclear whether any future international agreements may derive directly from the report's recommendations. Canada has made no financial commitments with regard to the implementation of any of the report's proposals.

3. The government has welcomed the Brandt commission report, which provides a comprehensive elaboration of issues currently being addressed in a number of international fora, as a timely and significant contribution to the north-south dialogue. The report, and the proposed emergency action program in particular, will likely prove useful as a frame of reference in the forthcoming United Nations global negotiations. The mutuality of interest between north and south, which is highlighted throughout the report and the emphasis placed on a consensus approach are both themes of considerable importance to Canada. The specific recommendations are being studied carefully. The government will certainly reflect upon the relevant ideas put forward in the report in the ongoing process of policy formulation. We have already indicated our support for the proposed north-south mini-summit which, if held, could be particularly useful in giving impetus to dialogue in general and the UN global negotiations in particular.

4. (a)	1977-78	75,000
	1978-79	88,000
	1979-80	68,300
	1980-81 to date	10,000
(b)	Financial contribution as a "Public Participation Program" N-S Round	225,000
	Table in Sri Lanka Evaluation of	2,800
	Powdered Milk Program	13,500

5. In 1976, the centre approved a grant of $75,000 for the North-South Institute to enable the institute to conduct independent policy-relevant research and analyses in the field of world development. In 1978, IDRC approved an additional grant of $375,000 over four years from 1978 to 1981 to enable the institute to continue to conduct independent policy-relevant research in the field of international development from a Canadian perspective, particularly the financial, political, and cultural relationships among developed and developing countries, and to cover part of the institute's administrative costs.

CTC—REGIONAL AIR POLICY—HALIFAX—TORONTO AIR ROUTE

Question No. 1,435—**Mr. Crosby:**

1. Did the Minister of Transport take steps to review regional air policy and to establish a new regional air policy in the light of the decision of the Canadian

Transport Commission concerning the Halifax-Toronto air route and, if so, what were they?

2. Who is responsible for carrying out the review of regional air policy and how will a new policy be adopted so that it will be binding upon the Canadian Transport Commission?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): 1. I announced on August 5, 1980 that I intend to seek the views of cabinet in the fall on a new regional air carrier policy. This new policy will also include the national and local carriers.

2. Transport Canada is responsible for carrying out the review. After seeking cabinet's views, I intend to seek the views of the airlines, the provinces and other interested parties. I expect that the government will subsequently approve a new domestic air carrier policy, which I anticipate the Canadian Transport Commission will consider in making its decisions, in the same way as it considers other relevant government policies.

● (0000)

PORT OF HALIFAX—MEMBERS APPOINTED TO THE PORT AUTHORITY

Question No. 1,443—**Mr. Crosby:**

1. Were steps taken to appoint members to the port authority for the port of Halifax following the lapse of appointments to the authority on December 31, 1979 and, if so, what were they?

2. Since January 1, 1980, how many meetings have been held by the port authority and who headed the meetings?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): The National Harbours Board advises as follows:

1. Yes. Members were asked to continue in office until the end of 1980.

2. Two meetings: February 21 and March 14, 1980. Mr. G. E. Simmons, chairman of the port authority chaired both meetings.

PORT OF ST. JOHN—N.B.

Question No. 1,533—**Mr. Mazankowski:**

Does the National Harbours Board intend to turn over the port of St. John, New Brunswick to private enterprise and, if so, what date is forecast for the turnover and how will it be carried out?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): The National Harbours Board advises as follows: No.

[*Translation*]

Madam Speaker: The questions enumerated by the hon. parliamentary secretary have been answered. Shall the remaining questions stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CANADA POST CORPORATION ACT

MEASURE TO ESTABLISH CROWN CORPORATION

The House resumed, from Friday, October 24, consideration of the motion of Mr. Ouellet (for the Prime Minister) that Bill C-42, an act to establish the Canada Post corporation, to repeal the Post Office Act and other related acts and to make related amendments to other acts, be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

Mr. Bill Vankoughnet (Hastings-Frontenac): Madam Speaker, I spoke during debate on this bill last Friday, and I would like to conclude my remarks now.

This legislation contains many of the measures that our party, through my colleague from Brandon-Souris, has advocated for a number of years. As I pointed out on Friday, the best intent of my colleague, the hon. member for Vancouver South (Mr. Fraser), seems also to be reflected in the bill. I repeat that I support this bill and look forward to its passage.

As I said last Friday, I oppose closing rural post offices on Saturdays. They are very important to the people of my riding, and I am sure they are equally important to rural Canadians across Canada. Because of the distances that many rural people must drive to get to post offices, the time constraints of farm life, and often stormy weather of Canadian winters, days of opening of rural post offices should not be curtailed. Rural Canadians depend on their post offices six days a week and I know they will not welcome Saturday closings.

Those members in this House who represent large rural ridings like mine, will know that in many of the towns and villages that dot their constituencies, the local post office is the only visible symbol of the federal government. The red and white sign outside the building names the postal station, and the Canadian flag flies proudly above. To close rural post offices on Saturday would not only cut off access to the mail, it would also serve to drive a wedge between rural Canadians and the only visible symbol of the federal government in their community.

● (1530)

I hope the new corporation will take a look at the condition of some of the rural post offices in Canada. In my riding the Denbigh post office is in a private home. Although I have made representations to post office officials to have a new station built, I believe the new corporation should look closely at this situation and adopt a policy of building post offices to replace postal facilities located in private homes, where the volume warrants.

It is my sincere hope that this bill will address the many serious problems that currently plague the Post Office. The matter of labour-management disputes has to be considered the most important of these problems. Other important issues

include electronic funds transmission, as my colleague, the hon. member for Brandon-Souris (Mr. Dinsdale), referred to in his remarks on Friday. Should this new technology become a widely accepted practice, as many people believe it will, the result will be devastating for the Post Office. It will mean a very significant decrease in the volume of first class mail handled by the Post Office. This will result in a great loss of revenue and, perhaps, more important, will mean a loss of many jobs for postal employees.

The tension between labour and management over this issue will become more serious. As management responds to this decrease in the use of the Post Office, they will certainly have to cut jobs that have become obsolete. Job security has always been a thorny issue for labour-management negotiations, and we can expect that situation to continue if the electronic transmission of funds becomes a reality.

If further instability results in the Post Office, it will inevitably mean more lost revenue, pushing the Post Office debt up even higher than its current debt of $485 million. Every time there is a disruption in postal service, the private courier services pick up more customers. Many of these customers are not temporary, they are permanent. This results in even less use of the Post Office, meaning even more lost revenue, less need for postal employees, and more opportunity for labour-management strife. The result is a vicious circle.

I mention this because it is a real problem that the new corporation has to deal with. I might add that I do not envy the responsibilities of the members of the board of the new corporation. They are inheriting a mess. The government has learned the fine art of incompetence over the past decade in its management of the Post Office. It has perfected this art during the debate on the constitutional resolution. It is this legacy which the new corporation will have to address, and I wish them the very best of luck in putting the Post Office back on track.

Before I conclude, I would like to mention that I deeply regretted the day that the government dropped the name of "The Royal Mail" for the Post Office. In the minds of many people this may not be a matter of much significance, but to me, Mr. Speaker, it is a reflection of an attitude which has invaded many quarters of the government that has resulted in the loss of many references to the tradition of the monarchy in Canada.

In conclusion, Mr. Speaker, I want to state my support for the legislation now before us. It is my sincere hope that turning the Post Office into a Crown corporation will give it a much-needed new start in labour-management negotiations. Hopefully this will result in fewer work stoppages, an increase in productivity, and create in the minds of Canadians a sense of confidence in our mail service.

Finally, as I said at the beginning of my remarks, I am greatly disappointed that I did not have an opportunity to speak during the constitutional debate because of government closure. I had looked forward to that opportunity and take deep offence that it was denied. However, the Post Office is something like the constitution which affects every Canadian, and I am pleased to have had the opportunity to participate in the debate on this bill.

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, it is a privilege to speak on this very important bill, C-42, which will enable the Post Office to operate as a Crown corporation. As many of my colleagues know, I have had the privilege of serving on the Post Office committee on behalf of this party for some six or seven years, working with my colleague, the hon. member for Brandon-Souris (Mr. Dinsdale). Most are aware of the trials and tribulations of the Post Office down through the years. I see the Postmaster General (Mr. Ouellet) and his predecessor in the chamber. Both are aware of what the Post Office has gone through. Possibly when this bill is passed and the new corporation comes into being, it will work to the better for all concerned.

Many major problems have confronted the Post Office in recent years, especially when labour negotiations were going on with the various unions. It proved very difficult to arrive at a suitable settlement because of the interest in and participation by more than one government agency. For example, the Public Service Commission enters into the program when it comes to hiring. Treasury Board takes over when negotiating contracts. When it comes to plant maintenance and so on, we switch over to Public Works. These bureaucratic complications have certainly caused problems in labour-management relations. I hope the conversion of the Post Office into a Crown corporation will reduce many of the problems.

The Clark government was in the process of preparing legislation to create a Crown corporation when the election was called last December. Hon. members will recall Bill C-27 which was introduced by the previous Liberal government, and which we felt did not go far enough, died on order paper. There have been numerous studies since 1962 which recommended converting the Post Office into a Crown corporation. The Liberals continued to ignore this advice until 1978 when the Prime Minister (Mr. Trudeau) announced he was going to create a Crown corporation because he was fed up with the labour problems in the Post Office.

As I have already mentioned, Bill C-27 was introduced to convert the Post Office into a Crown corporation. It did not receive second reading. The Progressive Conservative Party objected to the bill because it proposed a two-tier system of management. We felt that such a system would aggravate labour-management relations.

The problem facing the Post Office and some of the reasons for conversion were as follows. First, there was a decline in the reliability and efficiency of the Post Office over the past ten years. I am certain that almost every member of Parliament has received letters and telephone calls from irate constituents lambasting the Post Office for this, that, or the other thing. Something else that does not sit well with the general public is the increase in postal rates. We must be realistic. It costs money to operate and more than it did years ago. Between 1968 and April, 1979, first-class mail rates have increased from six cents to 17 cents.

● (1540)

Earlier this year in a committee meeting, when the estimates of the Post Office were before it, I asked the Minister of Consumer and Corporate Affairs and Postmaster General a point blank question. I said that I would make a bet with him, and I will do it again. I said that by April 1, 1981, I was confident that it would cost 20 cents to mail a first-class letter. Would the Postmaster General take that bet now? He is engaged in a conversation, but I will get back to him.

Mr. Ouellet: I am sorry.

Mr. Darling: I am still stating that the Post Office, or the Crown corporation, if it is in effect, will raise the first-class rates to at least 20 cents by April 1. I will bet the Postmaster General a dollar to that effect, if he will take it.

Another matter which has been a cause for great concern and the cause of the increases is the deficit the Post Office has faced through the years from 1968 to 1979. The deficit rose from $67 million a year to $559 million a year. As was mentioned by one of my colleagues, I believe this past year it was in the $400 and some million bracket. One of the reasons for the unrest in the last ten years was the more frequent labour-management disputes. The decision by management in the late 1960s to go ahead with a billion-dollar automation program in order to cope with significant increases in the volume of mail certainly created a real furore with the unions. There was little prior consultation, and I think we are all aware that if one talks things over with employees to straighten the matter out, this certainly would bear a lot more fruit.

Approximately two or three years ago the hon. member for Brandon-Souris and I visited post offices in Europe, principally the post office in Great Britain. We spoke to corporate management heads of the post office there and also with the two unions. It was pointed out to us that there was grave concern at that time because the post office was starting to automate over there. But they ironed things out among themselves and the unions finally said, "All right, we will go ahead with it". The same thing applied in West Germany where we had discussions with the heads of their post office. In both of those jurisdictions the service being given to the public is amazing.

I concede that there is a difference in the sizes of Great Britain and Canada, despite the fact that it is 50-odd million to 24 million people. Therefore we cannot really do the same thing from one corner of Canada to another. The same situation applies in the Federal Republic of West Germany. Germany is a fairly large country with a population of some 60 million people, but I assume they are still operating a 24-hour mail service as they were when we were there. A first-class letter is delivered anywhere in Germany within 24 hours. Then they said—and this came as a shock to me—that they were trying to improve on it. I said, "How in the name of heavens can you improve on a letter being mailed today and delivered tomorrow?" They said they would be improving on it.

Another problem which will face the Crown corporation is the fact that the Post Office now has competition. Certainly some of it is well-deserved because the public could not trust the Post Office to deliver mail within a reasonable time. As a result of that there are now various private couriers delivering mail. This was brought on primarily when there were labour disputes, strikes and so on. Even at the present time, when things are reasonably quiet and moving along in the Post Office, a tremendous amount of important mail is delivered by courier. The Post Office has lost that business.

I presume the new corporation will have to face a frightening situation in the future, that is, electronic mail. It will do away with a great percentage of the existing mail service and the ordinary delivery of letters. Probably the government will be one of the main ones to bring this about when old age pension cheques, family allowance cheques and various cheques are distributed electronically. On a certain date the cheque of an old age pensioner or a person receiving Canada Pension, as the case may be, will be in the bank; there will be no worry about delivery or anything. The Post Office will have to contend with that.

We know that two contracts are coming up for discussion and perhaps renewal by the end of this year, that is, the one with CUPW and the one with the letter carriers. I am not holding any great brief for Mr. Jean-Claude Parrot as the quietest and the most wonderful head of the union through the years of his tenure following that Scotsman, Mr. Joe Davidson. My ancestors came from Scotland, but I think we were glad to be rid of him. I am not sure whether we went from the frying pan into the fire, but he drove a hard bargain and a settlement was reached. Of course the then postmaster general averted a strike and, in the eyes of many, it cost a good deal. When it comes up at the end of this year, let us hope that something can be worked out so that there will not be a disruption in the mail service. Just because it goes to the end of December does not say that there could not be a lot of problems. We know the important time for Her Majesty's mail is during the Christmas period.

Also we are aware that presently letter carriers are discussing their contract. Certainly their union is a very excellent one. Members of the committee have met with their union at various times, and we have found it to be very straightforward. From reading the latest report of Mr. McGarry and company, they will be talking pretty tough this time. Of course this again will cost taxpayers or the users of the Post Office a considerable amount of money.

Members of the committee have been asked time and again about mail services in the rural areas and small post offices. I believe it was mentioned before by one of my colleagues that there is a proposal the Post Office will close its branches in small towns on Saturday morning. As I have mentioned before, and as I have pointed out to the Postmaster General, the five-day week in the cities seems the norm, that is quite in order, but in small towns Saturday is a busy day. A lot of people in small towns work during the week in larger centres. Some of them may be away for the five days and come home on the weekend. They want to be able to go into the post office to purchase money orders, get their mail, or whatever. They

would like to see the post office remain open on Saturday morning. I hope the Postmaster General, in his wisdom, as long as it is under his jurisdiction, will see that that continues.

● (1550)

I come from a small town, and in some small towns postmasters encounter some problems. I am not sure whether the Postmaster General is aware of this, but there is vandalism in post offices and post office lobbies. In two or three of the towns in my riding of Parry Sound-Muskoka the postmasters have requested permission—and I suppose unilaterally made the decision—to close the lobbies because of young vandals going in at all hours of the night or early in the morning. In one case they set fire to a waste basket. In another they kicked in walls. I ask the Postmaster General whether this is correct or not, but as I understand it, according to the rules post office lobbies are to remain open 24 hours. Is that correct? I am just wondering if the Postmaster General would nod this head as to whether that is correct. When vandalism such as this occurs, I certainly feel that the postmaster of a particular jurisdiction should have the authority to close the post office and let it remain closed until he feels it is wise to open it again.

There is another thing about which I was not too happy. The post offices across Canada in many cases are beautiful old buildings. We might even say they are the most historic buildings in the towns. Two particular post offices in my riding come to mind. A few years ago the government decided to change all the lettering on post offices. Some of them had beautiful lettering carved above the doors. I will cite today the case of the post office in the great village of Burks Falls where I live. On the two doors there were the words "Post Office" and then carved in stone "Burks Falls Post Office". Under the new ruling "Post Office" was chiselled off and replaced with one of those yellow signs, an ugly looking thing compared with what was there.

This was also done in the town of Gravenhurst. There is another beautiful and historic building there. The words "Post Office" and "Gravenhurst" were chiselled off and up went that red or yellow or red, white and blue sign which could hardly be read. It was much smaller, and the other was huge.

Last year I brought this matter to the attention of the then postmaster general, the hon. member for Vancouver South (Mr. Fraser), and, believe it or not, we were able to get the lettering back on both of those post offices. It was absolutely ridiculous to me that the lettering was removed in the first place, and I hope that something will be done to put the original lettering back on other post offices which have been disfigured that way.

In view of the electronics with which we are faced there is a growing awareness that Canada made a mistake ten years ago when it went to automation. At that time we bought automatic machines. I am thinking of Gateway and the terminal at Alta Vista here, as well as other large post offices. We bought equipment which came from Germany, I believe, which was felt to be obsolete. We paid a pretty big buck for it. I am sure there were hundreds of millions of dollars poured into this automatic equipment, but besides making employees as mad as the dickens, it also did not speed things up, as we are all aware.

Many years ago when I was a small insurance agent I could post my mail at the village of Burks Falls up until midnight, and it would go on the train at midnight to Toronto. I knew that a letter mailed at that time would be delivered at the insurance office by nine or ten o'clock the next morning. If I had to have a policy, I could telephone Toronto, and I knew that if it was prepared and mailed before 4.30 or five o'clock, it would go on the train and be delivered to Burks Falls the next morning just as sure as shooting. Now we know the horror stories. To get mail from my constituency office in Burks Falls to Ottawa during the recess takes five, six or seven days, even under so-called normal conditions. This automatic machinery which was so wonderful certainly is not doing the job it was meant to do, and as I mentioned before, there certainly will be revolutionary ideas in the future with respect to electronic mail equipment. I understand that technology is now in place to do away with communication by mail entirely.

As we know, both the United Kingdom and the United States have set up Crown or state corporations, and we certainly hope a Crown corporation will be set up here. The Postmaster General certainly has the support of this party. We have spoken very strongly in favour of this in the first place. Let us hope that it will be put into place before too long.

Mr. Sid Parker (Kootenay East-Revelstoke): Mr. Speaker, I will be as brief as possible this afternoon because it is my hope that we will be able to get this bill into committee as quickly as possible.

Unfortunately I could not be here on Friday afternoon to put forward my party's position on this bill, but I have read the remarks of my respected colleague, the hon. member for Winnipeg North (Mr. Orlikow), and I must admit that the quality of his speech was such that I could not possibly have matched his eloquence had I been here.

It is my hope this afternoon to enumerate the three areas of concern my party has about this otherwise good piece of legislation. I could, like some of the Conservatives who have preceded me in this debate, go off on a wild harangue against the postal service in Canada, but I do not feel that such a speech would serve the House well. The postal service in Canada is certainly in bad shape.

Mr. Hawkes: Mr. Speaker, I rise on a point of order, I am just wondering if the hon. member who is speaking now could give us examples of the wild harangue he says Conservative speakers to this point have made. I have been here throughout the entire debate, and I do not think I have heard any.

Mr. Parker: Mr. Speaker, if there are any questions, I will be prepared to answer them after my speech.

I moved a motion with regard to the poor shape of the postal service just last spring, which led off a debate in this chamber. There is no question that major changes are required especially, as I indicated last spring, in the management structure of

Canada Post. However, surely this is not the time to go over old ground. Surely we must use this debate to look to the future rather than to complain about the past. The fact of the matter is that the government has finally accepted a demand which we on this side of the House have been voicing for years, a demand that Canada Post be turned into a Crown corporation. What possible point is served in using the opportunity to discuss such an important proposal once again to make those tired old arguments about how terrible the postal service is? Frankly, the official opposition is once again being obstructionist and leaving the real job of opposition and constructive criticism to the members of my party. We take on the job with pride, and we will leave the braying to the Conservatives to my right.

I said that we will offer constructive criticism, and I meant it. We have three very specific concerns about this legislation, and if the government listens to our arguments I think it will quickly realize that the changes we are recommending will strengthen the bill and make it more effective.

Mr. Hnatyshyn: The three are ready, aye ready!

Mr. Parker: The first and most important concern is with respect to clause 5(2) of this legislation. As the minister pointed out in his opening remarks on Friday, this is far and away the most important provision in the bill. This clause guarantees that Canadians will continue to enjoy basic customary postal service. Naturally we agree with that sentiment, but we are not sure what is meant by basic customary postal services. Does the government mean that all Canadians living in residential communities over a certain size will continue to receive daily home delivery of mail, or does it mean that all letters will be sent to some large green box in the middle of the neighbourhood and that Canadians will have to trudge through the ice and snow to pick up their mail? I ask this question in all seriousness because in a large number of large Canadian cities, especially in western Canada, that is what basic customary postal service has come to mean.

● (1600)

Does this phrase mean that rural post offices will continue to stay open six days a week, or does it mean that the new corporation will follow through on this government's promise to reduce service by at least one day a week? Does this phrase mean that some rural towns on the Canadian prairies will be able to keep their post offices and, through that, their only link with the federal government, or does it mean that these small post offices will be closed?

This phrase will be considered very carefully by judges in the not too distant future when they will try to determine whether or not the new corporation is adequately fulfilling its mandate. Quite frankly, we are concerned that a judge might not interpret this wording in quite such a wide manner as the minister did on Friday when he introduced the bill. For that reason, Mr. Speaker, we will be proposing amendments to this clause in committee which would clearly spell out what is meant by customary postal service. I am sure that if the minister is as concerned with this issue as he was on Friday, he will have no problem in supporting our amendments in committee.

Our second major concern with this legislation is in clause 22(2). This clause is very short and, on the surface, does not appear very serious. All it says is that the new corporation will be able to enter into any contracts it likes. The problem with this clause, quite frankly, is that it gives the corporation the power to dismantle the Post Office altogether. Let us say, for example, that the corporation's board decided that it did not like its letter carriers' union. Under this clause it could simply tender a contract with some firm, pay the firm a set amount of money, and let them worry about finding letter carriers and paying them a fair salary. This is not a wild idea since it is already occurring in several communities across the country. We are finding that Canada Post is going into the contract business with unscrupulous businessmen who are hiring cheap labour to deliver the mail at the minimum wage. The government is able to stop worrying about labour relations, the contractors are making money hand over fist, and the workers are being shafted. For there to be any kind of labour co-ordination in the postal service once Canada Post becomes a Crown corporation, it is very important that we look into these problems.

Under this provision in the legislation the corporation will be able to contract out virtually every function with which it is being charged. This is not a reasonable situation and must be corrected before the bill is out of committee. We will be proposing an amendment to the effect that the corporation will not be able to contract out any work which, by its very nature, is an essential part of the postal service.

Our third major concern focuses on clauses 14 and 15 which deal with the exclusive privileges of the corporation. Naturally we agree with the government that the Post Office must have a monopoly over the delivery of letters, but we cannot understand why they have decided to allow the continued use of private parcel post delivery systems. Our argument is very simple and we hope that the government will pay heed to it.

Everyone knows that parcel delivery is the most profitable area of postal service. It is in this field that the Post Office makes up for its losses in the delivery of letters. Clearly, it is more profitable to deliver a parcel across town than it is to deliver a letter to Old Crow in the Yukon. By letting private couriers compete with the Post Office in parcel delivery, we are letting them skim the market. We do not let the railways skim the market, nor do we let the airlines skim the market, so why on earth should we let United Parcel Service and Purolators Courier Service skim profits from the Post Office? All this will mean is that letter rates will go sky high, especially since the government has announced its intention to make the new corporation self-sufficient.

United Parcel Service has decimated the postal system in the United States. I beg the government not to do the same thing here in Canada. I hope that hon. members opposite will support my proposal to amend clause 14 to ensure that parcel post delivery remains the exclusive privilege of Canada Post.

We have other concerns with this bill, Mr. Speaker, but they are not too serious and I am sure they will be dealt with in committee. I am not sure why the government changed the wording in clause 40 so that it is now an offence to open mail without a lawful excuse, rather than just an offence, period, as it is under the current act. In other words, they have added the phrase "without lawful excuse." We hope that this is not a back door attempt to legitimize RCMP openings. We are concerned when the minister talks about union representatives on the board of the corporation and we wonder whether he is not talking about putting the likes of Senator Ed Lawson on the board and claiming that such people represent the average working people.

All in all, Mr. Speaker, I want to reiterate that my party supports the thrust of the bill before us and that we are fully prepared to give it speedy passage through committee so long as the government gives our proposed amendments the attention which we are convinced they deserve.

Mr. Gordon Taylor (Bow River): Madam Speaker, I am not at all excited about this bill. I believe that state ownership, of which the last speaker spoke so highly, has been the cause of the mess in the Post Office today, and that any organization will have a most difficult time to get it back on the tracks again. If the Post Office is an example of state ownership, then I am sure Canadians will never support the NDP in its efforts to nationalize other corporations.

I would like to deal now with two or three clauses in this bill. First I wish to refer to the phrase "maintaining basic customary postal service." I have looked in vain for a definition of that phrase and I do not know whether it means the elimination of the basic service we have today, and whether or not it will put an extra burden on our rural people and on many of our urban people to whom mail is delivered customarily. It is difficult enough now at times without making it any more difficult, and I hope the minister, when he closes the debate on this bill, or in committee, will give us a definition of "maintaining basic customary postal service."

I wonder if the practice that has been followed for many, many years in the Post Office of keeping a post office open when other businesses are open will be included under the definition of basic customary postal service. Today there is a move on foot to close the rural post offices in our towns and villages on Saturdays. These days Saturday is not the business day it once was in many parts of this country. But Saturday is still a very important day and many rural people go to town on Saturday to do their shopping, and expect to get their mail. I strongly urge when this thing is being considered that we don't simply say we are going automatically, and in a blanket way, to close all post offices on Saturdays. Many people work long hours, from the early morning until late at night, to make a livelihood for themselves and their families. I have some correspondence to indicate that the only time a person has to go to the post office and do his postal business is on a Saturday.

• (1610)

Another point in connection with basic service which bothers me is the hours of work. Today, for instance, in our Calgary post office, it operates from 7 a.m. to 5.15 p.m. Out in Airdrie, just a few miles away, the Post Office does not open until 8.45 a.m. So that means workers cannot get there and do their postal work before they go to work, and it is closed by the time they finish their work day.

I would like to suggest that the major aim of the Post Office should be to serve the people of this country, to get them their mail and give them service of which they can be proud. Several years ago there was no difficulty in the Post Office. You mailed a letter with the utmost confidence that it would reach the person to whom you addressed it within a very short period of time. Now we have no such assurance at all; it may get there in three days or it may take 17 days. This is not good enough, and if that is going to be the basic postal service which we have today then we are not going to satisfy anybody by simply calling it a Crown corporation. I think it is very important to realize that changing the name and changing some of the set-up may not have the desired effect. That in itself is not going to give us good postal service. There must be some very basic changes made in the present set-up.

One of the things about this bill which worries me a great deal is the constancy with which I see the words "appointed by the minister", or, "with the approval of the minister", or, "shall be appointed by the governor in council". The president, chairman and directors are all appointed by the governor in council to hold office during pleasure. Are these people going to be responsible to the cabinet or responsible to the people of this country?

We already have a situation where the minister is responsible to the people through this House, and I am wondering if this is going to put them beyond the reach of this House. Will we be able to consider the difficulties which may arise with regard to post office services? Will we be able to represent the people who send us here by having someone to whom to direct our questions? At the present time we may ask the minister, and the minister endeavours to answer our questions. If there is something wrong he can take steps to have it corrected. Are we putting the Post Office beyond the reach of the people, through their elected representatives? If so I am not going to like it at all.

We must have definite assurances that we will be able to make representations, that those representations will be heard, and that those who are appointed as chairman, president and directors are to be responsible to the people by reporting to the members of the House of Commons. I think that is a very basic and important item.

Another point of concern to me is that of the chain of command. If this bill is not going to alter the chain of command I do not think we will see any improvement in our postal service. In my view that is one of the basic things wrong with the present postal service.

A regional post office takes a great deal of blame, such as the Calgary regional post office, and in my cases properly so. The mail from Edmonton is delayed in Calgary for sometimes as long as seven days—I am told—before it gets through Calgary, which is where the bottleneck takes place. But you cannot put the whole blame on the regional post office in Calgary because the director there has no authority. If he has a poor employee who is not doing his job he must write to Ottawa. I was informed, on good authority, that it is sometimes three months before a reply is received from Ottawa. By that time eveyone has forgotten what the incident was about and why the man should have been discharged on the spot.

Unless your employees are responsible right down the chain of command you will not get good service. Whether it is a business or whether it is a government department, there must be a chain of command. The head of that, the president or chairman of the board, should be able to put his finger on the person who is causing the hold-up. Sometimes it is the management at fault, not the workers at all.

I was amazed when I was informed that during the last public service strike the managers of one of the regional post offices in Toronto were all going to work even though there was no mail being delivered. The security was all there even though there was no mail to protect and no employees present to do the work. The upper echelon went each day and played cards, and got paid by the taxpayers. I do not think that is responsible at all. Surely the taxpayers should not be ripped off in that way. If the workers are not in, then we should not be paying the managers to be there. That is one of the difficulties today; there is no chain of command in our Post Office. Almost everything has to be directed to the top in Ottawa. The simplest things have to be done that way, and this costs a lot of money and causes a lot of concern.

No wonder workers get frustrated when they see somebody slacking on the job while they are working full time doing their utmost to earn their pay, while beside them the person sloughing off is getting the same pay. And nothing is done about it because no one is responsible. They must write to Ottawa and say "Mike is not doing his job, may I fire him, please?" Or "May I slap him on the wrist?" Or "May I discipline him?" Surely if we are going to have a Crown corporation we should look to private enterprise as an example. Private enterprise would not put up with that. They would not stay in business if they did. And whether it is a Crown corporation or a government department, we should not put up with it either.

The chain of command is something which I will be watching very carefully as the legislation comes into operation. I hope that the chairman, president, and the board of directors will give that matter a great deal of attention because this is one of the things which today is causing chaos in our post office system.

We invested thousands of dollars to get automation in our Post Office. I am told that there is equipment which has been purchased, costing several thousands of dollars, and it has never been used. It has never been used and it is still sitting there. Again, that tells me there is no chain of command. Nobody is taking the responsibility, and that should not happen. This instance can be supported time and again across this country. I raised the matter in the Standing Committee on Public Accounts two years ago. I was amazed at the representatives of the Post Office who seemed to think that everything was okay.

• (1620)

These occurrences also happen in Toronto. There was an incident there where a little screw caused the shutdown of an automatic machine. The operator went out and bought a screw for 15 cents and installed it in the machine. The machine was fixed and it started to work again. This man was reported to management because it was felt that he had done something terrible.

He was called before management because they wanted to know why he had taken this action. Management told him that the next time he would be discharged if he did such a terrible thing. This individual should have followed procedure, written out a requisition for the screw and taken it to the office. It would probably have been sent to Ottawa, then things would really have been screwed up and the machine would have been out of work for three weeks. When we hear about incidents like this, it is no wonder that we are not getting our mail. A chain of command must be established. If people such as this workman wish to do something well, then let us congratulate and commend them, not tell them they will get fired the next time they go out and buy a 15 cent screw.

Another thing which bothers me about the post office is that there seems to be no vision toward the future. Somebody said the other day that where there is no vision the people perish. I can take hon. members to post offices across this country which were built just two years ago, three years ago and five years ago, and which today are unable to cope with the amount of business. I realize that in some places there is reason for this inability to cope.

For instance, I can cite the town of Airdrie in the province of Alberta. This town has grown probably faster than any other town in the whole of Canada. From a population of between 1,000 and 2,000 people just a few years ago, it now has a population of 10,000 people. It is expanding like a mushroom. The post office is not meeting the situation, nor has it met the situation for the last four years.

Since I have been elected, I have written to each postmaster general, and I always receive the answer from civil servants, "we know that the postal service is bad and that people have to stand in line for 30 minutes to get their mail from the wicket and that there are not enough boxes". But why has something not been done about the matter?

In the case of Airdrie, over half of the population, some 6,000 people, are living on the east side of the highway, and they must cross the highway into the town to get their mail. One drugstore, and perhaps there are a dozen other businesses, has offered to instal a post office. Why is there this dilly-dallying by those who are in command when these people are not

receiving their mail and are waiting from 15 to 45 minutes in line because there are no boxes?

There is also the fact that they must travel the distance to the post office. There is an underpass for the people on the east side of the highway, but they still must go the distance to the post office. The underpass is there as a result of the efforts of the Alberta government, not of the federal government. In any event, they are not getting their mail, so they are unhappy and there is discontent.

Again, if there is a chain of command, surely there can be the vision that when a town begins to grow the post office should immediately increase its service, the same as private enterprise would do in such a situation. If a private entrepreneur were operating a store and saw that he could not handle his customers, he would expand and build another store, and another, to serve his customers. That is what the post office should do, serve the people.

Another example is the town of Okotoks. There the post office is in a Crown-owned building, but there are not enough boxes. Again, the town has grown and grown, and there are subdivisions. When subdivisions become evident around a town, why are steps not taken to provide boxes for those subdivisions? There are no boxes, and the people of that town stand in line for general delivery. Yet the Post Office says to people, "You cannot expect to get your mail unless you have a box", and these people cannot buy a box for love nor money. The town of Strathmore is another case. I have pointed out three very definite cases where the evidence was there but nothing was done.

I do not blame those who ten years ago did not foresee this eventuality, but I certainly blame those who did not foresee the occurrence of such a situation in the last two years, three years or four years, when the situation became more evident all the time. Now we have the situation, for example, in the town of Airdrie where 10,000 people are trying to obtain their mail from a little post office. There are no boxes, and these people must stand in line for 45 minutes.

How would the hon. members of this House like to stand in line every day for 45 minutes? Let us bring it down to our own case and see how we would like it. These people have things to do. They are earning a living for their families.

I am also bothered by some of the ridiculous regulations which are introduced, not to give better service to the people, but to give them poorer service. There are post offices which follow the directive from somewhere in Ottawa that if a box number is not on a letter it must be returned. Thank goodness there are also some postmasters who have enough common, ordinary horse sense that when they receive a letter for John Jones without a box number, they say, "Well, I know John Jones because he has lived here for 25 years. I will put it in his box".

There is a postmaster in my own riding who returns the mail because there is no box number. How in the world can Mary Jane living in Toronto know the box number of Harry Jones in Airdrie if it is the first time she has written to him? These postmasters should use a little, ordinary, common horse sense. It would solve an awful lot of problems.

I am also bothered a great deal by the fact that the Post Office chisels on its smaller post offices. The postal workers in these places are not paid the same rate as people in the larger centres, yet they have more responsibility. For instance, there is a post office in my riding of Bow River which has been provided by the postmistress who has pulled in a trailer. This trailer is now costing her a great deal to operate. If the Post Office officials did not want to provide a building and accepted her offer to provide a building, why were the terms of rental not worked out before she pulled the trailer in and had it converted? Rather, the Post Office has told her that they will not even pay her enough to meet the monthly payments on the trailer. There is also the wages of this postmistress who is paid at the rate of $2.50 per hour. In larger centres the employees receive $7.50 per hour.

Larger centres have supervisors and people to audit and check the books. In small post offices the whole thing is done by the postmaster. And because they are a small post office, we chisel on them so that they can hardly make a living. Some businesses depend on how much mail they receive. The mail takes so long to get through the regional post office that those who can afford to pay and who should be doing their business at the post office cannot afford the loss of time, so they rely on private couriers. This has taken a tremendous amount of revenue away from the Post Office.

Each hon. member should look at the matter from the perspective of his own riding. In many small towns in the southern part of my riding some businesses have lost more than half of their business because the mail takes too long to arrive. Businesses such as grain elevators and insurance companies cannot afford to pay the price of couriers. An agent in Turner Valley told me that the Post Office was ruining her business. She said that she could not expect her clients to wait for the assurance that their house, car, or whatever it is they are insuring, is covered. They may wait as long as seven days before the mail arrives, when one could walk the distance in less than a day.

• (1630)

These are the types of things that we have to consider—and we must always consider people. Let us not say that the smaller post offices are hurting the system; in fact, we are hurting them. They provide an excellent service and we need them, and we need to have them open on Saturday as well, Mr. Speaker.

When it comes to the use of automatic equipment, Mr. Speaker, I think we must realize that there will always be parcels that are not properly wrapped. The problem is, however, that even those that are well wrapped take a severe beating as they travel down the delivery trays and bounce along the conveyor belts.

I have here a letter from a friend and constituent, an excellent school teacher, who spent some time in Hawaii. On his return he wrote to me about his problems with the Post

Office and I forwarded the letter to the Postmaster General (Mr. Ouellet). Among other things, he wrote as follows:

I solicit your aid in seeing that the correct personnel are made aware of the utter disgust I feel toward the Canadian postal system. Not only is it an inept, bungling department of national disgrace, but a large number of its personnel have no ability to work with the public.

He went on to say:

We shipped five parcels and all five arrived damaged, some of them utterly destroyed.

Surely we can expect better than that from our postal service, Mr. Speaker.

The letter continues:

For example, we packed a dried crab shell in feathers in a box 10 times its size. The box was wrapped in brown paper and butcher twine yet the shell arrived in 33 pieces. When I complained, I was told to take my complaints to the U.S. post office. I shipped a box of books on July 25th, totalling 18 books and magazines. The parcel arrived on September 10th, totally demolished and numbering 9 books.

Half the books had disappeared, Mr. Speaker. It is no wonder the Canadian public is disgruntled in the face of such service.

The letter goes on:

How long is this national disaster going to be allowed to waste tax dollars and destroy property?

In turn, I asked the Postmaster General—how long?

Later in his letter he refers to an occasion when he was expecting a letter which took from August 20 to September 10 to reach him in Strathmore from Humboldt. Yet it only takes eight hours to drive to Humboldt, Mr. Speaker. He goes on to say, "I have just about decided to throw in the towel." That is because he thinks no one cares.

Surely the government should sit up and take notice when hard working people who contribute to the good of this country come to the conclusion that no one in the government cares.

At the present time it takes from nine to 17 days for a letter to travel from Edmonton to Strathmore.

Some hon. Members: Shame!

Mr. Taylor: I could give a lot of other examples, Mr. Speaker, but I shall not go into them now. I am not trying to hurt the people in the Post Office—unless they are responsible for some of these delays. If that is the case, then in my view they should be fired immediately.

I hope that when the Post Office becomes a Crown corporation it will have a chain of command that will get rid of those people who do not care and who take no responsibility for the service. They are no good to the Post Office, no good to themselves, and they are no good to this country.

If the problems of the Post Office are to be solved, some of these situations must be corrected. I hope there will be a difference when it becomes a Crown corporation. Unless radical changes are made, however, we will simply have another Crown corporation to deal with, and no improvement in the service. If things go wrong and the remedy is beyond the reach of members of this House, then we are not living in a democracy, Mr. Speaker, but in a totalitarian state.

Some hon. Members: Hear, hear!

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I rise today with some sense of sadness. The last time I tried to rise to make a speech in this House was last Thursday. My freedom of speech in relation to the most important issue facing the country, the patriation of the Constitution of Canada, was denied by the actions of hon. members opposite—

Some hon. Members: Order, order!

Mr. Hawkes: It is something that is hard to forget—

[*Translation*]

Mr. Cousineau: Mr. Speaker, I believe the House is now studying Bill C-42, not the constitution.

[*English*]

The Acting Speaker (Mr. Blaker): Order, please. What the hon. member for Gatineau (Mr. Cousineau) observes is correct—the hon. member for Calgary West (Mr. Hawkes) is not yet addressing himself to the bill. The Chair has to give some leeway to hon. members, however, who may want to make a reference as they proceed. I have been listening to the hon. member's remarks and I am well aware of that possibility, but I do not think hon. members ought to be cut off too quickly.

Mr. Hawkes: Thank you for your ruling, Mr. Speaker. I appreciate it. I chose that method of introduction because it speaks to the sense of wonderment in me as to whether what I have to say about the Post Office bill might be listened to by hon. members opposite. I have watched the debate proceed, and on relatively few occasions have there been more than ten members present. If we on this side of the House are to fulfil our role as the official opposition, I think it is important that we be able to speak on those parts of a bill that we agree with and also on those parts with which we disagree. I also think there should be enough people in the House who have influence in the government caucus, to listen and pay attention.

We are at second reading stage of this bill—the debate in principle—on the desire of the Government of Canada to change the operation of the Post Office and to create a Crown corporation that will manage and hopefully straighten out the postal service in Canada.

I think it is interesting to note that a version of this bill first appeared in the House of Commons in October, 1978. Now, almost two years later, we are still at the first stage of debate. One of the privileges that we have as members of this House is that of making amendments at this stage. The normal process to be followed with bills is that when we complete debate in principle, the bill then goes to committee where we can speak to it as often as we want. There is no time limit at committee stage and amendments can be accepted. The bill then returns to the House for third reading with full and complete debate and, possibly, some amendments, and there is an opportunity to speak on those amendments. This is the process that has

been followed for some four years with the Bank Act and, as you know, Mr. Speaker, that is not yet concluded.

We follow this procedure with government legislation because this House, representing the people of Canada, has a responsibility and a right to examine the legislation for its strength and its weaknesses, so that the laws which govern the people of Canada will have desirable rather than undesirable consequences.

It is interesting to contrast the foregoing with the nine weeks from the time the new constitution first saw the light of day to the use of the Post Office to send a resolution off to England. The most fundamental law in this country was debated for 24 hours in this House of Commons without any guarantee of further debate. That is quite a contrast when dealing with fundamental law versus the care and attention that should rightfully be given to this bill regarding the Post Office.

I appreciate what the Postmaster General (Mr. Ouellet) said when he opened debate a few days ago. With remarkable candor he told the House that ten years ago—and I am almost repeating his words verbatim—the government moved too quickly to institute a modernization program. The consequence of the quickness of that move is plain to everybody in 1980. Are Canadians happy with their postal service? The answer is no. Are Canadian workers who work in the Canadian postal service happy? The answer is no. Is the management of the postal service happy? The answer is no. The present Postmaster General identified for us the irregular, spotty service, which many members could address. Certainly new members of Parliament get many letters on the inadequacy of the Canadian postal service. Strikes and the staff turnover are the outcome".

• (1640)

The minister told us that employees back in 1970 were not sufficiently informed about the changes coming about. He did not tell us that sufficiency of information might not have been enough, or that the quality might be important. In his introductory remarks the other day he said that a wise postmaster general in 1970 would have and should have had the full co-operation of the postal leaders. He neglected to say, although I think he might concur, that with wisdom modernization should have proceeded, not just with the full co-operation of labour leaders, but with the full co-operation of postal workers.

It is self-evident that the Post Office can only succeed if the people who work within it are willing to commit themselves to it. I suggest that is not unlike a nation, a nation intending to undergo radical change as a consequence of an act taken in secret which is not unlike what happened to the postal service of Canada. This is something which the little people—the ordinary people whom my friend from Bow River mentioned in his speech—might begin to resist and rebel against. I wonder then if that kind of thing happened and as that kind of thing grows whether we have the kind of Canada we had before. Certainly our experience in the Post Office suggests that in this decade we have not had the kind of postal service that we had before.

The minister has told us the root cause was an inadequate decision taken in haste, without consultation, co-operation and support. Yet that same minister sat here last Thursday evening and helped to cut off the consultation process and freedom of speech in this chamber so that the resolution would proceed without an opportunity for all points of view to be heard. We are dealing with the fundamental law in this nation which will affect the lives of each and every Canadian in frightening unknown ways. If we knew the ways, I would feel more comfortable.

The minister told us in his introductory remarks that that "procedure was very wrong". I ask him, although he is not paying much attention because he is reading a letter, whether he might just reflect on his introductory remarks and their application to something as fundamental and important as the Constitution of Canada.

The minister told us the treatment in 1970 in the Post Office was so quick that "employees felt threatened and pressured". Quick action, lack of consultation, these things can be applied today to Canada. Canadians each day are feeling more threatened and more pressured. Their political leaders are feeling more threatened and more pressured. If the people who worked in the Post Office of Canada ten years ago were asked whether it was their intention to separate from the Post Office or to quit their jobs, had a Gallup poll been taken the answer would have been no. But the Post Office the workers were committed to was pulled out from under them in secret and without consultation. They resisted. The level of service deteriorated, the number of strikes increased, and with it a terrific turnover in staff. The workers did not leave the Post Office, but a decision arrived at in haste took the Post Office out from under them.

I suggest that we are about to engage in a very similar process with the Constitution of Canada. The patriation process and more important, the amendments which are being smuggled through because they are not well understood, are likely to give us the same kind of consequences.

Mr. Ouellet: Mr. Speaker, I rise on a point of order. The hon. member is referring to the remarks I made in introducing this bill. If one listened carefully to his arguments, they have nothing to do with the bill we are discussing today. He is merely taking out of context remarks that I made dealing with the changeover of the Post Office into a Crown corporation. He has tried to establish that a constitutional discussion should have followed a process of more extension consultations.

I point out to you, Mr. Speaker, that the hon. member's entire remarks so far have nothing to do with the Post Office. He is merely arguing on the constitutional issue. I say to the hon. member that we are getting close to five o'clock and we have a chance to pass the bill in this House. I hope the hon. member will speak to the subject and be fair to the Post Office workers, who are waiting for this bill and hoping that it can

pass second reading today, instead of using the time to argue on the constitutional issue.

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: Why don't you invoke closure?

Mr. Fraser: Mr. Speaker, I would like to respond to the hon. minister. No one in this House is more anxious to see this bill brought in than I am. However, I must say through you, Mr. Speaker, to the minister who is my good friend, and to hon. members on the other side, some of whom are my good friends, that it ill behooves anyone on the government benches to get too nit-picky about any speeches made from this side because they happen to reflect and draw parallels between something the minister said and something which happened last week in this House. I have to say that what happened last week is deeply offensive to this side of the House. I also have to say through you, Mr. Speaker, to all hon. members on the government side, that this bill will go through without any undue debate. But I say clearly that it ill behooves anyone on the government side to come along now and ask for favours after what the government did last week.

Some hon. Members: Hear, hear!

Mr. Fraser: I know the Postmaster General (Mr. Ouellet) is anxious to put this bill through. I know also that much of what is in this bill is what I was trying to do as a minister of the Crown. I appreciate that, and the minister knows it.

There will not be undue delay with this bill. However, I will not sit here quietly in my seat and have the suggestion made that members from this side of the House cannot clearly and fairly express themselves.

I have been in this House since 1972 and I have seen far more variation on a theme than I have heard so far from the hon. member who has been speaking. I ask Your Honour to keep that in mind. I recognize the fairness of your ruling and understanding of this House. I ask that you understand the mood of this House, and perhaps with a little passage of time we can dispense with some of the rancour which has been exhibited lately. I speak most profoundly to all members of the government who did not care much about our sensibilities last week. I am not going to sit here and have them give any lecture to any member of Parliament on my side.

● (1650)

Mr. Hnatyshyn: Maybe the Postmaster General wants to send in the protective staff to get this bill through.

The Acting Speaker (Mr. Blaker): Order. The difficulty is that it probably is not appropriate for the occupant of the chair to encourage hon. members to make the business of the House go forward. The responsibility of the Chair is to make it possible for the business to go forward, not to encourage it. Therefore I do not think I will assist if I comment on the observations made by the hon. member for Vancouver South (Mr. Fraser).

As to the point of order raised by the Postmaster General (Mr. Ouellet) the issue is whether or not the hon. member for Calgary West (Mr. Hawkes) is in order in the sense of relevancy. It is an extremely difficult proposition for the Chair. It is particularly difficult because in this House of Commons, in comparison with some others, the most generous interpretation is given to the rule of relevancy.

I might point out the difficulty for the Chair in comparison with the British House of Commons, for example, where the hon. member for Calgary West would have long since been ruled out of order. I have to deal not only with the standing orders, but with the traditions of this House. It is part of the tradition that the occupant of the chair, when he finds himself in that situation, makes an appeal to the good faith of the hon. member. I ask the hon. member to attempt to address himself to the bill before us perhaps a little more narrowly than he has so far.

Mr. Hawkes: Mr. Speaker, if I can respond kindly, I have not been long in this House. If I strayed, it is perhaps because of newness. If I resist any part of your ruling and come to the thin edge of the wedge, perhaps it is because I feel deeply that the lives of Canadians will be changed in dramatic ways by the constitution. I might also indicate to you, Mr. Speaker, that it is difficult to see people sitting in the chair who voted to cut off our rights. I turned around and found policemen behind me. The situation is difficult.

The Acting Speaker (Mr. Blaker): Order, please. I understand that the situation is difficult, but I now have to ask the hon. member to please address himself to the bill before us.

Mr. Hawkes: Thank you, Mr. Speaker. I was encouraged by the Postmaster General's statement that the bill before us today was discussed sentence by sentence and word by word, and all the wording has been well thought out so that there can be no confusion or misinterpretation. He said the bill is not perfect, but it represents the collective efforts of those who will be most affected by it, those who work for and manage the Post Office and who represent the employees through their unions.

It is incumbent upon us to look at Bill C-42 and judge whether the minister's comments about the care and attention of the wording are relevant. We must go one step further and assume, because of our recent history in the House, that the bill before us, as with the constitution act of Canada, will become law. In that light there is a provision which says that that law shall be paramount. Therefore, any other law, including the one before us today to create a Crown corporation, will be subjected to the test of the constitution act, 1980. If the bill we are being asked to consider here today, Bill C-42, to create a Crown corporation for the Post Office, is found to be contradictory to the constitution act of Canada, the bill before us, or relevant portions of it, will be declared to have no force and effect.

If that were to be the final consequence of the passage of this bill, and if it were to have no force and effect, we would

have wasted the time of the House. We would then have to reconsider, redraft, and start again. It is in that context that we must begin to wonder whether these carefully crafted and carefully worded sentences really do attend to the will of Canadians as members opposite tell us the constitution act expresses that will.

One of the problems the minister identified is the problem of staff morale. Can we get adequate people, can we keep them, will they be happy and productive? By bringing forward this legislation the minister is telling us that by creating a Crown corporation we will be in a better position to recruit staff, train them, retain them and keep them efficient. However, I have to wonder if these employees will be happy working for a Crown corporation, in effect an extension of the government under the provisions of the constitution act, 1980.

I gave as an example clauses 15 (1) and (2), which deal with discrimination rights. I pull one out of that bill. It says we shall not discriminate on the basis of age. Does that have an implication for employees of the Post Office? I do not know, but some people with legal training have told me that they suspect it will.

I raised the issue of whether the only way to deliver money to senior citizens, those who have retired from the Post Office, in the future might be through the application of a means test because all laws in Canada which put age into them will be discriminatory. Our entire life insurance program and our pension plans will be potentially threatened as a result of that one simple provision.

There are other consequences. If postal employees move to a particular community and expect their child to start school at age six and receive a fairly decent education, what if some parents wanting their children to start at age four sued on the basis of this act and the courts ruled that they could not be denied? Say the funds available to a local community to provide schooling have to be provided for four-year-olds as well as five-year-olds, six-year-olds and up. I wonder whether the morale of postal workers would be affected by that kind of provision. I wonder whether the age to drive and the pensionable age would also be affected.

I raise these matters because we do not do this House of Commons or the people of Canada a service unless we examine legislation in the context in which it comes into being and can be enforced. We are examining a postal bill here today with some sense of fear on this side of the House that the social and cultural climate in Canada, the difficulties created by the constitution act, 1980, will reverberate, that this effort and the considerable expense required to change the postal service of Canada into a Crown corporation may in fact be undermined by the simultaneous entry into the Canadian mosaic of a piece of legislation that was not well thought out.

I understand, Mr. Speaker, you are indicating that I have run out of time. I believe I will have the floor to continue the next time the debate comes up.

The Acting Speaker (Mr. Blaker): The hon. member is correct. When debate continues on another day, he will be privileged to continue the debate on this bill.

* * *

● (1700)

THE CONSTITUTION

MEMBERS DESIGNATED TO SERVE ON CONSTITUTIONAL SPECIAL JOINT COMMITTEE

Mr. Charles Turner (London East) moved:

That the members designated to serve on the part of this House on the Special Joint Committee to consider a proposed address to Her Majesty the Queen concerning the Constitution of Canada be: Mr. Beatty, Mr. Bockstael, Miss Campbell, Mr. Corbin, Mr. Crombie, Mr. Epp, Mr. Fraser, Mr. Henderson, Mr. Irwin, Mr. Joyal, Mr. Knowles, Mr. Lapierre, Mr. Mackasey, Mr. McGrath and Mr. Nystrom; and that a message be sent to the Senate to acquaint their honours thereof.

Motion agreed to.

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

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

The Acting Speaker (Mr. Blaker): Order No. 6, the hon. member for Regina West (Mr. Benjamin). Shall the order stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Blaker): Stand by unanimous consent.

* * *

REPRESENTATION AND ELECTORAL DISTRICTS READJUSTMENT ACT (ONTARIO)

ELECTORAL REPRESENTATION OF NORTHERN ONTARIO IN HOUSE OF COMMONS

Mr. Maurice Foster (Algoma) moved that Bill C-211, to readjust the representation of Ontario in the House of Commons and to readjust the electoral districts in Ontario, be read the second time and referred to the Standing Committee on Privileges and Elections.

He said: Mr. Speaker, Bill C-211 before the House this afternoon in private members' hour essentially is designed to ensure that the representation of northern Ontario in this House of Commons would not drop below the 11 seats which now exist from that area of our country. It would set a lower

limit or a floor under the number of constituencies established in northern Ontario.

The bill is designed especially to counteract the kind of thing which happened in the 1976 redistribution when the number of seats in northern Ontario was reduced from 12 to 11, while at the same time, with the redistribution which took place in the rest of the province, the number of seats was increased from 88 to 95. Of course this bill would not affect the number of seats in any other province. It would only provide a floor of 11 seats as the representation of northern Ontario.

We are concerned with what the Electoral Boundaries Commission, which of course is an independent commission, might do after the 1981 census. Because of the number of seats established after the 1976 redistribution, all but three were in the lower quarter of the population range, that is, the population range in Ontario from 61,000 to 101,000 people. All but three of those constituencies after the 1971 census were in the 60,000 to 70,000 population range.

We are concerned because the population growth between 1971 and 1976 in northern Ontario was .67 of 1 per cent, whereas across the province of Ontario it was 7.2 per cent during the first five years of the decade. Beyond that, the growth trend—of course—would be mainly in the cities, not in the large rural ridings into which most of the constituencies of northern Ontario fall. Even in cities such as Sudbury, which traditionally had a very rapid growth during the early part of the 1970s, in the last couple of years, because of the change in the economics of nickel mining and so on, the population or the number of workers has declined.

Members of the House might ask why we are requesting a floor under the number of seats from northern Ontario. First I point out that northern Ontario is a very distinct geographic area of our country, and certainly of our province. It is important to note that of the geography of the province of Ontario 88.06 per cent of the land mass is located in northern Ontario, and out of the 95 seats for the province only 11 represent that 88.06 per cent of the land mass. It is a big area with 368,800 square miles. For example, the constituency of Kenora-Rainy River, which is the largest in the province, has 148,700 square miles and Algoma, which is the fifth smallest riding in northern Ontario has 13,200 square miles. They are very large constituencies.

It is not only that. For example, the Algoma constituency is about 400 miles long. Literally it is made up of dozens of organized townships, hamlets, villages and Indian Reserves strung out along the Trans-Canada Highway, and various geographic areas like Manitoulin Island which in itself is 100 miles long and 40 miles wide. These small rural hamlets deserve representation and service, but with the population not growing nearly as rapidly as in the rest of the province of Ontario, it makes the boundaries grow larger. Most of these people are far away from government offices, agencies and services. They tend to depend upon their member of Parliament for the many government services which are readily available in city constituencies. Any reduction in the number of seats would only exacerbate and make the problem that much more difficult.

This bill is supported by all members from northern Ontario, and I believe by all fair-minded people who want to see a reasonable representation from such a large geographical area. Certainly it is supported by the people of northern Ontario who remember what happened in the 1976 redistribution. During the redistribution from 1972 to 1976 there were a number of appeals; there were private members' bills in the House; there were large court battles in which the redistribution was challenged; thousands of dollars were raised in northwestern Ontario especially to challenge the redistribution. I would hope we could do it here in the House of Commons. After all, we are the masters of our own House. We are able to establish a fair and reasonable redistribution arrangement.

I would point out that the Ontario legislature has established or has seen fit to guarantee some 16 seats for northern Ontario in its legislature. I do not see why we cannot do the same thing here and ensure that there is reasonable representation in the House of Commons from this vast geographical area.

I believe this bill will be a fair and reasonable one. I certainly ask all members of the House to support it, so that it can move to committee for further study and discussion.

Some hon. Members: Hear, hear!

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I am pleased to add a few comments to my colleague's remarks on Bill C-211. When this matter came before the House a few years ago, I also spoke in support of it. In fact I spoke in support of the suggestion that the 12 seats should remain. Now we are down to 11 seats.

I represent the riding of Parry Sound-Muskoka which, as far as the Ontario government is concerned, is classed as part of northern Ontario. For many years I served on a municipal council. The council would go to Toronto and ask for certain things, and we were told that we were part of northern Ontario. Then when we would go and ask on another basis, we were told that we were part of southern Ontario. I suppose the Parry Sound district is the dividing line between north and south. My colleague will probably get a smile out of this, but I recall at one time saying that we are neither fish nor fowl. I said it seems that the district of Parry Sound is in never-never land.

• (1710)

Northern Ontario is certainly the great bulk of the province, and time and again when I get really annoyed when talking to my southern colleagues, the thing to do is bring out a map of Ontario and point out that little insignificant boot at the south of it which controls the whole thing. I can assure my colleague that I certainly support this floor of no less than 11 seats at all times. Again it is the old story of representation by population. That sounds very good in a great many cases, but the geographic angle should also come in. I have also stated time and again that if we went the other way entirely and went on the

basis of geography, northern Ontario would be represented as it should be, and our friends in the south would really be crying.

Many times I have spoken to my colleagues who represent that small village of York on Lake Ontario. I believe there are 22 members of Parliament from there. Some of the ridings there might be 20 blocks long by ten blocks wide, and some of them not even that. I see my hon. colleague from northwestern Ontario listening with some interest because I know he represents a huge riding. Our urban colleagues from Toronto, Hamilton and, yes, from right here in Ottawa, the capital city, do not know what it means to represent a large area, to try to service it and to try to get around it. That is the reason why I feel that the House of Commons is the place to decide, and the House should say definitely that there should be no less than 11 seats representing northern Ontario. At one time I was hoping it would remain at 12.

As I came into the chamber from a committee meeting I was talking with one of my colleagues from the New Democratic Party, and he said, "Well, what the hell are you going over there to speak about?" He pointed out that there are 11 seats representing northern Ontario and that the fewer seats there are the better it is for me. In that case we should reduce the representation to just one large seat! I am quite sure that in the years to come the Conservative party will be represented there, but in my view the people of northern Ontario should be represented on a fair basis.

As the hon. member for Algoma (Mr. Foster) mentioned, and as I believe it to be the case, the minimum is 61,000 up to 101,000. Certainly members of Parliament from those ridings which have 61,000 have a great many miles to travel. The people are greatly in need of the services of members of Parliament and of the various departments. It is not a case of picking up a telephone, like it is in Toronto where there is a regional office or a head office. Therefore it is much more important that northern Ontario be properly represented. I see the Minister of State for Mines (Mrs. Erola) nodding in acquiescence. The hon. minister is from Nickel Belt, not Sudbury, and Nickel Belt is a fairly large riding too.

I certainly support this bill. I hope it will be sent to committee and approved so that down the pike—I believe it is in 1981—when there will be another census there will be no way to carve up northern Ontario again, and again take a seat away from it and give it to Hogtown. I like Toronto too, but Toronto has enough seats, and it is very important that the situation be left as it is. If there are to be more seats in the House, a wall can be kicked out, or something. I find no fault with having perhaps a few more seats, but certainly not at the expense of northern Ontario.

When the number of seats was increased from 88 to 95 many of us took a pretty dim view because, instead of southern Ontario getting seven seats, which was the case before, southern Ontario stole one from northern Ontario and now has eight seats. Let us not have that happen again.

Mr. Derek Blackburn (Brant): Mr. Speaker, in deference to my friend and colleague, the hon. member for Parry Sound-Muskoka (Mr. Darling), I want to remind him that I represent a riding in southwestern Ontario from the centre of which one can drive 17 miles in any direction and be outside the riding. However, I am still standing on my feet this afternoon to defend this bill for my friends in northern Ontario. I want the hon. member who just spoke to realize that not everyone in southern Ontario, the land of milk and honey, forgets about northern Ontario and the problems of that part of Canada.

I should also say at this time that I was born in northern Ontario, so perhaps that is the reason I am so sympathetic to this bill.

Before I give my reasons for supporting this bill I want to make one or two very important points. We would not have to be worried about northern Ontario and its representation here in the federal House of Commons, we would not have to be worried about the census in 1981 and we would not have to be worried about people leaving northern Ontario, particularly young people, educated people and skilled tradesmen and women, if the federal Liberal governments over the past 20 or 25 years, and the Progressive Conservative governments at Queen's Park, had introduced, established, and implemented industrial strategies for northern Ontario which would have developed that part of central Canada, provided industry, and expanded mining and primary industries using our resources. This would have kept young northerners in northern Ontario.

Instead, due to Liberal neglect federally, and Conservative neglect provincially, certainly many parts of the regions of northern Ontario are slowly dying. All one has to do is go through some of those small and rather pathetic-looking northern Ontario communities, which 20, 30 or 40 years ago were viable economic units, and see them today. As I say, some of them are literally dying, simply because the one company in most of those communities, having finished its mining operations or its logging operations, has picked up and left. The governments either here in Ottawa or at Queen's Park said nothing, and when the one company from one community left, then the young people began to pack it in too.

I think we should keep those points in mind when we discuss this bill. I do not intend to hold it up. I hope it is referred to committee. In fact, I understand that it or its subject matter will be referred to committee. I feel that it is virtually impossible or it is becoming almost impossible for members of Parliament to give adequate service to their constituents when the constituencies are so large and disparate and so geographically far-flung. This is what is happening in northern Ontario.

If we reduce the number of ridings, those which are left will become even larger than they are now. I hope when the subject matter goes to committee that northern Ontario will be guaranteed the maintenance of at least 11 of the present ridings because if we break up these constituencies or re-draw the boundaries, what will happen is that perhaps one, two or three remote communities which are interlocked socially, ethnically, certainly in a family sense, economically and so forth, will be split off. Heaven knows that today federal members of Parlia-

ment with the largest geographic ridings in northern Ontario and indeed in other parts of Canada will find it even more difficult than they find it now to service those communities.

We have talked about long distance telephone service. We have talked about mail and how slow it is in some of those communities. We have talked about driving and flying conditions in the winter, and so forth. It is very difficult. I sympathize with hon. members who represent far-flung constituencies and remote ridings not only in northern Ontario but also in Quebec, north central Canada, the west coast and so forth. Frankly I do not know how they do it. I do not know how they can do a good job much of the time.

• (1720)

But I hark back to what I said at the outset. I hope the hon. member for Algoma (Mr. Foster), who is on the government side, and other members on the government side will try to press the government, the cabinet, as well as all the backbenchers over there who represent northern Ontario communities, and will make representations at Queen's Park as well, to try to revitalize the economy of northern Ontario so that more people will stay there, not just in Sudbury because of Inco and not just in the Sault because of Algoma Steel, but in all the other communities as well so that they will revitalize and rebuild a once dynamic economy in northern Ontario. We hope people will remain there and that we will not, in ten years time, have to come back and worry about the next census and about more people leaving what is a truly beautiful part of Canada.

As I said, I was born in Sault Ste Marie, I lived there for a number of years and I often go back to that part of the country for vacations. I have a great deal of respect for northerners, both those in public life and those in private life. I certainly wish northern Ontario well and I hope that the content and intent of this bill will receive the attention it deserves when it goes to committee.

Mr. Bruce Lonsdale (Timiskaming): Mr. Speaker, I welcome the opportunity to rise today to address this bill proposed by my friend and colleague, the hon. member for Algoma (Mr. Foster), as this is my first occasion to speak in this House formally, other than to move motions under Standing Order 43 or to ask questions.

First of all, I want to pay tribute to the very hon. gentleman who preceded me and who previously represented the district of Timiskaming in this House. I am referring to my colleague and friend, Arnold Peters from New Liskeard.

Some hon. Members: Hear, hear!

Mr. Lonsdale: If I can represent the riding half as well as Mr. Peters did, I am sure that my constituents will not be wanting in terms of constituency service.

Mr. Knowles: If you don't, they will send him back.

Mr. Lonsdale: This bill is of particular urgency to the people of Timiskaming and, indeed, to all the people of northern Ontario. The intent of the legislation, put briefly, is to impose a floor on the number of seats in the north. Over the decades we have watched as our representation in this House has dwindled to, now, 11 seats; 11 seats to represent nearly 800,000 people and 370,000 square miles, eleven seats, Mr. Speaker, to represent an area that is greater in extent than all but two provinces and, indeed, greater than many countries in the world, indeed greater than France and Japan combined, greater than Germany, Great Britain and Sweden combined, and greater than Italy, Spain and Portugal combined.

Why has our representation fallen to this low number? Why have members from the north had to represent progressively larger ridings, which are so very difficult to travel around? Is it because the north has grown smaller? Has our population been leaving for warmer climes and greener pastures? No, Mr. Speaker, our population has been growing steadily, our towns and cities have been expanding, our industries and resources have become even more important to the national economy.

The reason for this serious decline in terms of our representation has been the growth of the southern part of our province, especially the metropolitan Toronto area. It has simply been a case of robbing Peter to pay Paul. Paul, that is, the southern part of Ontario, has 84 members, who do an excellent job of representing their constituents. Peter, that is, northern Ontario, has 11 members, and if the trend continues we will soon have only ten. If that happens, Mr. Speaker, the ridings will get bigger and it will be even more difficult to do an adequate job of representing our people.

As an example, Mr. Speaker, my riding of Timiskaming is 30,000 square miles in area. This weekend I will be travelling to the northernmost part of it to visit my constituents in Moosonee and Moose Factory on the shores of James Bay. To get to Moosonee, I have to fly from Ottawa to Toronto, from Toronto to Timmins—where I have to stay overnight—and then in the morning take the plane from Timmins to Moosonee. The trip takes a day and a half by plane, let alone if I had to drive or take the train out there. I am not complaining, Mr. Speaker, about this travel time. I knew the size of Timiskaming when I ran last winter. Indeed, I travelled over all of it then through the snows of January and February, and I realize the great extent of the territory.

What I am concerned about, Mr. Speaker, is the fact that it is so difficult for me to meet my constituents face to face. All hon. members know that a large part of the job of a member of Parliament is to provide assistance to our constituents with their problems with the various levels of government and in their day to day activities. All members know that this can be next to impossible if personal meetings are not possible. It is very difficult to solve personal problems over the telephone, and our constituents suffer for it. To make it even more difficult for us to reach them is, in my opinion, unjust and unfair.

It is not only in contacting their members of Parliament that our constituents are at a disadvantage. In my riding, for instance, it is impossible to reach the majority of offices administering government programs without incurring long

distance telephone charges. I and some northern members have installed inwatts lines in our offices to make ourselves at least more accessible to our constituents. Since most people hesitate to call long distance, many of these calls for information or assistance come to us and we deal with them or pass them along to the proper departments.

If the people in Timiskaming want to discuss an unemployment insurance matter or an immigration matter, they have to go to Timmins. If they want to discuss revenue matters, they have to go to Sudbury. If they want to discuss Canada Mortgage and Housing questions, they have to go to North Bay. But all a person in downtown Toronto has to do is to jump on the subway and get to the regional office downtown.

Our northern Ontario constituents deserve the same level of service from their government as do those Canadians who live in the metropolitan areas. I just had my researcher compile the average size of ridings. My riding is about 30,000 square miles; metropolitan Toronto averages 11 square miles; metropolitan Montreal, 49 square miles.

Perhaps some comparisons might be in order, not just with Toronto or Montreal but with other ridings in this country. The average riding in northern Ontario is 33,544 square miles; in Quebec, excluding the Montreal metropolitan area, it is 11,639 square miles; in Newfoundland, 22,294; Prince Edward Island, 592; Nova Scotia, 1,952; and New Brunswick, 2,841. Moving west, we find the average member in Manitoba representing a riding of 17,779 square miles. Saskatchewan comes to 17,973; Alberta, 12,152, and British Columbia has an average 13,048 square miles, compared to the average riding in northern Ontario of 33,000.

You can see, Mr. Speaker, that the northern Ontario members already have the largest and most widely spread ridings of any province in the country. We do not ask, Mr. Speaker, that our ridings be made smaller. We do not ask that extra ridings be created in the north. We simply ask that the status quo remain, 11 ridings to serve the enormous area of the north, which is so vital to the future development of Canada, 11 members to serve 800,000 people and 370,000 square miles. We are already spread pretty thin across the north. Please do not ask us to spread ourselves any thinner.

Hon. members will recall, as the hon. member for Parry Sound-Muskoka (Mr. Darling) mentioned, that this issue arose after the last census as well. At that time northern Ontario had 12 members. The protests of the people of the north were ignored then and the size of their ridings was reduced from 12 seats to 11. Indeed, the former hon. member for Cochrane lost his seat in that redistribution. Now we are faced with the prospect of being reduced even further with this new 1981 census. Where will it end, Mr. Speaker? Will there some day be only one member of Parliament for all of northern Ontario? I sincerely hope not, but avoid that lamentable situation we must draw the line, and we must draw it now.

I therefore urge the House, Mr. Speaker, to allow this bill to proceed to the committee stage. Simple justice and the principles of fair democratic representation demand it. What is more, Mr. Speaker, the people of the north, so often denied equal opportunities in the past, demand it now. They deserve no less representation and services than other Canadians receive in this country. They should not have to settle for less representation in the future, and they do not ask for anything more. I therefore move, Mr. Speaker, that that question be now put.

Mr. Collenette: Mr. Speaker, I rise on a point of order. Since the hon. member for Timiskaming (Mr. Lonsdale) moved that the question be now put, I should state perhaps what the government's intention was because I might not have made it clear to him or to other members of the House. If the question is now put, then this bill, unfortunately, will be talked out. For various reasons which I want to outline in the course of the debate, the government is prepared—I understand there is agreement on all sides—for the subject matter of this bill to go to committee. So I ask that the hon. member consider withdrawing his motion pending further discussions.

● (1730)

Mr. Knowles: He did not have a seconder anyway.

The Acting Speaker (Mr. Blaker): I think we can sort this out. As has been observed by the hon. member for Winnipeg North Centre (Mr. Knowles), the hon. member for Timiskaming (Mr. Lonsdale) neglected to provide a seconder in this case. So, if I understood it correctly, the parliamentary secretary has indicated that he is prepared to put a motion before the House to the effect that the subject matter of the bill would be referred to the standing committee, moved and seconded—

Mr. Collenette: On a point of order, Mr. Speaker. In all fairness, it is not my turn to speak and I was planning to wrap up so that we could leave early and put the motion. But there are other members who wish to speak and at the time you recognize me to speak in the debate, Mr. Speaker, then I will move the motion.

Mr. Maurice A. Dionne (Northumberland-Miramichi): Mr. Speaker, I want to assure all members of the House that I have no intention of prolonging this debate unduly. I have some brief remarks which I wish to make. As the seconder of the motion, I want to congratulate the hon. member for Algoma (Mr. Foster) for bringing forth this bill today.

I think it is important to recognize that the geography of our country has to be taken into consideration when we are designing the representation of the people of Canada in the House of Commons. Certainly the Fathers of Confederation had this in mind when the British North America Act was passed. They wrote into that act a clause which states that no province can have fewer elected representatives in the Parliament of Canada than it has members of the Senate. Some will say that representation in Atlantic Canada is disproportionately high for that very reason when you compare the population of Atlantic Canada to that of other parts of Canada.

While that is true, the argument is false. I say this particularly in light of the comment of the hon. member for Brant

(Mr. Blackburn) who made a plea that an industrial strategy be designed for northern Ontario, to increase the population. I remind hon. members that had it not been for the original industrial strategy of this country the populations of Nova Scotia and New Brunswick, particularly, would be much higher than they are today and we would not have to rely on our Senate representation to maintain our representation in the House of Commons.

Mr. Speaker, we recognized in this House about two years ago, I believe, the principle of making ridings in this country manageable from the point of view of representation, when we passed a bill dividing the Northwest Territories into two federal constituencies instead of one. I think that today we should bear the same principle in mind. I agree with several previous speakers, particularly the hon. member for Parry Sound-Muskoka (Mr. Darling) and the hon. member for Timiskaming (Mr. Lonsdale) when they spoke about the lack of government services in many of these large constituencies.

Compared to Timiskaming, my constituency is very small, but it is still one of the largest in Atlantic Canada. For instance, it is larger than Prince Edward Island and contains half the population of Prince Edward Island. But I do not begrudge the Island its four members in the House of Commons because it is a province and it should have representation which can speak for the interests of that province in the Parliament of Canada.

I close by saying that the lack of services may mean that the federal member and the provincial member, or members, representing a particular rural area are the only elected representatives those people have, because, in many areas, there is no municipal government and there are no government services. The only elected representation they have is in the House of Commons and in the legislature of the province. So I give this measure my wholehearted support, Mr. Speaker, and I hope that we can deal with it very soon in committee.

Mr. Paul E. McRae (Thunder Bay-Atikokan): Mr. Speaker, it gives me great pleasure to support this bill. I think this is the third or fourth time I have spoken on this matter in the House since about 1973. I do want to add one or two comments, but I do not wish to keep the debate going.

I want to congratulate the hon. member for Timiskaming (Mr. Lonsdale) on a very fine first effort. I think he covered the subject extremely well and there is not much left for me to say. It appears to me that if we in northern Ontario, seat-wise, were in any part of any other province in this country or were a province on our own—and there are many people in northern Ontario who think that is what we should be—we would never have lost the seat in the last redistribution, because between 1966 and 1971 the population of northern Ontario went up by 5.3 per cent. We lost one seat. The population of southern Ontario went up by 11.8 per cent and they gained eight seats. There is something wrong with that.

We are saying there are very good reasons for needing more representation, or at least for keeping the representation we have. I had a smaller constituency before 1979 than I have today. I know the amount of extra work that is involved after picking up one community of 5,000 people who have a lot of problems. I know the time which must be spent. A number of factors are at work here, one of them being the absence of services. A city has regional offices, district offices and various government departments. These offices do not exist in the smaller communities. So those services are provided, for the most part, by the member of Parliament. He is not able to have a constituency office in each community, although I happen to have an office in two communities. That is because we managed to get cheap rent in Thunder Bay and were able to do the same thing in Atikokan. It is not possible if one has five or six such communities. There are all kinds of difficulties this member encounters. For instance, there is the matter of travelling the day and a half the hon. member for Timiskaming talked about to get from one point to another. It is absolutely essential in northern Ontario, which is a very large region, a very different region—not necessarily a homogeneous one, but still very large—that we have more members.

I rise to support the bill. I think that if the people of northern Ontario were to lose more representation they would have to take another look to see whether or not it is fair for them to be in Ontario at all. They would have to say that perhaps this is the reason they should form their own province in order that this should not happen to them.

I am very pleased the hon. member for Algoma (Mr. Foster) has introduced the bill before us. I hope it is looked at by the government with favour, and that it goes to committee. I hope the substance of the bill becomes part of the redistribution act of the future.

Hon. Judy Erola (Minister of State, Mines): Thank you, Mr. Speaker. I, too, rise in support of this bill and congratulate the member for Algoma (Mr. Foster) for bringing it before us. I would also like to thank the hon. member for Parry Sound-Muskoka (Mr. Darling) for his support. This shows that when northerners have a cause, we unite.

I would like to bring to your attention a problem which I think might create a very special circumstance for those of us who live in northern Ontario, in view of the fact that the census will take place within a year prior to what I predict will be quite a population growth within the area. Contrary to what the hon. member for Brant (Mr. Blackburn) said a few moments ago, I would like to state that there is a period of growth predicted during the next decade for northern Ontario.

I would like to cite some of the projects which are currently under consideration. We are looking at the immense expansion of the Texas Gulf operation in the Timmins area. We are looking at a population growth in Elliot Lake from the current 15,000 to what is predicted to be close to 25,000. We are looking at a refinery at Blind River which will be employing 225 people. This project will probably not be in full production until 1983. Our pulp and paper industry is not only stable, it is vital and growing. We are looking at an immense expansion of the Algoma Steel operation, a $300 million expansion creating 500 new jobs. We are looking and examining with the Ontario government the possibility of a generating station based at the

Onakawana lignite deposit. That study is under way now. We are looking at a phosphate deposit in the Cargill area and at the development of a gold mine at Detour Lake. All of these projects will bring on stream a great number of construction workers and also a great number of permanent employees who will not be counted in the census of 1981.

• (1740)

They will certainly be part of the population of northern Ontario during that decade and for decades to come. So I, too, support this bill and recommend that it be moved to committee.

Hon. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise for only a moment because my colleague, the hon. member for Brant (Mr. Blackburn), has already made clear our support of the subject matter of this bill. I am glad to know that the government is prepared to send that subject matter to the appropriate standing committee.

I rise only because when history is recited in this House, I like it to be correct. I am looking at the hon. member for Northumberland-Miramichi (Mr. Dionne). I do not mind his giving all the credit he wants to the Fathers of Confederation, but it was not those old so and so's away back in 1864 or 1867 who wrote into the constitution the provision that no province shall have fewer members than it has senators. That was not done until 1915, just a few years ago. If the hon. member wishes to check his history, he will find that that is the case, that that provision is as recent as 1915 and that the Fathers of Confederation did not think of it.

Mr. Dionne (Northumberland-Miramichi): That makes my argument all the more relevant.

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, as I indicated earlier, the government is quite prepared to see the subject matter of this bill go to the Standing Committee on Privileges and Elections. Before I sit down I will move an amendment to that effect. This whole matter has been discussed a number of times in previous Parliaments. Indeed, I remember in the Thirtieth Parliament that there was agreement among all parties to keep the floor of 12 seats in northern Ontario prior to the last redistribution. Unfortunately, it was not unanimously accepted on all sides of the House. I believe there was a reservation expressed by someone or it was accidentally talked out.

I think it is fair to say that there is a genuine sympathy on all sides of the House toward regions in the country which are losing population or have lost population over the years, and a desire that they not be denied their representation. Some may argue that we should adhere to the traditional British parliamentary principle of representation by population. But as has been pointed out by the hon. member for Winnipeg North Centre (Mr. Knowles) this principle has become varied in Canada over the years.

In the case of Prince Edward Island, I think there was original constitutional provision made in P.E.I. that there could not be any fewer members of Parliament than Senators.

Mr. Knowles: That did not come until 1915.

Mr. Collenette: My colleague for Winnipeg North Centre says it came about in 1915. The point is that there are regions in the country which have been allowed, through acts of Parliament, to maintain effective representation notwithstanding changes in the population. Perhaps the Northwest Territories is another example. It is a principle which is fairly established in this country. I believe we find in the British North America Act—although it may also be 1915—with respect to Quebec the provision that the floor there be 74 seats. In other words, Quebec has a base of 74 seats notwithstanding the population figure. It must be underlined that this principle has been accepted over the years. That is the reason the government is willing to allow the matter to go to the Standing Committee on Privileges and Elections.

As you know, Mr. Speaker, in 1982 there will be a report of the Electoral Boundaries Commission after the decennial census. At that time this whole matter will be discussed as it applies to other regions of the country, not just as it applies to northern Ontario.

I would, Mr. Speaker, subject to your approval, move, seconded by the hon. member for Sault Ste. Marie (Mr. Irwin):

That the motion be amended by deleting all the words after the word 'that' and substituting the following therefor:

Bill C-211, An act to readjust the representation of Ontario in the House of Commons and to readjust the electoral districts in Ontario, be not now read a second time but that the order be discharged, the bill withdrawn and the subject matter thereof referred to the Standing Committee on Privileges and Elections.

Mr. Knowles: Question!

The Acting Speaker (Mr. Blaker): Shall I dispense?

Mr. Dionne (Northumberland-Miramichi): Dispense.

The Acting Speaker (Mr. Blaker): Is there agreement to send the matter to committee?

Some hon. Members: Agreed.

Motion agreed to.

The Acting Speaker (Mr. Blaker): A base rumour has reached the Chair that hon. members may have other matters on their minds related to the proceedings later this evening and that there may be a desire to call it six o'clock. Is that the case?

Mr. Knowles: Six o'clock!

Some hon. Members: Agreed.

The Acting Speaker (Mr. Blaker): Since we are calling it six o'clock, I do now leave the chair until eight o'clock this evening.

At 5.45 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance) moved:

That this House approves in general the budgetary policy of the government.

He said: Madam Speaker—

Some hon. Members: Hear, hear!

Mr. Hees: That is the last applause you will get, Al.

Mr. MacEachen: —I am honoured to have the opportunity to present to Parliament the first budget of this new decade. It is a budget which sets new directions for the economy, directions which will ensure both energy security and economic security for Canadians in the years ahead.

● (2010)

It would be no service to this House, or to Canadians, to deny that there is a deeply troubling air of uncertainty and anxiety around the world and, I am sure, in the hearts and minds of Canadians. As well, we have inherited many difficulties from the decade of the seventies. But it would be just as wrong to deny that the decade of the eighties provides extraordinary opportunities for Canada and Canadians.

Only ten years ago, the world was riding high on the long wave of postwar economic expansion. While inflation was beginning to creep up in many industrial countries, we all felt confident in our collective abilities to manage growth as the world economies expanded in concert. But ever since the oil crisis of 1973 industrial countries have had to struggle with the problems of inflation and stubbornly high rates of unemployment. In 1979 the world was shaken by a second major oil shock. For the industrial world this has meant a sharp renewal of inflationary forces and real income losses. For the developing world this second oil shock has been a tragedy. Their international deficits are now three to four times the sum they receive in aid from the rest of the world.

The long-heralded recession in the United States has become a reality with a sharp drop in real output in the second quarter and output is drifting downward in almost all OECD countries. The rate of inflation in the U.S. remains disappointingly high despite the recession. Interest rates fell in the early summer but have risen again in recent months.

Barring some new disruption in international oil supplies, it seems reasonable to expect that the period of sharp decline in U.S. output is over, and that the worst of the dramatic surge in international inflation directly associated with the OPEC price increases is behind us. It is widely recognized, however, that the world economy now faces an extended period in which recovery from the recession is likely to proceed at a relatively modest pace and in which gains on the inflation front will only be won slowly.

In this environment the tasks of economic policy obviously present a great challenge. Within industrial countries, we have all learned that we cannot achieve full employment, stable prices and other economic goals simply by influencing the demands for goods and services by cutting taxes or by increasing government expenditure—or alternatively by raising taxes and cutting spending. The problems are obviously deeper and more complex, and they relate to our basic ability to produce. The oil problem is an example of that. The world is having to use higher-cost sources as the cheap ones are used up. Even more generally, the amount of goods and services which each worker produces on average is not growing as fast as it was, because we are not investing enough and because we are not doing enough to keep up the pace of technological improvement. Shortages of resources and slower productivity growth mean that costs go up faster and this makes the problem of inflation more intractable.

We cannot live with double-digit inflation for two fundamental reasons. It is unfair to those who cannot protect themselves, the less fortunate members of society and especially the elderly. It also imposes a very heavy cost in terms of lower output and loss of jobs. It could well endanger our ability to compete in world markets. It means high interest rates. It weakens the incentives for business investment. It undermines consumer spending and slows down the building of houses.

So these two problems of the high real costs of additional output and inflation compound each other. They are not just Canadian problems, Madam Speaker, they are world-wide problems. At the Venice Summit and at meetings of finance ministers of the IMF and OECD, we have seen these new themes emerge—the need to direct attention to the fundamental problems of productivity growth through attention to technological change, investment and incentives to greater effort and the overriding importance of slowing down inflation to lay the basis for the sustained growth of output and jobs.

[*Translation*]

The economic problems the international community is facing cannot be solved by nations acting on their own. This government fully realizes the difficult challenges posed to international economic co-operation in the unsettled period ahead of us and is ready to assume its full share of responsibilities in achieving an international economic system adapted to the world of the eighties.

[*English*]

We are particularly concious of the plight of the developing countries and so we must put new momentum behind our aid programs and our support of international lending institutions both public and private. I was most gratified by the welcome

given by the Commonwealth finance ministers to our decision to restore the growth in our official development assistance.

As a great trading nation and as a responsible member of the world community, Madam Speaker, we in Canada cannot insulate or isolate ourselves from the rest of the world. I cannot understand why we would wish to do so. In our energy resources, our other natural resources, our developed industrial structures and our people, we are a nation with opportunities second to no other nation.

We have experienced falling output this year. Productivity has dropped quite sharply and the inflation rate has moved back up to 10 per cent. It is time that we moved to realize our great potential. We are more likely to do so if we understand that the problem is not a simple matter of ensuring an appropriate demand for goods and services but is more deep-seated. There are no quick solutions, so we will need to be patient and plan in a longer-term framework. There are no single solutions either, so we need to combine structural, industrial and regional policies with the right setting of fiscal and monetary policy. But we can then feel confident that we are dealing with the fundamental issues and embarking on the new directions which can secure the future of the country.

THE ECONOMIC STRATEGY OF THE GOVERNMENT

Like previous ministers of finance, I have sought and been offered a wide range of advice on the management of our nation's economic affairs. Much of that advice has been, in my view, extreme. Some urge a dramatic retrenchment by government and an almost exclusive reliance on the mechanisms of the private marketplace. Others have urged us to intervene broadly, not only in shaping our industrial purposes, but in controlling the setting of prices, wages and the distribution of economic benefits generally. I reject both these extremes. Instead I have sought a strategy that I fervently believe will serve our national and individual interests while preserving essential individual freedoms.

[*Translation*]

It is a strategy which balances restraint with essential measures to give support to the growth of productivity and productive capacity. It is a strategy in the best traditions of the Liberal party. It is a strategy totally in keeping with the commitments we made to the Canadian people in recent election.

Its elements in brief are as follows:

the maintenance of government expenditures within the rate of growth in the economy to ensure that the federal government does not take up an ever-growing proportion of the flow of income;

over the period to fiscal 1983-84, a steady reduction in the government deficit and financial requirements;

the avoidance, in so far as possible of personal and corporate tax increases;

a resolve to support the Bank of Canada in its pursuit of monetary policies that will not accommodate inflation;

● (2020)

[*English*]

within the commitment to expenditure restraint, the need nonetheless to provide for major new expenditures in energy, economic development, industrial adjustment and manpower retraining;

the need, also, to expand our assistance to the developing world;

a resolve to sustain social and economic assistance to those people and those communities most in need; and

a resolve to see the competitive forces in our economy strengthened and the weight of government regulation reduced.

These are the central elements. Madam Speaker. They are designed to ensure a steady reduction in the rate of inflation, the resumption of strong investment and productivity growth and the restoration, over time, of a fully-employed, strongly-growing, non-inflationary society. I wish to say a few words about each element of the strategy before developing the principal themes more fully.

One of my main tasks as Minister of Finance will be to reduce the very large deficits in the government's accounts to more manageable proportions. This is important not only to restore our flexibility to meet future needs and to slow growth of our interest payments, it is also essential if the rate of inflation is to be brought down. Otherwise we will run the risk of a new outbreak of inflationary pressure. The immediate outlook is for rather slow growth and I, therefore, judge that only a modest reduction in the deficit is needed next year. But larger declines in the deficit will be required as growth speeds up. I see great disadvantages, however, in general increases in taxation other than those which form part of the energy program. Higher sales taxes have a direct impact on prices. Higher income taxes reduce incentives as well as dampening consumer spending and may well lead to demands for higher increases in wages and salaries. I am glad to say that I have been able to avoid such general increases. Indeed, I am delighted to be able to announce that I have made no changes to the indexing of the personal income tax—

Some hon. Members: Hear, hear!

Mr. MacEachen: —and, therefore, will be describing later the income tax reductions that flow from this decision.

In order to achieve the essential reduction in the deficit, great restraint over expenditures has, therefore, been required. On the side of monetary policy, the Bank of Canada will have my continuing support in holding down the rate of monetary expansion. This is now widely agreed to be a pre-condition of success in the containment of inflation. It makes it clear that we will not accommodate double-digit rates of inflation.

Perhaps the most critical area demanding an active government role is energy. I have been working closely with my

colleague, the Minister of Energy, Mines and Resources (Mr. Lalonde), in the development of our energy policy. I will shortly provide the House with a brief outline of its main features. The new energy policy limits the rise in prices of oil and gas to domestic consumers and thus continues to protect us from the violent shocks of OPEC price increases. It strengthens our specific measures to promote the most economical use of energy and in particular the displacement of oil by other fuels. It provides new impetus to the development of new sources of supply, through direct government programs and through new incentives of particular value to Canadian-owned producers.

[*Translation*]

Energy policy is only the most urgent element of our new strategy. Renewed growth in productivity and lower costs are needed throughout the economy. Within the over-all expenditure plan which I will lay before the House, we have assigned clear priority to economic development. Sufficient funds have been made available in the expenditure plan to finance major expansion of our activities in such areas as industrial development programs, research and development, export promotion and the improvement of transportation.

[*English*]

We are also very much aware of the shortage of skills in this country. Even in the midst of recession, those shortages were apparent in many trades and employers have had to look for skilled craftsmen in other countries. Our manpower training and mobility programs will be redirected to deal with this problem.

One of the best ways of ensuring that prices are kept in line and efficiency is maintained is to foster healthy competition. We are seeking to do so in our legislation relating to financial institutions and in our concern over business concentration. We believe that small business makes a vital contribution to the economy by keeping it competitive. Competition means that the most efficient and enterprising will flourish and grow; it also means that the less efficient decline. That should not be prevented, and measures to assist declining industries to adjust to changing economic circumstances should be limited to helping the process of adjustment and easing the social costs.

We intend to reduce the burden imposed on the economy by unnecessary regulation. The work of the Parliamentary Task Force on Regulatory Reform and of the Economic Council of Canada will be of great assistance in this endeavour.

Madam Speaker, I believe that the various elements of our strategy when taken together do indeed create a framework within which we can look forward with confidence to declining inflation and sustained economic recovery. They do not guarantee these results in the short run, however, for we live in an uncertain world in which all forecasts are at risk. We could do better if we enjoy good fortune at home and abroad. But we could also do worse, if we are faced with new shocks coming from the price of oil or food or if the upward momentum of costs and prices proves impervious to the economic climate I am seeking to create.

I have noted suggestions for new measures to limit the growth of prices and incomes, either by direct controls or by the use of the tax system. The objective of reducing the rate of inflation at less cost in lost output is one we can all embrace. I am most reluctant, however, to contemplate the massive degree of government intervention and perceived inequities which would inevitably be required. Moreover, I am conscious of the fact that any new program of controls would be much more difficult than the 1975 program. There is no scope this year and little next for the real income increases that were part of that program. Furthermore, there is little evidence of unreasonable price increases or unreasonable wage demands.

What is important now is that we should continue to act with moderation and work together to make the economy more productive and efficient. I hope I have fostered a wider understanding of the fact that our future prosperity depends on getting the rate of inflation down. I look forward to a further discussion with my provincial colleagues of these fundamental economic issues. It is time to consider how we can broaden the existing processes of consultation among government, business and labour.

● (2030)

[*Translation*]

I am confident that the strategy I have described tonight is the right one. But I want to make it quite clear that the pre-condition of our success must be the achievement of lower rates of inflation. If continued indexing is interpreted as a readiness to accommodate unlimited inflation rates, I may be faced with no alternative but to impose some limit on the indexing factor. As Canada's national government we have responsibilities and we will not shrink from them.

[*English*]

NATIONAL ENERGY PROGRAM

Madam Speaker, I would like to speak first, in detail, about energy. To fail to solve our energy dilemmas would be to fail to realize our greatest source of opportunity in this decade. It is, therefore, of utmost strategic importance. As we all know, energy has been the subject of intense debate in Canada for a number of years, and the negotiation of an agreement on oil and gas pricing and revenue sharing with the producing provinces, particularly Alberta, has been a major preoccupation of the last two federal governments. The Minister of Energy, Mines and Resources has made repeated efforts to reach agreement with his provincial colleagues. The Prime Minister carried on intensive discussions with the Premier of Alberta.

Time is running out. While Canada is a net exporter of energy and is dealing from a basic position of strength, the chink in our armour is our dependence on imported oil. Today, we are a net importer of oil and, under a continuation of previous policies, we could expect to become increasingly dependent on foreign supplies and, therefore, unnecessarily subject to the vagaries of the world oil market. The federal government feels compelled to put Canada's energy house in

order. On behalf of my colleague, the Minister of Energy, Mines and Resources, I am tabling tonight the Government of Canada's National Energy Program. I would like to present some highlights of what is a very comprehensive program.

It is founded upon three basic principles:

security of supply and ultimate independence from the world oil market;

opportunity for all Canadians to participate in the energy industry, particularly oil and gas, and to share in the benefits of its expansion; and

fairness, with a pricing and revenue-sharing regime which recognizes the rights and needs of all Canadians.

PRICING

Madam Speaker, at the time of the last federal election we promised to establish a blended pricing regime for oil in Canada. Effective tonight, the framework for such a regime will be put in place. The principle is simple. Henceforth, the price of oil paid by Canadian consumers will be an average of the cost of foreign oil, for which we must pay the world price, and the cost of domestic oil. The mechanism for blending in higher-cost supplies will be a petroleum compensation charge levied on all refiners. The new regime will be phased in so that the increase in the wellhead price plus the import component of the compensation charge will be less than $4 per barrel in 1980.

Some hon. Members: Hear, hear!

Mr. MacEachen: A charge of 80 cents will be effective immediately. This will be in addition to the $3 increase in wellhead prices which has occurred this year. The increase in the wellhead price plus the increase in the compensation charge will be $4.50 in each of the three subsequent years. Madam Speaker, this fulfills the government's commitment to the Canadian people.

Some hon. Members: Hear, hear!

Mr. MacEachen: Crude oil price increases will be smaller than those proposed in last December's budget and gasoline prices will be considerably lower. And there will be no increase in the excise tax on gasoline.

For conventional oil, the wellhead price will rise by $1 per barrel every six months, beginning January 1, 1981. Starting January 1, 1984, the semi-annual increase will be $2.25 per barrel and, in 1986, it will be $3.50 per barrel semi-annually and these increases will continue at that pace until the wellhead price reaches the "reference price". The reference price, Madam Speaker, is a special incentive price which will be offered to synthetic crude from the oil sands. Effective January 1, it will be $38 per barrel escalated annually by the consumer price index.

The government is also prepared to offer incentive prices for enhanced oil recovery and for upgraded heavy oil.

The blended oil pricing regime which I have just described should result in a made-in-Canada price which is well below international levels. This made-in-Canada price will rise over the decade and will never be allowed to exceed 85 per cent of the price of imported oil or the price of oil in the United States, whichever is lower. A competitive advantage for Canadian industry will, therefore, be preserved.

To complete the picture on oil pricing, my colleague, the Minister of Energy, Mines and Resources will be taking measures to remove the anomaly that marine and aviation fuels used in international transportation have been eligible for the lower prices available to domestic consumers in Canada. Finally, the government proposes to pay to the producing provinces, Alberta and Saskatchewan, 50 per cent of our collections from export charges on crude oil.

Some hon. Members: Hear, hear!

Mr. MacEachen: The price of natural gas to Canadian consumers will increase less quickly than the price of oil and will, therefore, provide a major incentive for consumers to switch off oil to gas. As in the case of oil, natural gas prices paid by consumers will be significantly less than those proposed in the December budget. Specifically, the price at the Toronto city gate will go up by 30 cents per 1,000 cubic feet on November 1, 1980, by 15 cents in 1981 and by 45 cents in 1982 and 1983. The mechanism for bringing this price about in the case of natural gas is different from the one I have described in the case of oil because of our very different situation with regard to the two products. We do not import natural gas, and we, therefore, do not have the problem of sheltering consumers from world prices. On the other hand, we export large quantities of natural gas and the producing companies and provinces gain the benefit from world prices. The logical solution to this problem and our preferred approach was to impose an export tax which would recapture some portion of the difference between the world price and the Canadian consumer price. The producers under this solution would ultimately have received some premium over the price paid by domestic consumers for the gas being sold in Canada. The producing provinces have strongly objected to this proposal, even though export taxes are fully within the federal government's jurisdiction.

● (2040)

In these circumstances and after careful consideration the Minister of Energy, Mines and Resources and I have concluded that it would be desirable to abandon our preferred plan and seek an alternative approach which we hope will meet the concerns of the producing provinces.

Some hon. Members: Hear, hear!

Mr. MacEachen: Under this alternative approach there will be no reduction in the current returns to producing companies and provinces for gas sold in the U.S. market and they will continue to receive the great bulk of the revenues derived from the higher prices prevailing there.

This alternative approach involves the imposition of a new uniform federal tax on all natural gas. It will also apply to liquefied petroleum gases, except those produced from oil. Initially, the tax will be set at 30 cents per 1,000 cubic feet, effective November 1, 1980, for domestic sales and February 1, 1981, for sales to U.S. consumers. This tax will be increased by 15 cents on July 1, 1981, January 1, 1982, and January 1, 1983.

Taking account of the increases in consumer prices I have announced, there will be no increase in 1981 in the field price of natural gas sold in the domestic market. Thereafter, the current practice of increasing the producer price by 15 cents per 1,000 cubic feet for every $1 per barrel increase in the wellhead price of conventional oil will be continued.

The new pricing regime for both oil and gas will be established under the Petroleum Administration Act. The relevant parts of the act will be proclaimed in effect as of today. For oil, the regulations governing prices will be effective as of today while for gas the regulations will be effective as of November 1, 1980, the expiry date of our gas pricing agreement with Alberta. For provinces willing to enter into agreements on the basis of prices set out in the National Energy Program, the federal government is prepared to rescind the pricing regulations.

Madam Speaker, before I leave the pricing question let me emphasize again that the prices of both oil and natural gas will be less than the prices proposed in the December budget.

Some hon. Members: Hear, hear!

Mr. MacEachen: Indeed, given the changes in OPEC prices that have occurred since that time and given the fact that the prices proposed by the former government would have escalated dramatically because they were tied in the later years to those OPEC prices, our prices will be considerably less.

And as I turn to the question of revenue sharing I would emphasize that the benefits accruing to western Canada over this and the next three years will be at least equal to the $40 billion which was promised in the December budget.

Some hon. Members: Hear, hear!

REVENUE SHARING AND TAXATION

Mr. MacEachen: The question of oil and gas prices is, of course, bound up with the issue of revenue sharing. In the absence of changes in the fiscal regime, rising prices for oil and gas would generate excess profits for the industry and result in an inappropriate balance between governments. The difficulty is that the federal government has borne much of the burden of energy price increases but receives few of the benefits.

The new natural gas tax will yield revenues of $250 million in 1980-81, $1.3 billion in 1981-82 and $6.6 billion over the whole period to 1983-84. I am also announcing tonight a federal tax, effective January 1, 1981, to be levied at a rate of 8 per cent on net revenue from the production of oil and gas in Canada. This will yield $1.4 billion in 1981-82 and $5.1 billion over the next three fiscal years. These new revenues will finance the major federal spending initiatives in the field of energy and the western development fund which I will shortly describe.

In recent years, the federal government has received about 10 per cent of petroleum production income. Producing provinces have received somewhat more than 45 per cent and the industry has received somewhat less than 45 per cent. As a result of the pricing regime and the new tax measures which I am announcing tonight, the federal government's share will increase to about 24 per cent over the four-year period 1980 to 1983. Provinces will receive about 43 per cent and industry about 33 per cent.

In establishing the new fiscal regime, the federal government has been careful not to intrude into areas which provinces regard as their own. The federal taxes reflect the capacity of the oil and gas industry to pay and bring its contributions more closely into line with what other industries are required to pay.

Some hon. Members: Hear, hear!

Mr. MacEachen: I am satisfied that the regime will provide the financial capacity necessary if the national government is to meet its responsibilities for economic management and energy policy. Any additional changes required to the sharing arrangement will be for provinces and the industry to resolve.

PRODUCTION INCENTIVES AND ENERGY INITIATIVES

Madam Speaker, our energy strategy incorporates major new production incentives and expenditure initiatives.

The depletion allowances in the Income Tax Act for oil and gas exploration and development activities have primarily benefited large established corporations which are for the most part foreign owned or controlled. They have been of little use to the smaller Canadian-owned corporations which do not have sufficient income to benefit from tax incentives. As part of the national energy program, these allowances are to be fundamentally altered. Among the most important changes are the elimination of depletion for development expenditures effective January 1, 1981, and the phasing out of depletion for exploration over the next three years. Depletion will be retained only for selected activities, such as tar sands plants, and for frontier exploration. These changes in the depletion allowance will not affect the mining industry.

[*Translation*]

The government remains committed, however, to providing strong incentives to the industry. The orientation of the incentive regime will be changed in a way which will encourage Canadians to participate more fully in this country's oil and gas future. A petroleum incentives program will be established to provide grants of up to 80 per cent of exploration expenditures in the north and the offshore, and up to 35 per cent in other areas. Grants of up to 20 per cent will also be provided

for development expenditures in all areas of the country. The grants will vary according to the level of Canadian ownership and control of enterprises. Details of these changes are described in the documents I am tabling tonight.

[*English*]

A number of other federal initiatives will help both individual Canadians and industry to meet Canada's energy objectives. For example, grants will be offered to assist home owners to move off oil, and onto natural gas, electricity and other fuels which we have in greater supply.

Some hon. Members: Hear, hear!

Mr. MacEachen: To ensure the rapid expansion of gas distribution systems, market development bonuses will be provided to distributors as an inducement to vigorous action.

● (2050)

Madam Speaker, because of the nature of our country, any energy program for Canada must have a regional dimension. The program does, therefore, incorporate measures designed to meet the special needs of eastern Canada and the west.

As a matter of national priority, the government will ensure that the natural gas pipeline system is extended beyond Montreal to Quebec City and the maritimes.

Some hon. Members: Hear, hear!

Mr. MacEachen: To encourage the early penetration of gas in those markets, gas prices in Quebec City and Halifax will be set at the same level as in Toronto and Montreal. Under the new pricing regime the private sector has a strong incentive to proceed with the pipeline's construction. But if an immediate commitment is not forthcoming, the federal government will take whatever steps are necessary.

The Atlantic provinces are more heavily dependent on oil than any other region of the country. For this reason, a fund will be established to support the conversion of oil-fired electrical plants to coal. Financial assistance will continue to be given for interprovincial electrical connections and federal equity will be provided in support of hydro development on the Lower Churchill river in Labrador. Net funds will also be available to find ways in which the large reserves of Cape Breton coal can be used to enhance energy security in the maritimes. The P.E.I. conservation and renewable energy agreement will be extended. An industrial conservation program will be implemented and a housing retrofit program introduced for Newfoundland, P.E.I., the Yukon and the Northwest Territories.

The total of our new energy initiatives will cost $8.4 billion between now and 1983-84. They come on top of our existing energy programs which will cost $3.1 billion over the same period.

The resource wealth of western Canada has laid the base for rapid economic growth in that region. This is already occurring, and it is leading in turn to a diversification of the western economy as further processing of the resources develop and as the growth of the market attracts new industries. These trends are being strongly promoted by the provincial governments. The federal government is also anxious to play its part; a number of the growth supporting policies which are required fall within our areas of responsibility. We have, therefore, allocated $4 billion to a western development fund, of which we expect to spend $2 billion over the next three years.

Some hon. Members: Hear, hear!

Mr. MacEachen: Specific development initiatives will be selected in consultation with the governments of the western provinces. They will be designed to address the major economic opportunities and constraints which will challenge the west during this decade. For example, the federal government is hopeful that through consultation with interested groups in the west, agreement can be reached on the modernization of the western grain handling and transportation system which is so vital to the growth and diversification of the prairie economy. We will also consider initiatives relating to industrial diversification and examine ways in which trade and industrial policies can better serve western development. To co-ordinate these efforts and to ensure early action, the Prime Minister (Mr. Trudeau) has established a special group of ministers led by my colleague, the Minister of Employment and Immigration (Mr. Axworthy).

CANADIAN OWNERSHIP

The energy sector is of crucial importance to Canada. It is now dominated by a few large firms, virtually all foreign-owned and controlled. It is the belief of this government that Canadians should be given the opportunity to participate to a greater extent in the energy future of their own country. Specifically, the national energy program establishes the following objectives:

at least 50 per cent Canadian ownership of oil and gas production by 1990;

Canadian control of a significant number of the larger oil and gas firms; and

an early increase in the share of the oil and gas sector owned by the Government of Canada.

Many of the initiatives in the national energy program, for example, the incentive grants which I have announced tonight, will help to achieve these goals. But we are prepared to go further. Petro-Canada will be charged initially with the task of acquiring the Canadian operations of one or more multinational oil companies.

Some hon. Members: Hear, hear!

Mr. MacEachen: As in the past, the financing of such acquisitions will be obtained in large part by borrowing in foreign capital markets. But additional infusions of equity capital may be required. To provide that capital the government will establish a Canadian ownership account. Revenue for the account will be provided by a Canadian ownership charge imposed on all oil and gas consumption in Canada which will come into operation as the acquisition program

progresses and will be set at a level to ensure that the program will be totally self-financing, and in no way affect the government's deficit.

In summary, Madam Speaker, the national energy program which is being put forth by my colleague is a bold one which establishes a consistent set of policies to meet Canada's energy needs. Taken together, the pricing and expenditure measures will enhance Canada's energy security by reducing oil consumption and, by 1990, ending our reliance on imported supplies. We will accomplish this with a policy which provides for a fair return to the industry, the producing provinces and the federal government without imposing an undue burden on the Canadian consumer. Finally, I expect energy to be a growing source of strength for the economy as a whole. It is, therefore, particularly important that all Canadians have an opportunity to participate in the development of Canada's energy resources and to share in the employment and production benefits which will accrue to other sectors of the economy.

● (2100)

THE EXPENDITURE PLAN

I now turn, Madam Speaker, to the expenditure plan of the government which constitutes a second major element in our over-all strategy.

As I indicated earlier, the achievement of the desirable degree of deficit reduction without general increases in taxation has required strict control over the rate of growth of our spending.

Our expenditure plan fulfils the promises we made in the election campaign. And it does so even though we have responded to the priority needs of energy, economic development, defence and aid. This has required hard choices. They have been facilitated by the development of the new expenditure planning system. The foundations of this new system were laid under the previous Liberal government. Important further advances were made under the Conservative government. Now we have reached the point of being able to set out for the first time the agreed planning levels for each major category of expenditure or envelope in a multi-year time horizon. This new system requires the government to identify its priorities within the framework of over-all restraint. It permits the delegation of responsibility for program decisions to the policy committees of the cabinet. It provides a framework within which departments will be encouraged to develop medium-term plans and increase the efficiency of their operations, and in which choices can be made between cash outlays and tax expenditures. Throughout the decision-making system, it creates an incentive to find ways of saving money in existing programs, in order to finance new high priority activities.

My present estimate is that total outlays this year will amount to just under $60 billion, an increase of 13.2 per cent over 1979-80. This high rate of growth stems from large increases in oil import compensation payments and in public debt charges. These increases, however, are not as large as seemed likely in April, partly because of the decline in interest rates in the early summer and partly because the new blended price policy reduces the net cost of oil compensation for the balance of this year. The only major new spending programs are the enrichment of the guaranteed income supplement for our neediest old people and in the start-up of the new energy initiatives.

Some hon. Members: Hear, hear!

Mr. MacEachen: We plan to reduce the rates of growth of our spending to 12.8 per cent in 1981-82, to 10.5 per cent in 1982-83 and to about 10 per cent in 1983-84. This will hold the growth of our spending within the trend growth of GNP. Total outlays, the sum of our budgetary expenditures and loans, investments and advances, amounted to 20.3 per cent of GNP in 1979-80. This ratio rises in 1980-81 and 1981-82 mainly because of the lack of real growth in the economy, but it falls again as economic expansion resumes. By 1983-84 it will be back down to 20.3 per cent. Turning now to the envelopes, or the expenditure groupings in the plan, the details are set out in the tables and notes which I am tabling with this budget and I will just summarize the highlights.

A new energy envelope has been established and this includes the new energy initiatives which I have discussed, as well as the cost of petroleum compensation payments net of revenue from the petroleum compensation charge. Funding for new and existing energy programs, excluding net petroleum compensation payments, will almost triple in 1981-82, and increase by a further 21 per cent in 1982-83 and 17 per cent in 1983-84.

Funds allocated to the economic development envelope increase by 22 per cent in 1981-82.

Some hon. Members: Hear, hear!

Mr. MacEachen: This will enable the economic development committee of the cabinet to expand existing programs and launch new initiatives in support of research and development, industrial expansion and export development. These programs which are now under intensive development will contribute to the renewed gains in productivity and to the high levels of business investment on which we depend for our prosperity in the years ahead. This envelope also includes expenditures from the western development fund. The social affairs envelope will continue to be by far the largest block of spending and will remain one of the government's most basic priorities.

Some hon. Members: Hear, hear!

Mr. MacEachen: We are pushing forward with a review of the whole area of pensions and retirement income generally. The present system is defective. While many Canadians are well provided for in their later years, many others have to rely on the old age security and guaranteed income supplement. Not only is the present pension system uneven, it also hinders labour mobility. We are going to have to work out the best way of improving the system, and the respective roles of the private sector and such public institutions as the Canada Pension Plan. Even a large role for the CPP would not,

however, involve a major call on new expenditures from the social affairs envelope. Our new spending initiatives in the field of social policy will be directed to those individuals who are most in need.

A large element of our expenditures, especially in the social affairs envelope, consists of transfers to the provincial governments. I have already indicated to my provincial colleagues that we will be examining these programs closely as they come up for renewal, and we expect to achieve significant savings here. This will also help to bring about a clearer division of federal and provincial responsibilities which has been one of the stands in recent constitutional discussions. These have also emphasized the high priority we attach to equalization.

[*Translation*]

I would like to announce at this time that a special allocation of $350 million over four years has been made to promote industrial restructuring and manpower retraining and mobility in areas of particular need. The total amount has been divided equally between the economic development and social affairs envelopes. My colleagues, the Minister of Industry, Trade and Commerce (Mr. Gray) and the Minister of Employment and Immigration, will soon be announcing program details.

[*English*]

The envelopes of expenditures administered by the external affairs and defence committee will grow relatively rapidly. We have undertaken to increase our foreign aid programs sufficiently rapidly to reach the target of 0.5 per cent of GNP by mid-decade. Our defence spending will rise by 3 per cent in real terms, reflecting our commitment to our NATO allies to beef up our defence capabilities. We have already contracted to buy the new fighter aircraft and we will be re-equipping our land and naval forces.

General operating expenses of the government will be closely controlled. Departments are being required to meet rising levels of services demanded with no increase in person years apart from those needed for identified purposes like the census. This will require the achievement of further increases in productivity.

● (2110)

I should explain at this point that our expenditure projections make no allowance for the impact of turning the Post Office into a Crown corporation. When this happens, the expenditures of the government will include only the amounts required to cover any deficit of the Post Office, rather than its total expenditures. The new Crown corporation will be expected, however, to cover its costs. For the purposes of my fiscal projections I have, therefore, assumed that postal revenues will rise until they equal postal expenditures.

A major item in the budget is the interest we have to pay on the public debt. This is projected to increase by nearly 19 per cent to $12.4 billion in 1981-82, and will amount to more than one-sixth of total outlays. I am convinced we must slow down the growth of public debt charges, and this is one of the reasons I am determined to reduce the deficit. By 1983-84, the projected rate of growth of public debt charges is less than 13 per cent.

THE TAX STRUCTURE

Madam Speaker, I turn now to questions of taxation. I have a special responsibility to ensure that our tax system is fair and that it contributes to the achievement of our economic and social objectives. On the whole, our tax system is one of the best in the world. Canada's individual and corporate taxes are lower than in many other industrialized countries, including the United States.

One of the reasons for this is our system of indexation. I have already indicated that I have been able to secure an appropriate reduction of the deficit by restraining our spending. I have thus been able to avoid a general tax increase and to continue indexing for 1981. The exemptions, tax bracket limits and the child tax credit will rise by 9.8 per cent over their current levels. The child tax credit will be increased from $238 to $261 per child. As a result, the tax payable by a family of four earning $15,000 will be reduced by $248, or nearly 20 per cent. For 1981 alone, indexing will reduce federal taxes which would otherwise have been paid by $1,580 million. The cumulative reduction of federal taxes since indexing was introduced amounts to $11 billion.

We will only maintain a good tax system, however, if we keep on looking for ways to make it better. I am particularly concerned to ensure that the tax system is fair and seen to be fair. Three areas of the tax system are worth examining from this point of view.

First, tax expenditures. Hon. members will be familiar with the concept, which was described in a paper tabled by my predecessor last year. Within a short period of time I intend to table an updated tax expenditure account. The incentives and preferences identified in the tax expenditure analysis raise important issues. They are expensive and it is incumbent on government to ensure that the incentives are effective and that their cost is justified.

Tax incentives tend to pyramid with the result that a number of profitable corporations or wealthy individuals pay little or no tax. Other countries have responded to this by introducing minimum taxes or special levies on tax preferences. While this approach may be an answer to the problem, perhaps a fundamentally different one would be preferable. We now have a tax system characterized by higher tax rates relieved by a complex network of incentives and tax preferences. One questions whether the economy might not be better served by a tax system with lower rates but with fewer and more selective incentives.

Second, Madam Speaker, let me say a few words about the commodity tax structure. Because the federal sales tax is levied at the manufacturing level, it falls unequally on commodities wherever there are differences in the degree of value added by wholesalers and retailers. It is particularly worrisome that the tax generally falls more heavily on goods produced and sold in Canada than on competing goods imported from

abroad. I would hope to be in a position to make a final decision on this fairly important issue in the next budget.

Third, I will be releasing shortly a discussion paper on the taxation of capital gains. The paper notes that, while the system has imperfections, the taxation of capital gains is an important source of government revenue, has important tax structure implications and is essential for the equity and fairness of the system. I look forward to the discussion of the important issues raised in the paper.

I turn now to more immediate matters. In April this year, I tabled a ways and means motion proposing changes to the Income Tax Act and undertook to put forward draft amendments before introducing the legislation. I did so in August, and have received a number of representations and useful suggestions which will be given consideration before the final legislation is introduced.

I wish to announce four important initiatives. First, the small business development bonds will be extended for three months to March 31, 1981. Second, I am proposing to reintroduce the incentive for the construction of multiple-unit residential buildings, the so-called MURB provision, to take effect tonight until the end of 1981. Third, I propose an extension of the extra 4 per cent capital cost allowance incentive for railway track and grading to the end of 1982. This measure, along with the special depreciation allowance of 6 per cent on railway investment and the 7 percent investment tax credit on railway transportation equipment, will provide important incentives to the railways to upgrade their infrastructure, especially in western Canada.

[*Translation*]

Finally, on the advice of my colleague, the Minister of Regional Economic Expansion (Mr. De Bané), I am proposing a bold and experimental new program to help deal with regional inequalities in this country. For new manufacturing investment in specially designated areas of the country, characterized by high unemployment and low income, I propose an investment tax credit of 50 per cent terminating at the end of 1985.

[*English*]

SALES AND EXCISE TAXES

Madam Speaker, I am proposing certain changes in the federal sales and excise taxes.

The substantial increase of the tax on fortified wines has had an adverse impact on the industry. I am, therefore, proposing that wines with an alcoholic content of over 14 per cent be taxed on the same basis as table wines. The excise tax on fortified wines will be reduced immediately from $3 per gallon to $1.25 per gallon.

Some hon. Members: Hear, hear!

Mr. MacEachen: It has been customary for excise taxes on alcoholic beverages and tobacco products to be levied as specific amounts per unit of the product rather than on an *ad valorem* basis. I recognize that when changes are made periodically to specific taxes to maintain their real value, the process can be disruptive, and I am particularly sensitive to the changes in the weight of taxation as between the various products. Accordingly, I am proposing that these levies be automatically adjusted each quarter to reflect changes in the price indexes for these commodities. This measure will commence on April 1, 1981.

● (2120)

I am proposing, at the request of my colleague, the Minister of Transport (Mr. Pepin) an increase of $2.50 in the air transportation tax for international travel and a similar increase in the ceiling on the tax for domestic air travel. These increases will be effective April 1, 1981, for tickets purchased in Canada and July 1, 1981, for tickets purchased outside Canada.

Persons who prepare goods for sale by, for example, assembling, blending or packaging, other than in a retail store, will be required to account for tax on their sales of those goods.

I am extending the sales tax to advertising fliers and catalogues distributed as newspaper inserts. Full details of these and other changes are provided in the ways and means motion and supplementary information I am tabling tonight.

CUSTOMS TARIFF

I am introducing tonight several amendments to the customs tariff.

One set of tariff changes stems from a Tariff Board review related to goods imported by institutions established for scientific, religious, educational and similar purposes. In line with the board's recommendations, I am proposing that the provision for duty-free entry of scientific and educational equipment be modified so as to permit applicatiion of normal customs duties when such equipment is available from production in Canada.

Another Tariff Board report relates to antiques, collectables, amateur radio and other hobby equipment. I propose to provide duty-free entry for most of the goods for which such treatment was recommended by the board, although some departures were made to take account of recent changes in domestic supply capability.

Other tariff changes include removal of the duty on TV captioning devices for the deaf and microfilmed books.

Some hon. Members: Hear, hear!

UNEMPLOYMENT INSURANCE

Mr. MacEachen: I am announcing on behalf of my colleague, the Minister of Employment and Immigration, that effective January 1, 1981, the weekly rate of unemployment insurance contributions will be raised to $1.80 per $100 of insurable earnings.

Mr. Broadbent: That is $1 billion per year.

Mr. MacEachen: The employer rate of contribution will be increased to $2.52. These increases largely reflect the changes in the financing of the unemployment insurance program first put forward by my predecessor in his December 11, 1979 budget speech. These changes involve the financing by employer and employee contributions of all the costs of unemployment insurance benefits except those associated with high regional rates of unemployment. In addition, the new premium structure reflects the impact of the extension of the variable entrance requirement and of the reduction in the minimum earnings requirement approved by the House earlier this year.

THE ECONOMIC AND FISCAL SITUATION AND OUTLOOK

Madam Speaker, I will now summarize my forecast of the economy and the federal government's fiscal situation given the measures and spending plans just announced.

In a paper accompanying this budget, our medium-term economic projections are set out in some detail, so I can describe them quite briefly. It now appears that real output for 1980 as a whole will be significantly weaker than expected at the time of my April statement, and may decline by something like 1 per cent. The recession is nearing its end, but the recovery is likely to be rather gradual in the face of the world economic situation, continued high rates of inflation and the recent increase in interest rates stemming from the United States. Thus the real level of output in 1981 may be only about 1 per cent higher than in 1980. However, we are expecting real growth rates in the 4 per cent range to commence in the latter part of 1981 and to continue for some time thereafter.

Exports and business investment are vital to sustaining non-inflationary growth, and we look to them to be the leading forces in the recovery. Canadian industry enjoys a favourable competitive position in the world, given current exchange rates and the fact that many countries have experienced faster inflation than we have. Despite the U.S. recession, our trade surplus has remained very favourable this year because our industry has done well in overseas markets. If we succeed in maintaining our competitive strength, we will be able to take full advantage of world economic recovery. Our industrial and research and development policies will foster the growth of investment and the improvement of our trade balance. Moreover, our new energy policy is designed to provide a framework within which a wide range of energy developments can go forward, with beneficial results.

Despite the reduction in output this year, employment continued to expand, and as a result productivity declined by about 3 per cent. This, of course, was troublesome for our cost position, but it meant that unemployment has risen rather less than I expected in April and remains below 8 per cent. I think it unlikely that this will continue. Unemployment could average about 8.5 per cent next year, and then decline gradually as output picks up.

On the inflation side, the outlook for the remainder of this year and for 1981 is for a continued rate of increase of the consumer price index in the 10 per cent range as higher prices of foods and energy are absorbed. I am confident that the strategy outlined in this budget will contribute to a gradual decline in inflation after 1981. In projecting the government's fiscal position, I have based the revenue forecast on these economic assumptions and have taken into account the tax changes announced earlier including the energy taxes.

Budgetary revenues are forecast to rise by 12.6 per cent in 1980-81 and then by 17.1 per cent in 1981-82 and by 16.4 per cent in 1982-83 before dropping off to less than 13 per cent in 1983-84. These rapid increases reflect the impact of the energy taxes, especially in 1981-82, and the resumption of better rates of economic growth especially in 1982-83.

I expect the budgetary deficit to decline from $14.2 billion this year to $13.7 billion in 1981-82 and then more sharply to $12.1 billion in 1982-83 and to $11.8 billion in 1983-84. These declines result from a growth rate of revenues appreciably higher than that of our planned expenditures.

With rising sources of funds from the non-budgetary accounts, financial requirements decline more rapidly than the budgetary deficit. They decline from $12.2 billion this year to $11 billion in 1981-82, to $8.4 billion in 1982-83 and to $7.2 billion in 1983-84. The financial requirements will drop from 4.3 per cent of GNP in 1980-81 to 1.8 per cent in 1983-84, the lowest level since 1974-75.

It is my intention to introduce a borrowing authority bill for fiscal 1981-82 following completion of the budget debate. Hon. members will then be able to consider the request for borrowing authority in the light of the comprehensive information contained in this budget.

I would now like to table projections of the government's revenues and expenditures together with explanatory notes, the notices of ways and means motions, supplementary information giving details of the measures I have announced tonight and a background paper on the medium-term economic projections. On behalf of the Minister of Energy, Mines and Resources, I am tabling his paper setting out the national energy program. I would ask the consent of the House to include in *Hansard* the tables which provide projections of the government's fiscal position on the public accounts and national accounts basis, and of the principal components of budgetary revenues.

Some hon. Members: Agreed.

[*Editor's Note: For tables referred to above, see Appendix.*]

Mr. MacEachen: Madam Speaker, I should like to conclude by thanking my colleagues for their assistance in preparing this budget. I should also acknowledge the support I received from members on this side and perhaps offer my thanks to members on the other side who have been very ingenious in recommending how I ought to contrive the budget.

Some hon. Members: Oh, oh!

• (2130)

Mr. MacEachen: Madam Speaker, I should, indeed, say a word of thanks also to the media who have been equally fertile in suggesting what I might include in the budget.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. MacEachen: I have sought in this budget to lay out a strategy which can bring us to a full realization of our opportunities in this decade. I cannot promise instant well-being—that is not the nature of the world, or the nature of the problems that we face. However, I count on the patience and the collaboration of all Canadians. I have avoided those prescriptions in the budget which would have had the Government of Canada retreat from its concerns for issues on unemployment and the distribution of income and wealth among regions and individuals. But I have also resisted those who would urge vastly greater intrusions by the state in the daily lives of Canadians.

I have made it clear on other occasions that the concept of sharing seems to me to be close to the distinctive fibre of the Canadian tradition.

Some hon. Members: Hear, hear!

Mr. MacEachen: I do not believe the state can be the only agency by which sharing is effected or compelled. On the contrary, I believe our destiny will rest on the acknowledgment by individual Canadians in their private lives of the nobility of our sharing commitment. We have shared in the struggle and victory of achieving a great nation against what many still see to be improbable odds. If our will to share is sustained, great good fortune could still lie ahead.

Some hon. Members: Hear, hear!

Madam Speaker: Order, please. Before I recognize the hon. member for St. John's West (Mr. Crosbie), is there unanimous consent to append to *Hansard* the tables referred to by the Minister of Finance (Mr. MacEachen)?

Some hon. Members: Agreed.

Hon. John C. Crosbie (St. John's West): Madam Speaker, I suppose I should congratulate the minister opposite for having done his best.

Some hon. Members: Oh, oh!

Mr. Crosbie: I am glad he is getting loud applause in here because he will get it nowhere else except from his own side of the House.

This could be called the shell game budget. Where is the pea under the shell? During the course of my remarks tonight and tomorrow afternoon, I hope to point out where some of those peas are under the shell.

The hon. minister must have been reading the recent book called "*The Northern Magus*". He, or course, is the Celtic magus.

Mr. Baker (Nepean-Carleton): The maggot!

Mr. Crosbie: Or maggot—the Celtic maggot.

Some hon. Members: Oh, oh!

Mr. Crosbie: Because this has been a magical budget.

How less can be more and how an increase in spending of 15.2 per cent can become less—the minister talks about it almost as a decline in spending— is beyond me. The minister said in this House several weeks ago on October 10 that he was going to keep and fulfil all the Liberal campaign promises. The Liberal campaign promises were not much. The Liberals did not make many promises. But the ones they made in the economic area have all been sabotaged by the hon. minister. For example, the Prime Minister (Mr. Trudeau) in his famous economic speech in Toronto on January 12, 1980, said:

> We will hold the line on government expenditure growth to under the rate of GNP.

Tonight the minister tells us that the rate of GNP has declined one per cent this year and the budget shows us that the minister's spending has increased 15.2 per cent this year. That is not a decline. That is an increase this year.

The inflation rate is around 10 per cent, a huge increase in real spending. I am not even including the sleight of hand. For example, the Liberals have removed from their spending in these estimates, under the import compensation fund, $1.2 billion which should be there because they netted out the figures. They have imposed a new tax on the Canadian consumer of oil and gas products and expenditures have been reduced by $1.2 billion less than they should have been because that fund this year will cost $3,950 million for the import subsidy. But in these figures that amount, less $1.2 billion, is shown. So on and on it goes through this document. This is a document of deception, a document that attempts to deceive the Canadian public as to what is in it. The promises have not been kept. The Liberals said they would review the tax system to ensure that all sectors of the economy make their fair contribution to future needs. Well, we have made our contribution by preventing the minister from de-indexing the income tax!

Some hon. Members: Hear, hear!

Mr. Crosbie: Our campaign and the $30,000 we spent on ads—our own money, not the Canadian taxpayers' money—saved the Canadian taxpayers this year $1.6 billion.

Some hon. Members: Hear, hear!

Mr. Crosbie: The minister still leaves a threat in his budget. He threatens that if things do not turn out very well, he might still have to de-index the Canadian income tax. Well, if he ever attempts that, he will have stout opposition from over here.

The Prime Minister promised the deficit would be reduced in a phased and orderly fashion, but not at the expense of jobs, growth and the attack on inflation. The deficit has not been reduced. The deficit has gone up $3.6 billion, compared to our estimates, to in excess of $14 billion. The financial requirements are up over $12 billion. The deficit has not been reduced. It is neither phased, orderly nor reduced. This is done at the expense of jobs because the minister has forecast unemployment next year at 8.7 per cent. The minister has not done one iota, one jot or tittle in his budget to attempt to fight that unemployment situation next year, and this after the crocodile tears that were shed on the floor of this House last December when our budget was brought down.

What else did the Prime Minister say? He said:

> This party will not simply stand by and let the recession come. We will fight it and overcome it.

We have had a recession for six months. The minister has held his portfolio since February. The Prime Minister, that well-known fighter, that judo expert, has had all of that time to fight this recession and overcome it. What has happened? The recession has worsened. We are losing 1 per cent of our GNP this year and the unemployment next year will be 8.7 per cent. And the growth next year is supposed to be 1 per cent. The minister has let the recession come. He has not fought and overcome it.

The Prime Minister said this, again on January 12:

> We must increase the economic might of Canada by strengthening each of the regions.

Tonight, one of the main features of the budget is to weaken a region, namely the west. And other regions are completely ignored.

Some hon. Members: Hear, hear!

Mr. Crosbie: The Prime Minister said in his statement on January 12:

> We must endorse the right of every Canadian to have a job.

But 8.7 per cent of the employed in Canada will be out of a job in Canada next year. There are around 800,000 out of work tonight as we sit here in this chamber.

Mr. Broadbent: Let us hear your forecast!

Mr. Crosbie: It is not the same. The peanut gallery on the left will have their turn tomorrow.

Some hon. Members: Hear, hear!

Mr. Crosbie: They are the group who threw out our budget for this mess of pottage which they have today.

Some hon. Members: Hear, hear!

Mr. Crosbie: On January 19, 1980, the Prime Minister said in Vancouver:

> Liberals believe that we should use all the instruments at our disposal to try and stem the tide of the coming recession.

Where are the instruments? Why did Canute not try to stop the tide? Or did King Canute, or the Prime Minister, put his foot out to stop the tide, and the tide would not stop? What happened to old King Canute who was going to stop that recession?

The Minister of Finance (Mr. MacEachen) damned my budget as socially regressive. Tonight he announced a $1 billion increase in contributions to the unemployment insurance fund by the working people of this country. He increased their contribution from $1.35 per $100—not to $1.60 as I suggested last December, which caused the Minister of Industry, Trade and Commerce to have a fit in this House, but to $1.80 per $100. He is going to take $1 billion from the working people of Canada this year through increased unemployment insurance. He said my budget was socially regressive; his budget is socially deformed.

● (2140)

Some hon. Members: Hear, hear!

Mr. Crosbie: What did the Prime Minister say about the provinces on February 2 in Sudbury, Ontario this year? He said:

> We (the Liberals) would not try to set one province off against another. We would have responsible negotiations with the provinces and we would work out a price.

Some hon. Members: Oh, oh!

Mr. Crosbie: We see tonight how they have worked out that price since last February. We see how they would not set one province against another. A bribe was given to the province of Saskatchewan. Half of the revenue from the export tax on oil is being given to Saskatchewan, the only real beneficiary.

Mr. Lalonde: Alberta, too.

Mr. Crosbie: Alberta makes nothing off it. The Broadbent pay-off presumably was made to Saskatchewan in that way. There is a tax, not just on exports of natural gas, but on both the exports and domestic sales of natural gas. It is an over-all tax on natural gas, including an export tax on natural gas.

Mr. Nowlan: A consumer tax.

Mr. Crosbie: It is a consumer tax. It is not just on the American consumers. The Minister of Energy, Mines and Resources was just going to lump it to the Americans. He was just going to give them an export tax. However, the Minister of Finance lumps in to the Canadians as well. His tax is imposed on Canadians as well as foreigners. The foreigners will not pay the tax anyway because they are not prepared to pay the price for natural gas that we are trying to get for it.

The whole course of the Prime Minister since February has been to set one province off against the other. His Machiavellian memorandum done by Machiavelli Kirby, or whatever his name is, set out the strategy. We see another example of it here in this budget tonight. We will not have a confederation if we get much more of this in the next three or four years.

Confederation will be dissolved if this kind of tactic is continued, this kind of bullying.

Some hon. Members: Hear, hear!

Mr. Crosbie: The minister has a majority in this House. He has not got the courage of a castrated lemming. This budget does nothing. It does not fight inflation. There is nothing in this budget to fight inflation. There is no control over expenditure. The President of the Treasury Board (Mr. Johnston) has surrendered. He has no control over expenditure.

The advice of the Bank of Canada has been ignored. What was the advice of the Bank of Canada? Governor Bouey on May 29, 1980, before the Senate, talking about the deficit, said:

> When they see that deficits are increasing more and more, that tends to feed inflationary expectations so I guess I would say 'let's keep it from increasing, if we can, as a minimum'.

Instead of keeping it from increasing, the minister whopped it up $3,600 million. That is how much attention he is paying to governor Bouey. Governor Bouey fights the fight against inflation alone because this minister has turned his back on him. Even with his big majority in this House, he is not prepared to institute measures that might fight inflation, so inflation will go on. In his economic forecast, the minister says that next year it will go to 10.2 per cent. Well, it will go over 10.2 per cent. We can see that from the figures he gave us for the increases in food and energy costs.

What is the minister doing about this? Where is the thrust against inflation? What is the minister doing to help productivity in this country? This year productivity declined by 3 per cent. What is he doing to help investment in this country? He is doing nothing but slamming the oil and gas industry with savage taxes.

Some hon. Members: Hear, hear!

Mr. Crosbie: Bust the consumer. We can see now what economic geniuses run this country. They cannot even see that the oil and gas industry will pass it all on to the consumer. These taxes are mostly on the consumer in any event. What has the minister done for employment policies and programs? He announced that $250 million extra will be spent over the next three years on some employment and skills training programs. That is not as much as we were going to spend in one year, as we stated in our budget last year.

What has the minister done? Where does the country go, under this budget? The country keeps going down the tube. There is nothing new in his budget. It is just out of control. They say, "We are in power and we do not want to deal with these tough problems. We do not want to deal with these deficits that we have allowed to grow and grow".

Next year we will pay in excess of $12 billion in interest on the debt. Over one out of every four of our tax dollars will go for interest on the debt. The minister does not care about that. Let's come to the oil and gas section of this.

Mr. Regan: It sounds like sour grapes from you.

Mr. Crosbie: It will be very sour grapes for the taxpayers who will have to swallow these oil and gas price increases. It will be very sour.

Some hon. Members: Hear, hear!

Mr. Crosbie: The budget means that the average Canadian will pay at least $125 more to heat his home and $100 more at least to run his car. That is what this means. It means that at the end of four years' time the people of Canada will look back and say, "My God, I wish we had had John Crosbie's budget".

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Crosbie: They are going to say, "If only we had accepted that 18 cents. It looks good compared to this $1 a gallon it has cost us over the last four years".

An hon. Member: One dollar, nine.

Mr. Crosbie: Or the $1.09 it will cost. Who can tell what the cost is going to be, because there is to be a new animal, the PetroCan takeover, the multinational tax levy. No one knows what it is going to be or what it will come to. However, the oil and gas consumers of this country are going to pay it. Tonight we heard about a petroleum compensation charge of 80 cents a barrel this year, $2.50 a barrel next year and God knows what it will go to in the future under the spendthrift crowd of *les misérables* opposite. That, by the way, is going to be paid by the consumer. No one else is going to pay it. That 80 cents a barrel is going to be paid by the man who heats his home, not only by the man who drives his car.

Last year we felt for those who have to heat their homes. But not those people opposite. They do not care if you have to heat your home. They say, "Let them get fur coats. If they cannot heat their homes, let them buy good, heavy fur coats".

An hon. Member: Wear a tux.

Mr. Crosbie: We have the petroleum compensation charge, 80 cents a barrel, going quickly in January to $2.50 a barrel. How do you like that? That is the crowd which did not like the 18 cents. Then we have the new natural gas tax. Well, it is not new to hear about gas from the hon. people opposite, but this is a new natural gas tax. That will raise from the consumers next year $1.3 billion. The consumers of gas will pay, not the companies, not those bad old companies, those oil and gas companies that this government made rich, that this government permitted to pile up billions in profits over the 20 years they have been in power. No, it will be the consumer.

It is that group which permitted this hydra-headed Frankenstein of an oil and gas industry to grow, completely dominated by foreign companies. The government opposite which allowed this to happen now says it is going to take them under control. The consumer is going to pay for this lack of attention by hon. gentlemen opposite for the past 20 years. It will be 30 cents a cubic foot to start off with, and 80 cents a barrel going to $2.50 a barrel. Then there is to be the federal tax on net

revenues which the oil and gas companies will collect from the consumer, and after that, the Canadian ownership charge.

We are going to have the "PetroCan at any price" charge imposed on all oil and gas consumed in Canada. Are you an oil consumer? Are you a gas consumer? Get ready, brothers and sisters, you are going to pay for PetroCan hereafter because you are going to pay this. What is the maximum limit of that tax? Four dollars a barrel. Next year we might all be paying $4 a barrel more for PetroCan to take over Petrofina or somebody or other. Who knows what or who they are going to take over, except the Minister of Energy, Mines and Resources (Mr. Lalonde), and even he does not know. Robespierre is smiling. I hope his head goes on the block before the consumers have to pay for that!

Some hon. Members: Hear, hear!

● (2150)

Mr. Crosbie: We do not even know how much that tax will cost us. This is another piece of deception. Tonight I am only brushing the surface of the canvas which I will fill tomorrow.

Some hon. Members: Hear, hear!

Mr. Crosbie: In this document here we are told the minister actually assumes that in the hereafter the Post Office will have revenues which balance its expenditures because it will be a Crown corporation. He makes the assumption that he will not have to pony up any money for the Post Office. Well, that means that the Post Office will have to collect $400 million more in revenue next year, is that the figure?

Some hon. Members: $500 million.

Mr. Crosbie: It will be $500 million. Will anyone go for a billion? That is at least $500 million which is not included in these expenditures because as sure as the sun will rise tomorrow over Parliament Hill, there will be a $500-million deficit in the Post Office next year. Either the minister will pony it up from government expenditures or the public will pay it in the price they pay for stamps. How do you like the idea of a 35 cent stamp to send a letter from here to downtown Ottawa? How would that go over? That is just another little omission from this budget.

Some hon. Members: Hear, hear!

Mr. Nielsen: It will never get there anyway.

Some hon. Members: Hear, hear!

Mr. Crosbie: Now, last year in our budget we over here who were scorned as heartless wretches treading on the poor people of Canada, introduced an energy tax credit because we saw that the people of Canada would have to pay more for oil and gas and the products that come therefrom. We introduced an energy tax credit. It was designed to give medium and low-income people of Canada assistance to meet these increased costs. They were to get $80 for each adult and $30 for each child in a family. Refundable. If you paid in cash, you did not pay income tax; you got the maximum if you earned under $21,380. Did we hear a word from the Minister of Finance tonight about assistance to lower and medium-income Canadians?

Mr. Baker (Nepean-Carleton): No, sir.

Some hon. Members: No!

Mr. Crosbie: Is there any energy cash credit in this budget for them? There is no assistance for lower and medium-income people in Canada, but those who work will pay $1 billion more to the unemployment insurance fund. That is how this party opposite acts in office, as compared to the fuss and the furore they caused here last December 11, 12 and 13 and the abuse they heaped on me, sensitive soul that I am.

Some hon. Members: Hear, hear!

Mr. Crosbie: Everywhere I turn I see another betrayed section of the population, for instance, the home owner and the tenant. Now, last year the Minister of Employment and Immigration (Mr. Axworthy)—he is not here at the moment; he has gone west with his $4 billion, I suppose.

Mr. Epp: To the Russian front.

Mr. Crosbie: "Yippee-yiyo-kiyay, I'm on my way". But I warn him, don't go to Alberta, brother!

Some hon. Members: Hear, hear!

Mr. Crosbie: Last year we tried to introduce a plan to help the home owner and those who wanted to buy homes meet their interest costs, and the interest rates now are higher than they were when we were in office. That is another thing hon. members opposite neglected to do when they got into office—to carry out their promise about interest rates.

Mr. Clark: Resign, Herb!

Some hon. Members: Resign, Herb!

Mr. Clark: Keep one promise.

Mr. Crosbie: I do not think the minister will resign. He has a pretty thick hide. They promised last year that they would help the tenant. They were to make a shelter allowance available to tenants. They were to do more for home owners than we skimpy hearts over here were going to do. We are supposed to be conservative. Well, we are 100 times more progressive and we have more heart. One of us here is equal to 100 hearts opposite, when it comes to helping.

Some hon. Members: Hear, hear!

Mr. Crosbie: Where is the help for the home owner and the tenant in this budget? Not one jot or tittle, but there is $15 million there in MURBs, multiple unit whatever it is. It is a MURB. It is a tax shelter for the wealthy of Canada.

Some hon. Members: Hear, hear!

Mr. Crosbie: Who put a stop to that tax shelter for the wealthy of Canada? Why, old hard-hearted right here that you see before you. He put an end to MURB, but MURB is resurrected and the wealthy of Canada can thank the minister. They have a friend in the Minister of Finance in this country. His heart beats for the "MURBers" of this country.

It will cost the treasury $15 million while the wealthy put their money into building apartment buildings, condominiums, multiple units or whatever they are to get tax relief. Where is the home owner? Where is the home owner and the tenant of Toronto getting help? Now, remember, do not blame all your problems on the hon. gentleman opposite; blame the NDP also. They made it all possible.

Some hon. Members: Hear, hear!

An hon. Member: We will vote against this one, too.

An hon. Member: Who cares?

Mr. Crosbie: This is a budget which is a "tricks without treats" budget. It is an apt Hallowe'en budget. There are a lot of tricks in it and we will dissect them and point them out in the budget debate in the next six days. It is a shameful budget. It is a budget that a majority, who have allowed Canada to get into this economic shape over the last ten or 12 years, have not got the courage and the guts, when they have a solid majority in this House, to do anything about it but talk, obscure, be sly and devious and try to pretend they are doing what they are not doing.

It is a "promise-breaking" budget. It is a "shaft the province" budget. It is a "shaft Alberta" budget by the Prime Minister who was going to conciliate all the provinces and would never discriminate between them. This budget is cleverly constructed to shaft Alberta. I do not think this government or this House should prepare anything to shaft anyone, and certainly not one of the provinces. It is not good enough. There is no serious attempt to deal with the oil and energy problems, but it will result in the people of Canada paying far more than they would have when we faced them directly with the policies we put forward last December. It is a "shaft the private sector" budget. This is what it is. It is a "shaft deficit restraint" budget. It is a "shaft oil self-sufficiency" budget. It is a "shaft the Bank of Canada" budget. Poor governor Bouey is probably spinning in his office tonight to see all his advice to the government disregarded. He cannot fight inflation with monetary means alone. He needs fiscal policies adopted also, and he has been ignored. It is a "throw away our potential" budget. It is a "smash and grab" budget. It is a disappointment. It is a heartrending disappointment to the people of this country who thought they were electing a group who would do what they promised. We have seen tonight that on every fundamental aspect they have done nothing they promised and they have made a shame of themselves and a shame of this House. I move:

That this House do now adjourn.

Some hon. Members: Hear, hear!

Madam Speaker: It being ten o'clock, I do not think we need an adjournment motion. This House stands adjourned until tomorrow at two o'clock p.m. pursuant to Standing Order 2(1).

At ten o'clock the House adjourned without question put, pursuant to standing order.

APPENDIX

TABLES ON GOVERNMENT ACCOUNTS PRESENTED BY MINISTER OF FINANCE DURING BUDGET SPEECH

TABLE I

GOVERNMENT OF CANADA

Summary Statement of Transactions—Public Accounts Presentation

	1979-80	1980-81[1]	1981-82[1]	1982-83[1]	1983-84[1]
			($ millions)		
Budgetary transactions					
Revenues	40,159	45,200	52,935	61,600	69,420
Expenditures[2]	-51,534	-59,350	-66,640	-73,725	-81,215
Surplus or deficit (-)	-11,375	-14,150	-13,705	-12,125	-11,795
Non-budgetary transactions					
Loans, investments and advances[2]	-1,428	-600	-985	-1,000	-1,060
Annuity, insurance and pension accounts	1,943	1,860	2,920	3,445	4,140
Other transactions	415	735	790	1,265	1,560
Net source or requirement (-)	930	1,995	2,725	3,710	4,640
Financial requirements (Excluding foreign exchange transactions)[3]	-10,445	-12,155	-10,980	-8,415	-7,155
Total outlays[2]	52,962	59,950	67,625	74,725	82,275

[1] Numbers in these forecast columns should be interpreted as mid-points of ranges of estimates.

[2] Total outlays are composed of budgetary expenditures plus loans, investments and advances.

[3] These figures do not reflect foreign exchange transactions in 1979-80 which were a requirement of $128 million, thereby increasing total financial requirements to $10,573 million. Foreign exchange transactions to the end of September are estimated to have provided a source of $61 million in the current fiscal year. No forecast is made of foreign exchange transactions for the balance of the period.

Note: This table reflects changes in the Accounts of Canada outlined in the appendix on the fiscal projections.

Financial requirements do not include direct market borrowing of agent Crown corporations. See section on loans, investment and advances in appendix.

TABLE 2

GOVERNMENT OF CANADA

Fiscal Position—Public Accounts Budgetary Revenues

	1979-80	1980-81[1]	1981-82[1]	1982-83[1]	1983-84[1]
			($ millions)		
Personal income tax	16,327	18,425	20,675	23,945	27,445
Corporation income tax	7,537	8,630	9,250	10,770	12,030
Petroleum and gas revenue tax	0	0	1,410	1,745	1,965
Non-resident tax	787	925	1,015	1,115	1,225
Sales tax	4,698	4,975	5,550	6,315	7,150
Customs duties	3,000	3,150	3,405	3,725	4,065
Oil export charge	750	755	1,010	1,230	1,350
Natural gas and gas liquids tax	0	255	1,285	2,220	2,880
Other tax revenues	1,914	2,160	2,345	2,850	3,565
Total tax revenues	35,013	39,275	45,945	53,915	61,675
Non-tax revenues	5,146	5,925	6,990	7,685	7,745
Total budgetary revenues	40,159	45,200	52,935	61,600	69,420

[1] Numbers in these forecast columns should be interpreted as mid-points of ranges of estimates.

TABLE 3

GOVERNMENT OF CANADA

Revenues and Expenditures—National Accounts Basis

	1979-80	1980-81[1]	1981-82[1]	1982-83[1]	1983-84[1]
			($ millions)		
Revenues					
Direct taxes, persons	20,325	23,230	27,080	30,985	35,140
Direct taxes, corporations	7,545	8,285	10,585	12,210	13,535
Direct taxes, non-residents	890	1,015	1,110	1,215	1,330
Indirect taxes	10,992	13,210	17,775	21,740	25,165
Other current transfers from persons	20	20	20	20	20
Investment income	4,706	5,100	6,160	6,955	7,835
Capital consumption allowances	709	770	860	980	1,100
Total revenues	45,187	51,630	63,590	74,105	84,125
Expenditures					
Current goods and services	12,717	14,050	15,600	17,175	18,950
Transfer payments to persons	14,935	17,300	20,175	22,175	24,100
Subsidies	3,822	5,625	7,025	8,600	10,300
Capital assistance	644	1,200	1,900	2,700	3,275
Current transfers to non-residents	793	875	960	1,125	1,275
Interest on the public debt	8,281	10,250	12,265	14,225	16,050
Transfers to provinces	11,852	12,775	14,150	14,925	15,900
Transfers to local governments	321	375	425	475	525
Gross capital formation	1,047	1,100	1,150	1,200	1,250
Total expenditures	54,412	63,550	73,650	82,600	91,625
Surplus or deficit (–)	–9,225	–11,920	–10,060	–8,495	–7,500

[1] Numbers in these forecast columns should be interpreted as mid-points of ranges of estimates.

HOUSE OF COMMONS

Wednesday, October 29, 1980

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

THE BUDGET

CALL FOR CONDEMNATION—MOTION UNDER S.O. 43

Mr. Vince Dantzer (Okanagan North): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Whereas in these inflationary times senior citizens, pensioners and others on fixed incomes find it very difficult to meet even basic expenditures such as food, shelter and clothing, and because this government's budget failed to cushion the effect of higher gasoline and home heating fuel prices which will be experienced by pensioners and those on fixed incomes, I move, seconded by the hon. member for Portage-Marquette (Mr. Mayer):

That this House condemn the government for presenting an inflationary and regressive budget which falls most heavily on those groups in society least able to afford it.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENERGY

IMPACT OF TAXATION POLICIES ON OIL AND GAS EXPLORATION—MOTION UNDER S.O. 43

Mr. John Kushner (Calgary East): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. The oil and gas industry, primarily based in western Canada, has been singled out for a depressing and destructive taxation policy in the Liberal government budget. The government should be condemned for such a short-sighted policy. I therefore move, seconded by the hon. member for Edmonton East (Mr. Yurko):

That the government immediately assess the impact of such energy taxation policies on oil and gas exploration, on the exodus of capital and tetchnical manpower and on energy self-sufficiency, and further report its findings to this House.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE BUDGET

IMPACT ON NORTHERN RESIDENTS—MOTION UNDER S.O. 43

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, I rise under the provisions of Standing Order 43 to move a motion of urgent and pressing necessity, seconded by the hon. member for Western Arctic (Mr. Nickerson):

That this House condemn the government for its total disregard of even the most basic principles of equity and fairness in the presentation of their budget last night, as it has once again placed the heaviest burden contained in budgetary measures on the shoulders of northern residents who are already suffering from excessively high costs of living for reasons of geographic isolation and uncongenial climatic conditions and who will, for the same reasons, find it most difficult, if not impossible, to cope with further increases in the cost of home heating fuel and gasoline.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE CANADIAN ECONOMY

FAILURE TO PROVIDE STIMULUS TO ATLANTIC PROVINCES—MOTION UNDER S.O. 43

Mr. Rod Murphy (Churchill): Madam Speaker, under the provisions of Standing Order 43 I ask the unanimous consent of the House to move a motion dealing with a very important matter. Noting that Atlantic Canada, with its high energy costs, high food prices and low average income, has suffered an overwhelming number of lay-offs and plant shutdowns in the past few months, and noting that the projected rate of 8.7 per cent unemployment for all of Canada really means an unemployment rate of over 15 per cent for Atlantic Canada, I move, seconded by the hon. member for Oshawa (Mr. Broadbent):

That this House condemn the Cape Breton minister of finance for the failure to provide any real economic stimulus for the region and for again stalling on the need to provide for drastically needed funds to modernize the Sydney Steel Corporation.

S.O. 43

Madam Speaker: Presentation of such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

• (1410)

INCOME TAX

CALL FOR LEGISLATION TO ALLEVIATE IMPACT OF CAPITAL GAINS TAX—MOTION UNDER S.O. 43

Mr. Doug Neil (Moose Jaw): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the fact that the Liberals, with great fanfare at a news conference in Regina during the last election campaign, gave a solemn undertaking to the farmers in western Canada that steps would be taken to alleviate the impact of capital gains tax on the sale of farm lands by updating valuation day to 1974, in view of the fact that this promise was not included in last night's budget, and while the west will forgive the government if it breaks its promise to double-track the railway to the west coast, it will never do so for its breach of promise on capital gains, I move, seconded by the hon. member for Swift Current-Maple Creek (Mr. Hamilton):

That the government bring in legislation to keep its promise and that the legislation be made retroactive to January 1, 1980.

Madam Speaker: For its presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

ENERGY

REQUEST FOR GENEROUS TREATMENT FOR QUEBEC—MOTION UNDER S.O. 43

Mr. Svend J. Robinson (Burnaby): Madam Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to introduce an urgent and important motion for the people of Quebec.

Considering that the western and Atlantic provinces will receive substantial assistance from the federal government, more particularly a development fund for the west and grants for various energy projects in the Atlantic provinces, and considering that the budget read last evening by the Minister of Finance does not contain any specific measure for Quebec in the energy sector, I move, seconded by the member for Yorkton-Melville (Mr. Nystrom):

That this House pass energy measures as generous for Quebec as for the other regions of Canada.

Madam Speaker: For presentation under Standing Order 43 this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

HOUSING

CALL FOR MORTGAGE INTEREST AND PROPERTY TAX CREDIT PLAN—MOTION UNDER S.O. 43

Mr. Doug Lewis (Simcoe North): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. Whereas the Liberal government has completely abandoned the Canadian home owner and the Canadian tenant in the budget, and whereas Canadians everywhere are still faced with the spectre of higher interest rates, higher heating costs and higher inflation, all of which were referred to in the Speech from the Throne, I move, seconded by the hon. member for Assiniboia (Mr. Gustafson):

That this government immediately institute a mortgage interest and property tax credit plan so that middle and lower-income Canadians will not be left out in the cold.

Madam Speaker: For its presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENVIRONMENTAL AFFAIRS

ACID RAIN—EFFECT OF CONVERSION FROM OIL TO COAL USE—MOTION UNDER S.O. 43

Mr. Tom McMillan (Hillsborough): Madam Speaker, I rise under the provisions of Standing Order 43. The government's budget has proposed a $175 million fund to convert oil-fired electricity plants to coal. In view of the fact that coal is a major source of sulphur dioxide emissions that cause acid rain, I move, seconded by the hon. member for Esquimalt-Saanich (Mr. Munro):

That this House calls upon the Minister of the Environment to make a statement on motions detailing how the government intends to ensure that its utility off-oil fund will not compound Canada's already critical acid rain problem.

Madam Speaker: For its presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE BUDGET

ENERGY COSTS—INQUIRY RESPECTING ASSISTANCE TO LOW AND MIDDLE-INCOME CANADIANS

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is directed to the Minister of Finance. It relates to the betrayal of the Prime Minister's promise, in January of last year that his government would bring in a budget which put people first. He is putting people first on the chopping block, that is all. The minister knows that he has dumped enormous new energy costs upon all the people of Canada. He knows also that in our budget last year we extended to lower and middle-income Canadians an energy tax credit which would help them bear part of the burden of increased energy costs.

● (1415)

Why is there not such help for low and middle-income Canadians in this budget? Why did the minister not propose an energy tax credit or some other means that would help low and middle-income Canadians deal with the heavy burden of the increased energy costs that he is proposing?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, that question is easy to answer. The reason we did not provide an energy tax credit is that the burden, which is admitted, falling on the consumer as a result of increased energy prices will be considerably lower in this budget than in the budget of last December.

Some hon. Members: Oh, oh!

Mr. MacEachen: I remind the Leader of the Opposition that his minister of finance imposed an excise tax on gasoline which would have brought into the treasury $3 billion a year, of which $1 billion would be given to the tax credit. We did not bring in that excise tax on gasoline.

Some hon. Members: Hear, hear!

Mr. Clark: The minister knows that by means other than the excise tax, by devious means and by use of trickery, he has imposed upon the people of Canada an unequal burden in energy costs. He does not want to help at least low and middle-income Canadians.

Let me come for a moment to the excise tax. Our excise tax explicitly excluded heating oil. The Minister of Finance should know, if he has not grown too far away from low-income people in Cape Breton, that a higher proportion of the incomes of lower income Canadians is spent on home heating oil than is the case with other Canadians. Will the minister tell us why there was not similar care shown in his budget for the plight of Canadians who have to pay these increased costs for home heating oil, as was shown in our budget? Why does he not recognize the special needs of low-income Canadians in relation to the cost of home heating oil?

Mr. MacEachen: Madam Speaker, I will repeat the answer for the Leader of the Opposition. The reason is that the burden placed upon the Canadian consumer as a result of this budget is considerably lower than the burden imposed on them last December. That applies to the price of oil and to the price of gas. Taken together, the burden is much less.

Let me tell the Leader of the Opposition, in case he has forgotten, that we have already taken action in this Parliament to provide a substantial increase in the guaranteed income supplement to help Canadians most affected by such increases.

Some hon. Members: Hear, hear!

Mr. Clark: Madam Speaker, I remind the minister that an untruth does not become more true simply by repetition.

Some hon. Members: Hear, hear!

Mr. Clark: This budget looks out for the wealthy who want to get involved in MURBs but it ignores low-income Canadians on whom extra burdens have been imposed by this minister. It also ignores the obligation to try and create jobs for Canadians and to try and stimulate employment growth across this country.

Some hon. Members: Oh, oh!

Mr. Clark: We hear now from the NDP who support the rump of the Liberal party. We hear their second thoughts about electing these people to impose heavy burdens upon low-income Canadians. Can the minister tell the House why this government has proposed a job-creation program which is substantially less than the job-creation program that was proposed last December? Where is the government's concern for putting people first?

Mr. MacEachen: Madam Speaker, the hon. Leader of the Opposition ought to re-read the budget. We did not propose in the budget a job-creation program. We proposed a special fund to be established in the social affairs envelope and in the economic development envelope to provide special adjustment assistance in the field of restructuring the economy and in the field of manpower mobility and training. We think that is much more appropriate to the current Canadian situation in the way of increasing productivity and investment than a job-creation program in itself.

• (1420)

May I add this. I challenge the Leader of the Opposition to present facts which show—and he has all the time in the next six days of debate to prove the fact—that we have laid a greater burden on the Canadian consumer. We lived up to our election promises to reduce that burden and that is why the Leader of the Opposition is so frustrated.

Some hon. Members: Hear, hear!

Mr. Clark: Madam Speaker, we accept that challenge.

Some hon. Members: Hear, hear!

Mr. Clark: We would now like the minister to answer one of the questions which I have put to him—any one. Let us perhaps have him focus particularly on why he has removed the help to low-income and middle-income Canadians that we offered with an energy tax credit. He knows it is not the case that the burden imposed by his increases is much less than that imposed by the budget of my colleague from St. John's West. He knows there will be an unusual burden upon low-income Canadians. Why does he not help them? Why does he not have an energy tax credit, or some other measure, which will offer the same kind of help to those Canadians that he is prepared, with his MURB proposal, to extend to the rich of Canada?

Mr. MacEachen: Madam Speaker, the Leader of the Opposition is walking into a trap which he is creating for himself. I want to tell him that the price schedules established for energy—oil and gas—will save consumers over $40 billion over the same period compared to the December 11 budget. That is $40 billion better off, which is 12 times better than the amount provided in the energy tax credit. I think the Canadian consumer would prefer that deal to the bad deal which they got last December.

Mr. Clark: We will see.

ENERGY COSTS—ASSISTANCE TO OLD AGE PENSIONERS

Hon. James A. McGrath (St. John's East): Madam Speaker, what the minister now says will provide precious little consolation and, indeed very little heat to the low-income earners of this country, who will have to pay higher fuel oil prices this winter. I would like to ask the Minister of Finance, who is guilty of the greatest betrayal of the Canadian people, in my view, since that same government reneged on their promise and brought in wage and price controls in 1974.

Some hon. Members: Hear, hear!

Mr. McGrath: On June 17 in this House the Minister of Finance, in reply to the hon. member for Etobicoke Centre, said that whatever tax changes were introduced they would not attempt to solve the economic problems of the country or the fiscal requirements of the government on the backs of the low-income people of this country.

That is precisely what he sets out to do in his budget when he states that the new regime will be phased in, shifting the burden of subsidizing high-priced crude imports from taxpayers to consumers of oil products. I ask the minister what he intends to do for these people this winter, the low-income earners of this country who depend upon oil products to heat their homes, and the old age pensioners who cannot afford to buy them? Does he propose to let them freeze?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): The hon. member is getting overheated on this subject and maybe he ought to go into the cooler for a while and reflect upon the fact that if he is so interested in the low-income people, as I think he is, and as we all are, globally the burden placed upon all consumers in Canada, including low-income people, is $40 billion less than the burden which he so strongly supported last December. Let him reflect on that fact.

Mr. McGrath: Madam Speaker, what a shameful deception from the minister, who represents in this House low-income earners. What he is saying to the low-income earners of this country is, "Let them drink sherry in the cold." That is the only consolation this minister has.

An hon. Member: Fortified wine.

Mr. McGrath: Or fortified wine. They will need it to keep warm this winter.

• (1425)

Given the fact that those on old age security and the guaranteed income supplement spend a disproportionately high amount of their budgets on food and heating fuel, which will not be covered by indexing, the consumer price index notwithstanding, what measures does the minister intend to announce in the House, before this debate is over and before we vote on the budget, to provide some relief to the low-income earners in this country from rising food prices and rising fuel prices?

Mr. MacEachen: Madam Speaker, I am disappointed that the hon. member has taken a shot at the relief that we have provided for the grape growers and the wine industry in southern Ontario. The hon. member for St. Catharines has been most active in asking me to take this particular action, and I am surprised that the hon. member would differ with his colleague.

However, I repeat again for the benefit of the House and the country that what we have done for all consumers, including low-income consumers in Canada, is reduce the burden by $40 billion. The burden will be $40 billion less than the burden which the government he supported placed upon the shoulders of the people of Canada and which we removed by getting re-elected and forming a government in this House.

IMPACT OF INCREASED TAXES ON AVERAGE FAMILY

Mr. Edward Broadbent (Oshawa): Madam Speaker, I notice that the Minister of Industry, Trade and Commerce is not here today. I suppose he has finally resigned after promising to do so so many times.

My question is addressed to the Minister of Finance. The Minister took great pleasure last night in saying that there would be no increase in personal income taxes. Considering that the energy price increase will cost the average family some $340 this year and that the 33 per cent increase in unemployment insurance premiums will cost the average family an additional $100, will the Minister of Finance now give us the total dollar impact of these deceptive taxes on the average family? How much is he taking out of the pocket of the ordinary Canadian?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member has stated that there is no general increase in income taxes. That is correct. It had been widely suggested that there ought to be.

Mr. Broadbent: By whom?

Mr. MacEachen: The hon. member is aware that indexing has been maintained in the taxing system, and that has conferred, as he knows, very considerable amounts of money on Canadian taxpayers.

With respect to the changes in unemployment insurance, they arise pursuant to legislation established by the House of Commons. There is nothing devious about it; it was openly stated in the House of Commons last night. What would the hon. member suggest? How should it be announced if not in the House of Commons?

Mr. Broadbent: Madam Speaker, the minister took about two and a half minutes not to answer the question and not to make clear that he is increasing indirect taxes probably by about $500 minimum for the average Canadian. That is what he is doing but he is not admitting it.

I would like to ask the minister this question, and perhaps he will answer specifically. The typical family suffered an average net loss of real income last year of some $1,400 because of inflation. Since the minister predicts that inflation will go up in the coming year by some 10 per cent, will he confirm that when this whole series of indirect taxes he is levying is added to the 10 per cent rate of inflation, the average Canadian family in the coming year will probably suffer a net loss in real income of about $2,000? Is that Liberal justice?

Mr. MacEachen: Madam Speaker, I think the hon. member's statistics are quite fanciful and imaginary. I do not know where he gets the idea of indirect taxes. He has not specified them. Perhaps if he would specify them, we might be able to give him an answer. But I want to make it absolutely clear—

Mr. Broadbent: That would be a change.

Mr. MacEachen: —that I have laid out in the budget the facts with respect to the Canadian economy and what is likely to happen over the next number of years. I have laid out in the budget an approach which, in my view, lays the foundation for our economy to participate in the recovery which is likely to take place next year.

• (1430)

I would remind the Leader of the NDP that it would have been easy to accept his view to give a quick fix by giving a rapid stimulus to the economy, to add to the deficit, balloon the deficit even more, and compound the difficulties facing the economy, preventing it from recovering next year.

EFFECT OF INDIRECT TAXES ON WORKING CANADIANS

Mr. Edward Broadbent (Oshawa): Madam Speaker, the real injustice of what the minister proposes will be an increase of more than 100,000 unemployed men and women. That is what his forecast is for next year.

I should like to direct my next question to the Prime Minister, who said during the recent election campaign—one of the few utterances with which he came out when he came out of the skies—that "the basic principle of the Liberal party is to help first those who need it most". Is he now telling the people of Canada that hundreds of dollars in regressive indirect taxes which force ordinary workers to pay proportionately much more than the rich is the definition of Liberal justice? Is that what he is telling the people of Canada?

Some hon. Members: Oh, oh!

An hon. Member: Tell your buddy, Pierre.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the increase in the contribution is not on the unemployed; it is on the employed, the workers who belong to an insurance scheme, on the one hand, and the companies which employ these workers, on the other hand, which are suffering an even greater increase.

What are we doing for the unemployed? I would remind the hon. member of the many things announced in the budget last night, all the way from the building of pipelines to hydro in the Lower Churchill, and, more particularly, the 50 per cent tax relief for those industries which would locate in the areas of the country where there is a high percentage of unemployment to create jobs there.

Some hon. Members: Hear, hear!

FOOD AND ENERGY PRICES—INQUIRY RESPECTING ADVERTISING CAMPAIGN

Hon. John C. Crosbie (St. John's West): Madam Speaker, the Leader of the NDP should be indicted as a co-conspirator in this move.

Some hon. Members: Oh, oh!

Mr. Crosbie: He made it all possible. This raid on the pockets of Canadians was made possible by the Leader of the NDP.

Some hon. Members: Oh, oh!

Mr. Crosbie: They cannot take it, Madam Speaker.

My question is for the Minister of Finance. The minister has predicted that food prices this year will go up 10.1 per cent and next year 12 per cent. He predicted also that energy prices will go up 15.6 per cent this year and 21.9 per cent next year. Is it correct that the minister is going to have an advertising campaign to persuade the public that food and energy prices have not gone up 12 per cent and 21 per cent and that the government will be taxing or taking revenue away from them $40 billion less than they think is being done? Will there be an advertising campaign, and will it feature the goose flying around while being plucked?

Some hon. Members: Oh, oh!

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I do not contemplate an advertising campaign to sell the budget; I think it will sell itself over the long term. But I would remind the hon. member, who is concerned about inflation, that the projections which he showed in his budget for next year and the following year with respect to inflation were higher than the projections which I have shown. The lower projection which I have shown is in good measure a result of not imposing the excise tax on gasoline.

Some hon. Members: Hear, hear!

Mr. Crosbie: Madam Speaker, the minister claims that his projection for inflation next year is lower than mine; 10.2 per cent is his projection. The facts will show whether or not the minister is correct in his projections. By the way, we know that his goose is being cooked while it is being plucked.

If the budget which was presented last December, against which the minister voted together with his friends from the NDP, had been passed, there would have been a $575 million tax relief for projected home owners in Canada this year and a $1,200 million tax relief for them next year, together with another $500 million in relief to everybody, particularly those who are investing $21,000, through an energy tax credit. Does the minister propose to carry out the Prime Minister's campaign commitment and that of his party to assist home owners and lower income people in Canada through these means at some point during the year? Is he keeping these announcements as a surprise financial statement later this year?

Mr. MacEachen: Madam Speaker, I am glad the hon. member has referred to projections because it is worth underlining the fact that these are projections. As he knows, some of his projections were proved to be false because of developing events, and some of mine may have the same fate. I do not think it has anything to do with the honesty of the projections; rather, it has to do with the uncertainty of projecting into the future.

I am surprised that the hon. member raises the spectre of that ill-fated mortgage plan which was brought before the House and which the government failed to pass, although it could have had it passed before its defeat last December. We told the Canadian people that we were against that, and we made it clear that we have no intention of introducing an inequitable plan of that kind.

TAX ON EXPORTS OF NATURAL GAS—GOVERNMENT POSITION

Miss Pat Carney (Vancouver Centre): Madam Speaker, my question is addressed to the Minister of Finance whose debut on the Jack Webster show I watched with interest this morning. Since 30,000 British Columbians signed a petition opposing the imposition of a natural gas tax, and since they will be relieved to know that the minister so took their concerns to heart that he rewrote the budget, I should like to ask the minister the following question: When is the tax on the export of natural gas not a natural gas export tax when it is applied to the export of natural gas?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I noted the petitions which were laid on the table in the House, and I noted the questions which were directed against an export tax on natural gas, a tax exclusively on the exportation of that gas.

Some hon. Members: Oh, oh!

An hon. Member: At least blush, Allan.

Mr. MacEachen: That is the attack that was made, and I notice that hon. members are now attempting, rather belatedly, to shift their ground. I want to assure you, Madam Speaker, that we have levied a tax on natural gas produced and consumed in Canada and produced and consumed in the United States. It is a tax on all natural gas. Are hon. members suggesting that we should levy a tax on Canadian consumers and not levy it on American consumers? Is that their policy?

Some hon. Members: Hear, hear!

Miss Carney: Madam Speaker, I direct my supplementary to the Minister of Finance. I am sure that the people in British Columbia who will be paying 50 per cent more for their natural gas heating next winter will be warmed by his response.

Since the minister states in his budget papers that he designed his national energy program to "be particularly helpful to B.C.", and since the minister's natural gas export tax will deprive British Columbia of revenues estimated at $30 million annually up to $130 million potentially, could the minister define what he means by "particularly helpful"?

Mr. MacEachen: Yes, Madam Speaker, I would be glad to define "particularly helpful". The first thing I would say is that in response to the concerns which were expressed in the

House of Commons by spokesmen from western Canada the government decided not to proceed with an export tax on natural gas—

An hon. Member: If you repeat it often enough, it becomes the truth.

Mr. MacEachen: —which had become part of the national energy program and part of the budget plan. I want to be very frank and tell the House that that decision was changed; the budget statement was rewritten and the national energy program was rewritten to back away from that particular tax. We thought no one could take exception to a tax levied on all consumers which affects all consumers, whether in Canada or the United States. How could one take objection to that?

● (1440)

Some hon. Members: Oh, oh!

Mr. MacEachen: May I add a further point. The hon. member asked what we have done to be helpful to British Columbia. If she looks at the price projections for natural gas proposed in the December 11 budget, she will notice that they are considerably higher than the price for natural gas we are proposing for next year.

Mr. Clark: What colour is black?

* * *

INDUSTRY

EFFECT OF BUDGET ON PROPOSED DEVELOPMENT STRATEGY

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, my question is for the Minister of Finance. One of the documents which has been circulating recently is one dated July 3, 1980. It went out under the sponsorship of the Minister of Industry, Trade and Commerce, the resigning wonder. On page 69 of that document the Minister of Industry, Trade and Commerce said that the option which he thinks would be most favourable for an industrial strategy for Canada—for central Canada, for Atlantic Canada, as well as for western Canada—would be an additional $1.75 billion in government investment over the next three years. It is very hard to perceive, through the smoke and mirrors which the minister threw up before us yesterday, exactly what is contained in the figures, but if I understood the minister correctly, it looks as if it is a figure of half $350 million, which is to say $175 million for industrial restructuring. How can he justify cutting down the Minister of Industry, Trade and Commerce to only 10 per cent? Does he really want to leave the minister in that embarrassing position?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): No, Madam Speaker. If the hon. member will look at the budget statement and the accompanying papers, he will notice that I have provided for a very substantial increase in expenditures for economic development, a 22 per cent increase. Within that very substantial increase there is room not only for the Minister of Industry, Trade and Commerce but for the Minister of State for Science and Technology to fund proposals relating to research and development. I believe that is the point the hon. member is making.

In addition to that very substantial increase in the economic development envelope, which seems not to have been noticed, there is an additional $350 million allocated for restructuring and adjustment in the economy. I believe that also is a substantial assistance to the Minister of Industry, Trade and Commerce in developing his plans.

Mr. Rae: We will only tell when the smoke and mirrors disappear, Madam Speaker, but I think the record will show that the Minister of Industry, Trade and Commerce from now on should be known as "10 per cent Herb", because that is roughly what he will get.

My supplementary question is to the same minister. It concerns the so-called program of Canadianization in the energy field. The government has stated that in 1990 it wants to see Canadians owning 50 per cent of the oil and gas industry, as compared to current ownership of just under 30 per cent. How can the minister justify an over $12 billion or $13 billion dividend outflow between 1980 and 1990 alone and tens of billions subsequent to 1990? How can he claim that this measure goes any way toward solving the fundamental problem of our country, which he did not include in his budget because he did not care to deal with the problem, the fact that we remain industrial tenants in our own land and that we are still totally reliant for our place in the world on the export of our resources rather than on the development of our industrial base?

Mr. MacEachen: Madam Speaker, I think the budget and the accompanying national energy program underlines the priority we attach to increasing Canadian ownership in the oil and gas field. It is the most ambitious program of repatriation, in a sense, that has ever been presented to the Canadian Parliament. I am surprised the hon. member is not giving us some support for this very major step forward in the oil and gas field.

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[*Translation*]

ENERGY

INQUIRY RESPECTING PROGRAMS TO BENEFIT QUEBEC

Mr. Jacques Olivier (Longueuil): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources. I should like to congratulate him for having applied the basic principles of federalism, for having applied the principle of sharing between the various parts of Canada. Madam Speaker, my question is related to the new national energy program announced last night. We understand there will be expenditures in the field of research, in the field of conservation and particularly in incentives to the energy indus-

try. Can the minister tell the House what proportion of the program that will be announced will be earmarked for the province of Quebec?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I am pleased to answer the question of the hon. member. In his budget speech last night, the Minister of Finance stressed what major expenditures the government plans for various parts of the country. He mentioned, in particular, the Atlantic region and western Canada, but the budget in no way overlooks central Canada, whether it be Quebec or Ontario.

To answer the question of the hon. member, I should like to point out that the new initiatives alone under the energy program of the Canadian government for the next three years will represent expenditures of some $1.8 billion in the sole province of Quebec. That, of course, does not include the possibility of building an oil upgrading plant in the refineries of east Montreal, which could represent outlays of over $1 billion, nor the construction of a regasifying plant at Gros Cacouna, if the Arctic project materializes and if the National Energy Board and Petro-Canada choose that site as being the best.

[*English*]

EFFECT OF BUDGET ON OIL INDUSTRY

Mr. John Thomson (Calgary South): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. I am sure the minister is aware that substantial amounts of capital from the oil industry have been moving to the United States, as well as people and drilling equipment. Has the minister made an assessment of what further losses of this nature can be expected as a result of the budget proposals?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I have not had the latest report on the stock market, but by eleven o'clock this morning I was told Canadian stocks were holding very well and that some decrease had taken place in the value of the shares of multinationals, although those decreases appeared at that time to be rather small. I think it shows that the business community has indeed examined this budget and found that it was a fair and good budget.

Some hon. Members: Hear, hear!

Mr. Lalonde: I have no doubt in my mind that the proposals contained in the budget will reinforce the role, participation and activities of Canadian firms in the oil and gas industry. This is fundamental to our objective, and I am quite confident that the budget tabled last night will achieve that objective, together with our national energy program.

Mr. Thomson: Madam Speaker, I did not think I had asked the minister about the stock market performance today. I asked him if he had made an assessment of what we can expect by way of the loss of capital, people and equipment as a result of the budget proposals. If the minister is so convinced that this will be to the benefit of that element of the oil industry, will he undertake to have the Petroleum Monitoring Agency assess over the next coming months the loss of Canadian capital, Canadian expertise and Canadian oil well drilling companies, and what effect these losses will have in terms of attaining the government's stated goal of self-sufficiency?

● (1450)

Mr. Lalonde: Madam Speaker, we on this side of the House will not subscribe to the gloom and doom predictions of the hon. member or his colleagues on that side. As far as we are concerned, the energy program which has been put forward is one that is good for the industry, good for the producing provinces, good for the consumer and fair to all regions. I am confident that the people of Canada will judge it so.

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NORTHERN PIPELINES

EXTENSION OF NATURAL GAS PIPELINE TO MARITIMES

Mr. Howard Crosby (Halifax West): Madam Speaker, I have a question for the Prime Minister who is about to leave the House. I hope he will remain. It concerns the extension of the natural gas pipeline to the maritimes. The Prime Minister said in January, 1980, in Halifax that immediate action would be taken to ensure the construction of a natural gas pipeline if he were elected. The government stated in the Speech from the Throne that it favours the earliest possible construction of a natural gas pipeline. The Deputy Prime Minister said in Halifax that the government was committed to extending the pipeline. And the budget speech last night said that the pipeline extension was a national priority.

The Minister of Energy, Mines and Resources knows that extension of the gas pipeline is subject to the approval of the National Energy Board.

Madam Speaker: Order, please. Would the hon. member please put his question right now.

Mr. Crosby: I will put my question, Madam Speaker. Is the Prime Minister and his government committed to commencing construction of the natural gas pipeline eastward, or is this matter subject to the approval of the National Energy Board? Who is running this country, the government or the National Energy Board?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, the Minister of Finance announced last night that in the budget the sum of $500 million had been set aside for the extension of the pipeline through Quebec and the maritimes and, if necessary, to help in the construction of a pipeline to Vancouver Island. This money has been committed by the government and by the Minister of Finance in his budget for this particular purpose, and he declared that the construction of the pipeline to the maritimes was a national priority.

I must advise the hon. member that I received information today from the National Energy Board to the effect that it had denied the application by the province of Nova Scotia for a review of the board's earlier decision. However, the National Energy Board has indicated that it is willing to deal expeditiously with a new application. In the view of the board, there would be fewer delays and fewer legal problems in dealing with a new application and less time would be wasted than if it were to hear an appeal.

As a government we are committed. We will see to it that the Energy Board follows the normal process in terms of making sure that the proper rules and regulations, for instance, with regard to the environment, are respected. But as a matter of national policy, that pipeline will be extended without delay, to be completed by 1983.

Mr. Crosby: Madam Speaker, the words of the Minister of Energy, Mines and Resources are very interesting, but the minister knows that the application to extend the gas pipeline was before the NEB for months, and it turned that application down. Now he says—

Madam Speaker: Order, please. The hon. member will not do this twice to me. The questions must be brief.

Mr. Nielsen: And the answers.

Madam Speaker: I had to call the hon. member back to order on the first question. Would he please go straight away to his question.

Mr. Crosby: Madam Speaker, I must respond in relation to the answer. I would ask the minister how he can assure this House that the National Energy Board will approve this gas pipeline extension? The minister has said it is a matter of national priority, but does the NEB agree with him?

Mr. Lalonde: Madam Speaker, if necessary, a bill will be introduced in this House to achieve that purpose. However, we have no reason to believe that the National Energy Board will not respect and understand the national priorities set by this government with regard to this particular project, to which it attaches the highest importance.

Mr. Hnatyshyn: When are you going to appoint a chairman for that board?

* * *

THE BUDGET

INQUIRY RESPECTING STEPS TO PROTECT CANADIANS FROM INFLATION

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is directed to the Minister of Finance. The budget he introduced last night makes practically no effort to contain inflation, which is running rampant in this country and which is generally regarded as the number one problem currently faced by this country. The government has ignored the pleas of the governor of the Bank of Canada who called as a minimum for the maintenance of the level of the budget deficit, rather than a 40 per cent increase from the level which was predicted by my colleague, the hon. member for St. John's West.

What steps is the minister proposing to take to protect Canadians from the impact of high inflation which will clearly be caused by this budget? I ask my question with particular reference to the responses made by the minister relative to the low and middle-income earners and home owners, all of whom have been virtually neglected by this budget.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member will realize that the total framework of the budget, including the support for the monetary policy of the governor of the Bank of Canada, including the fiscal plan which foresees a reduction in the deficit over time and a sharp reduction in our financial requirements and including an emphasis on productivity supported by a number of financial programs—all of these are intended to make a contribution to the lowering of the inflation rate.

However, as I said in the statement last night, it is a battle that will not be easily won. It depends a good deal on responses in the Canadian economy by firms and individuals with respect to their expectations in the area of inflation. I believe that the emphasis on the budget has been very much directed to dealing with the problem of inflation.

Mr. Wilson: Madam Speaker, I think what is needed is some leadership from the government, if the private sector is going to take action and control its own desires respecting increasing inflation in this country. If one looks at the figures, it is hard to believe that there is any degree of control in them. Last January the Liberal party, while in opposition, was saying that it would control spending. Spending for this year will be up over 15 per cent on a budgetary basis.

In view of the lack of control shown by the government in its spending estimates, and in view of the fact that the projections which were put forward in the budget are exactly the same as were seen by us when we came into office last year, with no regard to the actions taken by the hon. member for York-Peel and the hon. member for St. John's West, will the minister review the spending projections in his budget statement against the projections of the hon. member for St. John's West to determine whether or not there is a basis upon which we can reduce the very high level of government spending and have a better degree of control than there is right now?

Mr. MacEachen: Madam Speaker, what I know is that the former government established a 10 per cent expenditure limit without ever telling us how it would achieve that limit.

Mr. Wilson: It is there in black and white.

Mr. MacEachen: I would like hon. members to tell me how they would have maintained a 10 per cent spending level in fiscal year 1980-81.

Mr. Stevens: You voted us out; you should have left us in.

Mr. MacEachen: I would be delighted to have that particular revelation, which was not included in the budget statement, some time during this debate. I can tell the hon. member that there is very strict expenditure control in the expenditure plan. During the campaign we made the commitment that we would maintain our expenditures within the trend line of the GNP.

Mr. Crosbie: You did not. That is untrue.

Mr. MacEachen: That is what over the medium term we precisely intend to do.

Mr. Clark: That is not what you said, Allan.

Mr. MacEachen: Given that expenditure line, we have succeeded in restraining expenditures generally to the point where we have been able to achieve very significant, major new initiatives.

Mr. Clark: This is a new line and a false line, Allan.

* * *

● (1500)

ENERGY

INQUIRY RESPECTING ROLE OF CANADIAN COMPANIES IN TAR SANDS DEVELOPMENT

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, I have a question for the Minister of Energy, Mines and Resources. The budget has left incentives like depletion allowance and others for multinational oil companies in the tar sands and the Canadian north, which as the minister knows is really the heart of Canada's energy future. Because of the magnitude of the tar sands, it is estimated that as a result over-all foreign ownership will actually increase from about 82 per cent to 87 per cent shortly. Would the minister tell the House why the budget did not give Petro-Canada and Canadians a more active role in developing the tar sands and the north?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, if my hon. colleague wishes to read carefully "The National Energy Program, 1980", he will find tables in that program in which there are specific figures, which I cannot cover during question period, clearly indicating that on all accounts Canadian companies will be having a very substantial advantage compared to foreign companies, whether they are going to invest in the tar sands or in frontier areas, whether in the north or offshore. Our proposals are to the effect that Canadian companies will benefit extremely well compared to other companies. They will be in a very advantageous situation. I expect that we can cover the specific figures during the debate on the budget.

Mr. Clark: You have a lot to be sorry for.

Mr. Waddell: Madam Speaker, a few minutes ago the Minister of Finance said that we should congratulate the government on this ambitious program of Canadianization. It is the most ambitious since the Liberal throne speech in 1974, and look what we got there—nothing. If we on this side of the House think it is a little phony, I hope the minister will forgive us.

Given the fact that Petro-Canada has tried to buy foreign multinational companies in the recent past and that no one wants to sell to them, is the minister in a position to tell this House whether he is prepared to force the sale of companies and, if so, how is he going to do it?

Mr. Lalonde: Madam Speaker, first of all I should like to pick up the statement made by the hon. member at the beginning of his second question. Again, I should like to point out to him that there is a whole array of measures to encourage Canadianization of the industry, from direct grants to Canadian industry, which are going to be larger as the proportion of Canadian ownership increases, to a 25 per cent requirement of Canadian ownership that will go to the Government of Canada in terms of the development on Canadian lands in the north and on the offshore. We will require that any development in the north or offshore be at least 50 per cent Canadian-owned. These are only a few of the measures contained in the budget.

Mr. Broadbent: Now deal with the question.

Mr. Lalonde: As far as the second aspect of the question raised by the hon. member is concerned—now that I have been interrupted by the Leader of the New Democratic Party I have lost the point of his second question.

An hon. Member: Petro-Canada.

Mr. Lalonde: As far as Petro-Canada is concerned, it has been successful in making two major acquisitions since 1976, as hon. members know. It is true that in the last year it has been more difficult—

Mr. Broadbent: Impossible.

Mr. Lalonde: —to acquire foreign-owned companies because they tend to believe that the future in Canada is so good that they would not consider selling at any price. I think the clear indication—

Madam Speaker: Order, please. I think that answer was a little long.

[*Translation*]

INQUIRY RESPECTING FUTURE PRICE OF GASOLINE

Mr. Marcel Prud'homme (Saint-Denis): Madam Speaker, I would like to put a question to the Minister of Energy, Mines and Resources. For the information of consumers, can he say in light of last night's budget what will be the price of a gallon of gas for the years 1981, 1982, 1983 and 1984 as compared with the price which would have resulted from the Progressive Conservative budget of last December?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): First of all, Madam Speaker, I would like to emphasize that in no case will there be an additional 18 cents tax as proposed in last year's Progressive Conservative budget. In other words, Canadian consumers now pay and will pay throughout 1980, 18 cents less a gallon than they would have paid under a Progressive Conservative administration, and that is a minimum.

As regards the coming years, we recall that the Progressive Conservatives intended to raise petroleum prices in 1983-84 to 75 per cent and 85 per cent of world prices. Once again petroleum prices for gas consumers in Canada will be very much lower than what was proposed in the Progressive Conservative budget of December 11 last.

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[*English*]

PRIVILEGE

MR. CLARK—ADVERTISEMENT SPONSORED BY PUBLICATIONS CANADA—RULING BY MADAM SPEAKER

Madam Speaker: On Friday, October 17, 1980, the Right Hon. Leader of the Opposition (Mr. Clark) raised a question of privilege. As he said in his presentation, it is a little more specific than the one raised October 9 last by the hon. member for St. John's East (Mr. McGrath).

The Right Hon. Leader of the Opposition directs the Chair's attention to two extracts from the government publication entitled "The Canadian Constitution 1980" and submits that they are false within the meaning of that expression as used in my ruling of October 19 last.

Members will appreciate that the expression "false" is subject to but one interpretation in the *House of Commons Debates*, that is, pejorative, and it is considered unparliamentary when referring to another hon. member. While the word has less sinister meanings, in the context of contempt, it seems to me that to amount to contempt, representations or statements about our proceedings or of the participation of members should not only be erroneous or incorrect, but, rather, should be purposely untrue and improper and import a ring of deceit. To be false in the context of contempt, an interpretation of our proceedings must be an obviously, purposely distorted one. I am supported in this respect by the fact that the House interprets the expression "false" only in the pejorative sense where used in debate.

My role, therefore, is to interpret the extracts of the document in question not in terms of their substance, but to find whether, on their face, they represent such a distorted interpretation of the events or remarks in our proceedings that they obviously attract the characterization of false.

I cannot find that they attract that characterization and accordingly must find that there is no question of privilege.

Privilege—Mr. Beatty

MR. BEATTY—ENERGY ADVERTISING CAMPAIGN—RULING BY MADAM SPEAKER

Madam Speaker: The hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty) raised a question of privilege on Tuesday, October 21, 1980, in which he alleges that a document entitled "National Energy Policy—Communications", written by a public servant, sets out a major energy advertising policy by the government in order to, in the words of the hon. member, "seize control of the energy debate", and he further alleges "that the energy advertising campaign currently being run by the government was, in fact, designed to interfere with our deliberations through spending public money".

The hon. member appreciates that the Minister of Energy, Mines and Resources (Mr. Lalonde) has, however, pointed out that the thrust of that document was rejected by the government and therefore its contents, at least, do not reflect government policy. Be that as it may, if the campaign or the document referred to by the hon. member nevertheless included a design to interfere with our deliberations so as to constitute a violation of our privilege, that could constitute a *prima facie* case of privilege. The hon. member is reminded that on Friday, October 17 last, in my remarks recorded at page 3781, of *Hansard*, I also added that the interference in question "must be such that the member of the House is truly hindered or intimidated".

The principle governing whether a parliamentary privilege is violated is set out in the words of a committee of privileges of the House of Commons in the United Kingdom as follows:

> The nature and extent of any particular privilege claimed by Parliament has to be considered in relation to the circumstances of the time, the underlying test in all cases being, whether the right claimed as a privilege is one which is absolutely necessary for the due execution of the powers of Parliament—

Therefore, all interferences with members' privileges of freedom of speech, such as editorials and other public comment, are not breaches of privilege even though they influence the conduct of members in their parliamentary work. In the words of another committee of privileges of that House—and I quote:

> Not every action by an outside body which may influence the conduct of a member of Parliament as such could now be regarded as a breach of privilege, even if it were calculated and intended to bring pressure on the member to take or to refrain from taking a particular course.

And as another committee of privileges of that House observed in its report:

> —the House has always asserted that any attempt by improper means to influence a member in his parliamentary conduct is a breach of privilege—

● (1510)

What constitutes an improper means of interfering with members' parliamentary work is always a question depending on the facts of each case.

Hon. members will appreciate that there must, first of all, be some connection between the material alleged to contain the interference and the parliamentary proceeding. In this regard, there is little, if any, evidence before me relating either the documents or the advertising campaign to a parliamentary proceeding.

Finally, I am also conscious of the additional plea made last Friday by the hon. member for St. John's East (Mr. McGrath) somewhat along the lines of the remarks he made during the course of the question of privilege he raised October 9 last. He expressed concern in these words:

—that we have a new dimension in this country which has a direct bearing and influence upon our proceedings in this House. That new dimension is the mass media and the access of the Government of Canada to that mass media—

He then went on to note:

—the access we have as Parliament to the mass media through the use of television cameras now in the House.

Of course, the House agreed to televise its proceedings. With respect to the use or misuse of the mass media because of access to it by government or, for that matter, by any person or group, when there is evidence of improper means of influence being brought to bear in respect of our proceedings, I can assure all hon. members that the dimension of contempt of Parliament is such that the House will not be constrained in finding a breach of privileges of members, or of the House.

This is precisely for the reason that, while our privileges are defined, contempt of the House has no limits. When new ways are found to interfere with our proceedings, so too will the House, in appropriate cases, be able to find that a contempt of the House has occurred.

* * *

THE CONSTITUTION

APPEARANCE OF MEMBER FOR PARKDALE-HIGH PARK BEFORE JOINT COMMITTEE

Mr. Epp: Madam Speaker, I rise on a point of order. As you are aware, the committee to study the constitutional proposals of the government was struck yesterday. Today I, as a member of that committee, and other members of that committee received a letter from the hon. member for Parkdale-High Park (Mr. Flis) in which he requests the right to appear as a member of Parliament before that committee as a witness.

I think this is rather an inappropriate manner in which to proceed before the committee even sits. Many members on this side of the House have raised this question. They, too, wanted the right to appear before that committee in view of the fact that closure had prevented them from speaking in this House.

The point of order that I am raising is quite clear: suspicion has now been raised and we would like to know whether or not members of the government have received an assurance from the House leader that they can appear before that committee, while such an assurance has not been given to other members of this House. It is obviously a double standard and a matter which should be clarified very quickly by the government House leader.

[*Translation*]

Mr. Pinard: Madam Speaker, as Liberals we respect the freedom of our members and I must say to the hon. member that the committee is master of its own procedure, that it is not parliamentary tradition for the House of Commons to get involved in organizing the work of the committee, and that in this House we cannot decide any procedural question concerning the committee, unless we get a report from committees. The issue raised by the hon. member therefore is not a point of order and it cannot be entertained in the House.

[*English*]

Mr. Clark: Madam Speaker, the government House leader has declined to deal with the point raised by my colleague, the hon. member for Provencher (Mr. Epp) namely, whether or not there has been an instruction given or a signal sent by the government to members on one side of the House only. He neglected to deal with that question which was the substance of the point of order raised by my colleague. We would all like to know whether one story is being told on the government side of the House that is not being told to the public or to other members of the House of Commons.

[*Translation*]

Mr. Pinard: Madam Speaker, I can assure the Leader of the Official Opposition (Mr. Clark) that no instruction was given to that effect. I am a little surprised that he even dared express doubts on that subject. I can assure him that we are not in the habit of granting more privileges to members of one party rather than to those of another. I for one have always advocated equality among all members in the House and perhaps that explains why we did not prevent our members from taking part in the first phase of the debate.

Madam Speaker: On that point of order I must remind the hon. member that, in my opinion, we all agree that committees are masters of their own procedure and that they have full leeway to call the witnesses they are interested to hear. Therefore I believe that if the hon. member sits on that committee he will be able to ask that question again and get the answer he hopes for from the committee members.

ROUTINE PROCEEDINGS

[*English*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

CHANGE IN NAME OF CONSTITUENCY FROM MISSISSAUGA NORTH TO MISSISSAUGA-MALTON

Mr. Douglas Fisher (Mississauga North) moved for leave to introduce Bill C-618, to change the name of the electoral district of Mississauga North.

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

HOUSE OF COMMONS

PRESENCE IN GALLERY OF LESLIE NIELSEN

Hon. Steven E. Paproski (Edmonton North): Madam Speaker, the only bright spot today, as we did not have too many answers during question period, is to acknowledge the presence in the gallery of one of Canada's greatest actors, *par excellence*, Mr. Leslie Nielsen.

Some hon. Members: Hear, hear!

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 484 to 495 inclusive; 910 and 1,337.

I ask, Madam Speaker, that the remaining questions be allowed to stand.

[*Text*]

STATUS INDIANS—ALCOHOLISM AND DRUG ABUSE

Questions Nos. 484 to 495 incl.—**Mr. Orlikow:**

1. For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the incidence of alcoholism and drug abuse in the province of Manitoba for status Indians?

2. For the same years, what was the incidence of alcoholism and drug abuse for the rest of the population in the province?

1. For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the incidence of alcoholism and drug abuse in the province of British Columbia for status Indians?

2. For the same years, what was the incidence of alcoholism and drug abuse for the rest of the population in the province?

1. For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the incidence of alcoholism and drug abuse in the province of Alberta for status Indians?

2. For the same years, what was the incidence of alcoholism and drug abuse for the rest of the population in the province?

1. For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the incidence of alcoholism and drug abuse in the Northwest Territories for status Indians?

2. For the same years, what was the incidence of alcoholism and drug abuse for the rest of the population in the territories?

1. For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the incidence of alcoholism and drug abuse in the Yukon Territory for status Indians?

2. For the same years, what was the incidence of alcoholism and drug abuse for the rest of the population in the territory?

1. For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the incidence of alcoholism and drug abuse in the province of Ontario for status Indians?

2. For the same years, what was the incidence of alcoholism and drug abuse for the rest of the population in the province?

1. For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the incidence of alcoholism and drug abuse in the province of Quebec for status Indians?

2. For the same years, what was the incidence of alcoholism and drug abuse for the rest of the population in the province?

1. For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the incidence of alcoholism and drug abuse in the province of Newfoundland for status Indians?

2. For the same years, what was the incidence of alcoholism and drug abuse for the rest of the population in the province?

1. For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the incidence of alcoholism and drug abuse in the province of New Brunswick for status Indians?

2. For the same years, what was the incidence of alcoholism and drug abuse for the rest of the population in the province?

1. For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the incidence of alcoholism and drug abuse in the province of Nova Scotia for status Indians?

2. For the same years, what was the incidence of alcoholism and drug abuse for the rest of the population in the province?

1. For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the incidence of alcoholism and drug abuse in the province of Saskatchewan for status Indians?

2. For the same years, what was the incidence of alcoholism and drug abuse for the rest of the population in the province?

1. For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the incidence of alcoholism and drug abuse in the province of Prince Edward Island for status Indians?

2. For the same years, what was the incidence of alcoholism and drug abuse for the rest of the population in the province?

Mr. Doug Frith (Parliamentary Secretary to Minister of National Health and Welfare): Alcoholism (sic) and drug abuse are not notifiable diseases. No firm data exist from which to calculate a rate of incidence for whole populations, provinces or territories. A number of social indicators exist such as hospital admissions and hospital days for alcohol related illness, alcohol related deaths from accidents and violence, convictions for criminal offenses that are alcohol related, numbers of children taken into care for conditions that may be related to alcohol abuse etc. Many authorities talk of an incidence of alcohol addiction of 5 per cent in the general community and such estimates are often qualified and are regarded as conservative. Anecdotal accounts, observations by health personnel and other derivative opinion evidence suggests that the incidence of alcohol abuse is higher among Indian people than among non-Indians. One has to distinguish between alcohol addiction, which implies acquired tolerance and dependency, from simple alcohol abuse which implies inebriation and intoxication as availability and opportunity permit, but without true addiction.

CANADIAN WHEAT BOARD ADVISORY COMMITTEE

Question No. 910—**Mr. McKnight:**

1. What are the names and addresses of the members of the Advisory Council of the Canadian Wheat Board and what is the term of his/her appointment?

2. What are the names of the places where they met to convene a meeting of the council and, in the case of each member, what was the (a) cost and itemization of his/her travel expenses (b) cost of his/her honorarium?

3. How many meetings have been held since the inception of the council?

4. Did any member travel outside or inside Canada on council or Canadian Wheat Board business and, if so, what is his/her name and what was the (a) purpose (b) cost of each trip?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): 1. The names and addresses of the members of the Canadian Wheat Board Advisory Committee are provided below. All eleven members were elected in the fall of 1978 to take office in January of 1979 for a four-year term.

Mr. R. R. Atkinson
Saskatoon, Saskatchewan

Mr. Lorne E. Parker
Ste. Agathe, Manitoba

Mr. Henry A. Dechant
Fairview, Alberta

Mr. Orville M. Reber
Burdett, Alberta

Mr. Kenneth D. Galloway
Fort Saskatchewan, Alberta

Mr. Avery K. Sahl
Mossbank, Saskatchewan

Mr. Michael G. W. Halyk
Melville, Saskatchewan

Mr. Ted Strain
North Battleford, Saskatchewan

Mr. Clarence A. Hookenson
Kisbey, Saskatchewan

Mr. E. K. Turner
Regina, Saskatchewan

Mr. Donn Mitchell
Douglas, Manitoba

2. Fifteen of the 17 meetings held by the current advisory committee since January, 1979, to May 27, 1980, were held in the Wheat Board offices in Winnipeg. One meeting of the advisory committee was held in Prince Rupert and a joint meeting of the advisory committees of the Wheat Board and the Canadian Livestock Feed Board was held in Montreal, at which four members of the Wheat Board's Advisory Committee were present.

(a) and (b) For each member, up to and including the May 27th meeting, costs have been incurred as follows:

	Expenses	Per diem allowance (committee meetings)
R. R. Atkinson	$4,701.54	$1,600
H. A. Dechant	6,497.48	1,400
K. D. Galloway	5,137.95	1,700
M. G. W. Halyk	5,830.76	1,600
C. A. Hookenson	4,350.11	1,600
Donn Mitchell	1,902.10	1,500
L. E. Parker	828.87	1,500
O. M. Reber	7,270.75	1,600
A. K. Sahl	3,902.30	1,400
Ted Strain	5,007.52	1,600
E. K. Turner	2,481.35	1,200
	$47,910.73	$16,700

In addition to the above, within guidelines established by the advisory committee in November, 1976, and in accordance with Order-in-Council P.C. 1977-101 of January 20, 1977, members of the advisory committee are provided with an allowance of up to $1,800 per crop year to cover expenses in their districts attributable to their position on the advisory committee. These expenses include, but are not limited to, expenses incurred in attending meetings within a member's district on behalf of the advisory committee. During the 17-month period from January, 1979, to May 30, 1980, the expenses claimed under this provision by all members of the advisory committee amounted to a total of $11,893.86.

3. Sixteen formal meetings of the current advisory committee, and one joint meeting of the advisory committee (represented by four of its members) with the Canadian Livestock Feed Board Advisory Committee were held during the period January 1, 1979, to May 27, 1980.

4. (a) and (b) No member of the advisory committee has travelled outside Canada on committee or Wheat Board business. In addition to the travel to and from Winnipeg to attend the regular committee meetings, four members of the committee represented it at the April, 1979, joint meeting at Montreal as indicated in part (2) above. These four members, with their individual expenses, are listed below:

R. R. Atkinson $346.50	D. Mitchell $254.00
K.D. Galloway $418.88	T. Strain $438.00

These expenses and the costs of the advisory committee's meeting in Prince Rupert in June, 1979, are included in totals listed in part (2) above.

DR. FRED KUMMEROW—LARGE DOSES OF VITAMIN D—VASCULAR DISEASES

Question No. 1,337—**Mr. Cossitt:**

Is the Department of National Health and Welfare aware of the opinions held by certain American authorities on vitamins, including Dr. Fred Kummerow, professor of food chemistry at the University of Illinois, to the effect that vitamin D in more than average doses is more dangerous in vascular diseases then cholesterol and, if so (a) has the department investigated this opinion and, if so, what was the result (b) is the department aware of any investigations in Canada or elsewhere that would substantiate such an opinion and, if so, what are all the details?

Mr. Doug Frith (Parliamentary Secretary to Minister of National Health and Welfare): The department is aware that Dr. Fred Kummerow and others have speculated that long-term high intakes of vitamin D may increase the risk of cardiovascular disease. It has been known for many years that very large doses of vitamin D can be harmful and can produce arteriosclerosis in experimental animals when fed over a long period of time. In recent experiments, Doctor Kummerow confirmed that huge doses of vitamin D can cause degeneration of artery tissue in young pigs. These observations plus the high levels of vitamin D in animal tissues and the widespread fortification of foods with vitamin D in the United States have led him to suggest that the levels of vitamin D in the American food supply may be a risk factor in cardiovascular disease.

(a) and (b) The department is carrying out analyses of the vitamin D content of Canadian foods, but as far as is known no studies have been carried out in Canada to investigate specifi-

cally a possible relationship between dietary vitamin D and vascular disease. Worldwide, data are few. In a small population sample in Norway, it was observed that men and women with heart disease had consumed somewhat larger amounts of vitamin D than those who did not have the disease. However, there were other differences between the two groups. Infants and children require vitamin D for normal bone growth and past experience indicates that there is insufficient naturally occurring vitamin D in the Canadian food supply to protect Canadian children against the vitamin D deficiency disease, rickets. An appropriate quantity of vitamin D is, therefore, added to all milks, infant formulas and margarine in Canada, but essentially to no other foods. Vitamin D levels of fortified foods are continually checked by the department to ensure they are neither too high nor too low. It should be noted that this department has one of the best vitamin D-monitoring programs in the world. In view of the need for vitamin D in the diet, the current levels in the Canadian food supply are not considered harmful to health.

[*English*]

Madam Speaker: The questions enumerated by the parliamentary secretary have been answered. Shall the remaining questions stand?

Some hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Madam Speaker: Shall all notices of motions stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from Tuesday, October 28, 1980, consideration of the motion of Mr. MacEachen that this House approves in general the budgetary policy of the government.

Hon. John C. Crosbie (St. John's West): Madam Speaker, in starting the main part of my remarks today—and I may have to go on for a day or two to cover the inadequacies of this budget—I want to remind the House of a statement that was made by the present Minister of Justice (Mr. Chrétien) last year. On October 12, 1979, the Minister of Justice who at that time was the Minister of Finance said:

There is only one thing that matters: to be honest with the public. That is all I ask the government.

Certainly one would not think a Liberal had said that, but it was said by the Minister of Justice when he was in the opposition. He asked only one thing of the government—that we be honest with the public. We were honest with the public and now they are over there and we are over here.

Some hon. Members: Oh, oh!

Mr. Crosbie: Nevertheless, I recommend that advice to the Minister of Finance (Mr. MacEachen). That is one of the things which is most deplorable about his budget document. He is not, and has not been, honest with the public. It is a tricky document and a deceiving document. It is a deceptive document and that is deplorable. I recommend that he get together with the Minister of Justice (Mr. Chrétien) and have that minister give him the little homily again about being honest with the public, and that he pay some attention to him. In starting, I would like to refer to another quotation. I am reminded of it every time I think of the election results last February. The actress Lily Tomlin said this:

The trouble with the rat race is that even if you win, you are still a rat.

● (1520)

I would ask hon. gentlemen and ladies opposite to remember that. They may have won the rat race, but try to think about what they may or may not still be.

In beginning this afternoon, I want to lay a canard flat dead on the floor, a dead duck, a dead canard, a dead goose, a plucked goose, a cooked goose, and it is this: what was the Prime Minister's commitment in connection with government expenditure growth? I have a transcript of his actual words which came from that very royal figure on January 12, 1980, when he spoke in Toronto to his "campaign college". There could not be a more lofty place for a Liberal to speak than to his own "campaign college". I have the transcript and this is what he said. He made a fivefold pledge. He said there was a five-plank Liberal theme in the election: "Liberals will do what we say we will do and if we cannot do it, we will not say it." That is what he said, he said. He said, he did it. Here is what he said at page 4. This was one of his themes. I quote exactly:

Our commitment is this. We will hold the line on government expenditure growth to under the rate of GNP.

Not to under the theme-line of GNP, not to under the stockings of GNP, not to under anything but this, to under the rate of GNP. And the minister said the GNP this year is declining one per cent. That means, if the Prime Minister's statement was to be carried out, his solemn commitment was that there would not be an increase in government expenditure growth this year beyond—I do not know what the figure would be. It would be less than the inflation rate. The inflation rate at the moment is running around 9.8 or 10 per cent averaged over the year. In actual fact there is in the minister's own papers on budgetary expenditure a 15.2 per cent increase.

The Prime Minister has broken his solemn commitment, the five themes. The Minister of Finance stated in this House two weeks ago he was going to fulfil all promises and pledges the

Prime Minister made during the election campaign. I quote now from the Ottawa *Citizen,* that bible of Liberalism here in Ottawa:

Finance Minister Allan MacEachen said Friday his budget this month will fulfil all the Liberal campaign promises.

This is one he has not fulfilled. For the minister to get up in question period today and try to draw subterfuge and deception over the breaking of that solemn commitment is below him. It is not the trend line. It is not any kind of line at all. It is under the rate of GNP, and the Liberal line, and the advertising line won't work. It is here in black and white.

The Toronto Sun on the day after that solemn occasion had an editorial about the great Liberal economic platform. They printed it in their editorial. *The Toronto Sun* headed its editorial "A Pile of Poop". I will quote from the *Toronto Sun,* an eminent Canadian newspaper. *The Toronto Sun* has been borne out because these positive commitments are not being made.

I mentioned some of the rest last night. I am not going to mention them again. I do not want to be repetitious. However, this is one point I have had to be repetitous about because the Minister of Finance is trying to trick and deceive the people of Canada into thinking there was not that solemn commitment. His Prime Minister made that commitment and he and the President of the Treasury Board, Open Sesame Johnston, are making an open raid on Treasury Board.

In the question period, he talked about how could we have kept to our expenditure limit of 10 per cent. How would we have kept to it? Because we had in the Treasury Board a man who was dedicated to keeping to no more than a 10 per cent increase in expenditures. In fact, he felt that was way too high. He thought it was crazy. He thought it was profligate. He thought the finance department was all wet that we could not hold it down to 5 per cent. I can assure you that Horatio Slasher, my seat companion, would have kept it to 10 per cent.

Some hon. Members: Hear, hear!

Mr. Crosbie: Let us hear no more of this attempt by the Minister of Finance. We know he is astute. The press tells us he is astute. The press tells us he is crafty and strategic, in tactical terms and in strategic terms. What else do they tell us? He is cagey. He is the master of strategy. He put us out of power and he put himself into power, and the ends justify the means. He is a tremendous exponent of that.

The minister will do anything to keep Liberals in power, but at least keep them in power by being a bit truthful, for a change. That is a commitment the Prime Minister made and which has been broken in this budget.

What else is wrong with this budget? It would be easier and shorter to ask what is right with it. I had to refer to our budget of last December because the government is going to refer to it. We heard them refer to it in the question period today. The little tame tabby was brought up from the Liberal ranks to ask a little tame question of the big tiger, the Minister of Energy, Mines and Resources, about what would have happened with oil and gas prices had that horrible Crosbie budget come in as compared to what it is going to be with our present wondrous budget? We heard the foolish answer from the Minister of Energy, Mines and Resources (Mr. Lalonde). That minister is not even including in his computation the new tax, the "help PetroCan buy out any foreign company in the nation" tax. He did not even include that in his calculation. It could be $4 a barrel a year. What is that going to do to oil and gas prices in Canada if it is implemented? Never mind these little tame tabbies asking the big pussycat their questions. Let them lick their chops with these false answers.

Some hon. Members: Hear, hear!

Mr. Crosbie: Here is what the then finance critic of the government said last December, that gentleman who is certainly resigned to his lot. He is not resigning from it, he is resigned to it. Here is what he said about the budget of last year and I quote from December 12 *Hansard* at page 2299:

What we should have had... last night was a budget that would reduce inflation, strengthen the economy and create more jobs for Canadians, now, next year, and in the years to come. Instead, this budget brings Canadians a higher cost of living, including higher food prices, more unemployment and no economic growth—

If I had not told hon. members the author of that statement, they would have thought I was speaking about the present budget, I am sure. There is not a redeeming feature in it, because it does not even offer the people of Canada any assistance with the higher costs they face as a result of the budget, costs which have been forecast by the minister. The Canadian people are faced with a budget that does not reduce inflation. It does not strengthen the economy. It does not create more jobs. It brings them a higher cost of living, higher food prices, more unemployment and no economic growth. That is what it brings them. It does not bring them one redeeming feature, nothing to help them meet these additional burdens.

What else is wrong with it? It is an extremely regressive budget. The minister said that my budget was socially regressive. His is socially desperate. In our budget we had certain aims we wanted to accomplish for the good of Canada and all Canadians. What were they? It was summarized in the budget. We said the Canadian economy had great potential. Second, that its economic performance could be improved if we improved economic incentives for private individuals and firms.

Where is that kind of treatment in the budget before us? The private sector is ignored in this budget. The private sector will be the subject of intervention. This is an interventionist budget on a massive scale. The government is drawing to itself here in Ottawa tremendous power from the rest of this country. Now they are going to take power from the private sector. The oil and gas sector is no longer to be called private. If it is private, its privacy has been vastly interfered with. Intervention!

● (1530)

We are told about the Minister of Industry, Trade and Commerce (Mr. Gray) and FIRA and all the muscle he is going to put into FIRA so that any foreign investor in this country will find Mr. Herbie Gray looking down his neck at what he is doing and telling him whether he is doing things right or wrong. Foreign investors are told not just whether they should come into the country, but, after they are here, how they should run their business. This is the same group who have placed Canada in the position where the minister himself says we are going to have a deficit on the current account of the balance of payments of this year in excess of $6 billion. We are supplicants to the rest of the world as a result of the policy, and the lack of policy, of the government opposite over the years since 1968—year after year of deficits on the current account of the balance of payments ending up this year with a deficit in excess of $6 billion. How do we get the deficit back? We ask foreigners to lend us money and to invest money in Canada. That is how we get that deficit back. And if the foreigners will not lend us money and will not invest in Canada we are down the tube because we cannot get the $6 billion. Yet here they are pounding their chests and pretending they are the exponents of Canadian nationalism. They are the exponents of Canadian humiliation, not nationalism.

Then they get on with their ersatz of Canadian nationalism, beating their chests with what they are going to do to the oil and gas industry, how they are going to Canadianize what they permitted to be unCanadianized over these last 20 or 30 years. They are putting on this show for the Canadian people—it will be more show than it will be anything else, but I will come to that later.

Our third point was that we wanted to face realistically the problems of energy costs, shortages and the huge and swelling deficits. We attempted to do that. The minister here does not do that. He says he is going to be bringing the deficit down over the next three or four years, and some people in the press actually swallow it. But before he starts to bring his deficit down he allows it to burgeon up this year, $3,600 million more than was contemplated by us, or would have been permitted by us. And then he starts to bring it down, but every year for the next four years his deficit is $3 billion to $4 billion higher than the deficit would have been had we remained in office. So all this talk that he is controlling the deficit is just that. It is not fact. Then he fictionalizes his estimates to take out items, and I will come to that later. I am sure there is a lot more. He removes $1.2 billion this year for the petroleum import costs, which should be in the estimates, and $500 million for the post office and so on, as I mentioned last night. That is not facing realistically the problems. That is being old Mandrake the magician, trying to hypnotize the public so they do not know what the problems are.

Our fourth point was we must focus on medium and longer-term potential and opportunities rather than short-run tuning and political subterfuges. Well, a lot of people think that we are dumb dodos because we did not go in for the political subterfuges, because in Canada all that seems to be admired is success. If you can worm your way into power no matter how scurvy the tricks you use, that is the thing. Very admirable! But what your aims and objectives are, whether what you are trying to do is good or bad for this country does not seem to matter a darn. It is the means, the means are everything and the ends do not count. Well, that is not our approach. Perhaps we are dumdums and dodos but I would sooner be a dumdum and a dodo than a sleazy trickster.

Some hon. Members: Hear, hear!

Mr. Crosbie: Let us look, then, at the minister's budget. What does the minister say he is attempting to do in his budget? Let us examine some of his protestations of policy, I believe they are on page 3 under the heading "The Economic Strategy of the Government". This is what it says:

Its elements in brief are as follow:

> The maintenance of government expenditures within the rate of growth in the economy to ensure that the federal government does not take up an ever-growing proportion of the flow of income;

That is not done. That is not done, the rate of growth in the economy. The minister gets up, he is asked a question, and he talks about the trend line and the rate of growth and all that malarkey. Who is he fooling? Okay, that is one principle discarded before we even start. What next? Here is what it says:

> over the period to fiscal 1983-84, a steady reduction in the government deficit and financial requirements;

Poppycock! Poppycock! It is up $3,600 million before the hon. minister even starts. I will venture anything, that there will be no reduction in the government deficit when you add in what should be there as expenditures to keep it in line with past years, there will be no reduction in expenditures or financial requirements. I read again from the budget:

> the avoidance, in so far as possible, of personal and corporate tax increases;

Well, the Canadian public can thank us for that. We saved them $1.6 billion because the minister did not go forward. No wonder it was said today he changed his budget papers. He sure did. He whipped out that indexing measure after the storm we aroused to stop him trying to gouge the Canadian public.

Some hon. Members: Hear, hear!

Mr. Crosbie: But look at his threat. I want all Canadian taxpayers to notice this threat on page 6 where he said this:

> —I may be faced with no alternative but to impose some limit on the indexing factor.

Why does he say that? Because he wants to achieve lower rates of inflation. He pretends it is the Canadian people's fault that there are these rates of inflation and he does not want them to think they are going to get away with indexing forever if they continue in their inflationary ways, these bad Canadian people, these bad Canadian taxpayers. If they are naughty, their government is not going to index them any longer, it is going to de-index them. That is his threat to the Canadian people. Well, we will see about that.

Now he says he has resolved to support the Bank of Canada in its pursuit of monetary policies that will not accommodate inflation. What a joke! The Governor of the Bank of Canada has stated time and time again, in as harsh a manner as he can when he is speaking in public—and he cannot be too harsh or too critical of the government—what he feels needs to be done. He sent out a piteous plea. He said that monetary policy, interest rate policy and controlling the rate of growth of money supply are not enough. He said, "The government must help us with its fiscal policies if we are to overcome inflation." That is what he has said. I quoted the governor last night. I will give another quotation now from what he said before the Senate National Finance Committee on May 29, 1980. He said:

Good monetary policy, although absolutely necessary, needs to be accompanied by many other adjustments if we are to achieve our economic objectives—

That is what he said, and I could go on. I gave the House some quotations last night about the deficit. He said:

—let's keep it from increasing, if we can, as a minimum.

What we need is lower government deficits and a reduction in the total size of the government of this country would be helpful. Is that what governor Bouey is getting in this budget? He is not getting that. Since he made that statement he is getting a budget that has increased by $3,600 million in its deficit and financial requirements. He is not getting one iota of help from this government in his battle against inflation. That is why inflation rates next year are going to be far worse than the minister outlines in his economic assumptions, which are worded in very, very general terms. So they are doing nothing. The minister has forgotten that principle. Here is the economic strategy we are talking about. All of these principles have been broken already. Then in the budget he says:

within the commitment to expenditure restraint, the need nonetheless to provide for major new expenditures in energy, economic development, industrial adjustment and manpower retraining;

Those are all just words. We know there are new expenditures in energy. We will have to wait and see where the rest is coming from and whence it comes if the government is going to keep reducing its deficit. The minister says that in his strategy one of the principles is:

the need, also, to expand our assistance to the developing world;

His next principle is this:

a resolve to sustain social and economic assistance to those people and those communities most in need;

That is completely violated in this budget. Mr. Speaker, this is supposed to be a Liberal government. This is supposed to be a government of the heart. But all they think of is the ordinary person, if we listen to them when they are out on the campaign trail.

Some hon. Members: Hear, hear!

Mr. Crosbie: They are giving us this garbage that oil and gas prices are not going up as much in the next three or four years as they would have gone up under us. I do not care if that is the case. Suppose this year they have only gone up $3.80 instead of $4 a barrel. Do you think that the poor people of this country need assistance less because of the 20-cent difference in the price of a barrel of oil? Supposing over the next four years the government's permitted increases were slightly less than ours, or 20 per cent less, or 30 per cent less. Do you think that the lower-income people of this country do not need assistance in any event to meet these and other costs? Of course they do. This minister has forecast that energy costs next year are going up 27 per cent. The flinty-hearted Celtic demagogue has forgotten to do anything to help his people in Cape Breton in connection with that 27 per cent increase.

● (1540)

Food prices are going up 12 per cent next year, according to his economic assumption document. Let us forget energy. Do the ordinary people of this country not need some assistance? Last year the government voted against the assistance we offered. If our budget was now in place, they would be getting assistance this year and next. Lower income Canadians would be getting $500 million in assistance next year and $1 billion after that to assist them. Under our property tax and mortgage interest credit policy they would be receiving this very year $575 million in assistance to meet their housing costs and next year $1.2 billion. And with all of that we kept the deficit down $3.6 billion.

Some hon. Members: Hear, hear!

Mr. Crosbie: Here is another example of honesty and straightforwardness by this government. We heard the minister of snake oil and energy just half an hour ago answer a question, and instead of answering the question he went on about oil stocks. "Oh," he said, "the oil stocks are holding up very well". I do not have his exact words, but all is well. The chickens in the chicken house do not mind that foxy Lalonde is in there baring his teeth at them. "The prices held up very well in the market today", he said. But here is a note I am handed from the Toronto exchange: "Oil stock index is down 300 points and going down further. The ticker tape is unable to keep up".

Some hon. Members: Shame!

Mr. Crosbie: How long, oh Lord, how long? There is no social and economic assistance to the people who are going to need it under this program, none. So much for that.

Then we see this, the last principle, "a resolve to see the competitive forces in our economy strengthened and the weight of government regulation reduced". They actually have members on the opposite side, the hon. member for Toronto Willowdale or daily willows or something. What is it?

An hon. Member: Pussy willows.

An hon. Member: Willowdale.

Mr. Crosbie: Willowdale. He is chairing a committee on government regulations. Well, it is this very government which brought in the thousands of pages of regulations, and it is this very government, through its energy policy, that is imposing

hundreds of pages of more regulations. And it is this very government that is going to see that the competitive forces in the economy are not strengthened but taken over by the government. So much for competition. The private sector is of no interest or concern to the hon. gentleman opposite. There is not a policy in this document to help the private sector, there is nothing to encourage the Canadian people to invest in equity in their own country, there is nothing to encourage them to buy shares of Canadian companies. There is a suggestion that there is a painless way for us to take over the oil and gas industry and to "Canadianize" it. They are wonderful Canadianizers, the little coterie in Toronto and Windsor or wherever that coterie is. They think it is so easy. There is a painless way to Canadianize the oil and gas industry, they suggest. The minister says it does not even need to appear in his budget. He is going to impose this new tax—I have forgotten what the name of it is. I will have to look it up in one of my many notes. I have so many notes that I have notes coming out of my notes. Canadian ownership. It is not even called a tax. This is a beauty, this one. It is called a Canadian ownership fund.

An hon. Member: Account.

Mr. Crosbie: Canadian ownership account. There is a mysterious Canadian ownership account, and out of thin air it will conjure up billions for Petro-Canada, Sir Galahad PetroCan, to run to the rescue of Canada and take over this huge multinational and take over that huge multinational, and the money will come out of a Canadian—what is called?

An hon. Member: Ownership account.

Mr. Crosbie: Ownership account, a mysterious account up there in the sky.

Mr. Beatty: A Swiss bank account.

Mr. Crosbie: Perhaps it is a Swiss Bank account. That is where the money is coming from, until we look closer and see that this little account is going to be a tax on the Canadian consumers of oil and gas. If Petro-Canada spends $5 billion buying a multinational oil company, then there will be a tax on those who use heating fuels.

The little old lady who calls the fuel company to come and supply some oil for her stove or furnace down in Newfoundland will pay so that Petro-Canada can take over Petrofina or take over this or take over that. That is what is going to happen. And the government hopes the people of Canada will not notice what is causing this increase. Do you know what they are going to say? They are going to say, "The bad old oil and gas companies are gouging you again. They have just put their prices up again, and we are fighting against them, and we are against their putting up their prices". That is what they are going to tell the public, when all the time the prices will be going up because Petro-Canada has gone on a big buying spree to buy up these wicked up old multinationals. That is what the government will attempt to do. The increase per gallon is going to be tremendous.

Mr. Jarvis: Fifteen cents a gallon.

Mr. Crosbie: Every one of those principles of the minister's in his budget has been violated. There they are, the virgin principles violated before we have even had a chance to read them. Rapine ran amuck in the cabinet room before we even got to see those principles, and every one of them is being violated.

I have a suggested note here. There was a statement last year when our budget was brought down: "Short-term pain for long-term gain". Well, there was not much pain in it really, but in an election campaign you do not get a chance to explain a complicated budget. So the short-term pain for the long-term gain did not work out too well, but we have another budget here now and these words have been suggested to me: The Liberal's gain is Canada's pain; short-term gain and long-term pain. That is what this budget is. It might be short-term gain in the short-term for the government politically. It might be what some of the observers have called it, very shrewd and very subtle. The minister has done it again. The Canadian people do not know they have been given the dart. The dart has gone in painlessly. The minister is an expert at the shell game. Which shell is that pea under? The public does not know, but the public will know. The public might not know in the short-term, but in the next two, three or four years the public will know whose dart it was and how painful that dart will become. So the long-term pain will become obvious to the Canadian people before they are finished.

I was going to offer the minister my mukluks to bring down his budget. I thought perhaps he would have the same luck as I did if he wore them. But he should have come into this House without any shoes on at all and wear a sack cloth and ashes even to put this before the House as a budget because it is a budget without any guts. It is a budget without any gumption. It is not a budget at all. It is an energy policy with some other stuff attached to it that does nothing to help the Canadian economy or to help Canadians at all.

I am just going to mention the budget I brought down last December once more because I am interested in this budget and the future.

An hon. Member: Stick around, Allan.

Mr. Crosbie: The minister has been very patient. It is hard to listen to all your faults and errors. I do not blame him for leaving.

Mr. MacEachen: I will be back.

Mr. Crosbie: I just wanted to make this reference. I want all hon. gentlemen to read the next copy of *Canadian Taxation*, a journal of tax policy which will be coming out within the next two weeks. It is a publication of the National Council of Welfare and of Osgoode Hall Law School. The National Council of Welfare is not known to be a firm friend of the PC Party, although as they see us and what we are truly trying to do, they are going to become much friendlier. Osgoode Hall Law School: of course, we all know that. There is an article in the coming issue, a study done by an eminent economist, Volume II, No. 2 of *Canadian Taxation*. I want members of

the NDP to study that article because what does the article conclude after examining my budget and all the budgets of the 1970s? It says this:

The defeated Conservative budget was more progressive than any budget introduced by Liberal governments over the past ten years.

That is for openers.

Ironically, Crosbie's budget was, as will become evident, by far the most progressive of three budgets under consideration—

Those include the budgets of the present Minister of Justice (Mr. Chrétien). It says:

The Crosbie budget was highly redistributive. Whereas the benefit rate for the lowest income group was plus 3.3 per cent, the benefit rate declined steadily to minus 5.0 per cent in the middle income group where it reached a plateau.

● (1550)

In other words, the Crosbie budget was far better for lower income Canadians than it was for middle and higher income Canadians.

Some hon. Members: Hear, hear!

Mr. Crosbie: Listen to this from an earlier study by Mr. Gillespie:

—the empirical evidence demonstrates that the federal government has not improved the net economic position of the poor relative to the highest income families during the 1970s.

A few sentences later it reads:

The evidence suggests, however, that the PC budget brought down in December of 1979 would have been strongly progressive.

In other words, the Liberal budgets in the 1970s were regressive and did nothing to improve the net economic position of the poor, relative to higher income families. Our budget, which was defeated by the NDP and by the gentlemen opposite, was progressive and, in effect, started to redress the bias of the Liberal party in favour of middle and higher income Canadians. The NDP needs to start some instant analysis and to learn what is good and what is bad.

An hon. Member: We do not need a lecture from you.

Mr. Crosbie: You need a lecture, my friend, because you put us out and now you have this budget to contend with.

Some hon. Members: Hear, hear!

Mr. Crosbie: By the way, Mr. Speaker, I am not interested in lecturing the NDP. What is the point of wasting words on the NDP? They will not learn. They will neither see nor learn nor listen. They just go on in the same foolish way, and now they are part of the Liberal caucus. They are the little red rump of the Liberal caucus.

Some hon. Members: Hear, hear!

Mr. Crosbie: This is probably too complicated for the NDP to understand. I do not know whether they would even read the article.

Let me go on with the article. It reads:

The December 1979 budget brought down by John Crosbie was a complete contrast.

To those Liberal budgets.

It was a highly deflationary budget increasing average family taxes by $418. Although the impact would have been greatest on upper income earners, the effects reached back through the middle classes and would have meant a substantial reduction in the disposable incomes of the upwardly mobile urban middle class constituency in southern Ontario . . . . Surprisingly, even without the benefit of the refundable energy tax credit, the poorest class would have gained in absolute terms from the Crosbie budget.

Inspection of Panel B reveals that the Crosbie budget was highly redistributive.

I could go on and on. Further on it reads:

Second, the empirical results suggest that Crosbie's 1979 budget would have had a surprisingly progressive impact on incomes . . . it would have produced an important shift of the tax burden from poor and lower middle-income earners to the middle and highest income earners.

This is the budget that the NDP defeated, they who parade in the House as supporters of the poor and lower middle-income earners. Here was a budget that was going to produce an important shift in the tax burden from the poor and lower income earners to the middle and highest income earners, which they stood up to defeat. Every one of them voted with the Liberal opposition to defeat that budget. That shows how smart and astute they are. So much for the NDP.

Some hon. Members: Hear, hear!

Mr. Crosbie: Let us come to the points on energy in this budget. I will not deal with them in detail because our energy critic and other experts will deal with them later. But let us just look at this issue as it stands today. We did nothing to tax heating oil in Canada. Our tax was an excise tax on gasoline. We tried to induce conservation, particularly with reference to transportation. There was no excise tax on heating oil or natural gas, which is used very heavily in western Canada, British Columbia and western Ontario. There was no attempt to tax heating oil, and the effect on heating oil from the increase in the price of oil which we were allowing would certainly have been met by the energy tax credit.

But in this budget there is tax increase after tax increase on heating oil. There is the petroleum compensation charge, which amounts to 80 cents this year and will be $2.50 a barrel next year. That will be a tax on every product that comes out of a barrel of oil. It includes transportation fuels, diesel oil for the farmers, heating oil, and all petrochemical products, such as fertilizer and so on. That is what that petroleum compensation charge will be. It will be 80 cents a barrel until the end of December this year, or for two months, but in January it will go up to $2.50. It will mean more inflation, but it hits heating oil in particular. It is far more regressive than the excise tax we proposed.

Then we have a new natural gas tax amounting to 30 cents a 1,000 cubic feet, and it will go up in 15 cent increments. It will cost $1,300 million in 1981-82. I do not have the figures at the moment to show how much of that might be from export sales, but by far the largest proportion of that $1,300 million will

come from consumers from Ontario to British Columbia. It is they who will pay that amount, no matter what they use that oil for, heating purposes or whatever. So that is another tax on heating fuels.

We do not know what this Canadian ownership charge will be, but it will be imposed on all oil and gas consumption in Canada, and that includes heating oil and everything else. There is no attempt in the budget to help lower and middle-income people meet these increased costs. I have given you the figures for what the relief would have been under our budget. I mentioned the figure of $500 million from the energy tax credit in 1981-82 and another $1.2 billion for home owners. I referred to relief amounting to $1,745 million which the ordinary people of this country would have had next year were we still in power, not to mention that the Minister of Finance has copied me—and I am glad that he did—in such progressive moves as permitting Canadians to deduct the salaries of their spouses who are in their own incorporated businesses. This year it will cost $75 million, and next year it will cost $160 million. That was a great advance for the PC party and it has nothing to do with the Liberal party. It is just that they followed blindly in April, when they came to office, with the small business development bond.

There is nothing in this budget for small business. The small business development bond was hung up for six months by this government because it could not get the regulations out—it was too busy trying to restrict the bond. The bond was unrestricted in our budget. If a small business borrowed money, it could have interest relief from the small business development bond under our budget. But when it was brought down again in April by the minister, he had it restricted, so now it is only allowed on new capital expenditures and it is hard to get it approved. Even that truncated small business development bond will now be extended for three months only. That is some assistance for small business! It comes from the party which used to pretend it was for small business. They are not for business, small, medium or large, unless they stick their own grubby hands in that business, and then they are for the business.

Some hon. Members: Hear, hear!

Mr. Crosbie: For any energy policy to be a success in Canada, it has to do two things. First, it has to enhance our national security by getting us to a state of oil self-sufficiency as quickly as possible—a day gained is tremendous for Canada, a month gained is terrific; a year gained is even more terrific. But we have lost a year since last December in getting to oil self-sufficiency. Will it enhance our national security, or are Quebec and the Atlantic provinces to be left at the mercy of the Middle East and the trouble that may erupt there at any time? That is one way by which it can be judged. Second, does it preserve the unity of this country? That is an important principle. I could concoct an energy policy of absolute magnificence if this were a unitary state, and I could impose it on Canadians. But when you are concocting an energy policy which has to suit a diverse nation such as Canada, with the various regional interests contained within it, it is not so easy. If you concoct a policy and impose it on the provinces, whether they like it or not, if you take some province and strike at its heart and its life blood, get it up against a wall and put a knife right at its stomach, then you are doing nothing for national unity in this country but endangering it.

Some hon. Members: Hear, hear!

• (1600)

Mr. Crosbie: Where is agriculture in this budget? Where is the Minister of Agriculture (Mr. Whelan)? We saw him flapping his jowls several nights ago. He told us how, when he travelled outside Canada, he came across people in China and around the world who were very worried because Canada did not have its constitution at home. They were afraid that Canada's constitution was endangered over in Westminster, that they were not looking after it properly. He led us to believe that people around the world were gnawing their fingernails to the bone because of this constitutional situation. Where was he when the Minister of Finance concocted this budget?

An hon. Member: In China.

Mr. Crosbie: I want to be corrected by our agricultural experts if I make a mistake. I am not afraid to admit mistakes, I was once a Liberal.

Some hon. Members: Hear, hear!

Mr. Crosbie: I do not know of any assistance to the agricultural industry. Last year when our budget came down, hon. gentlemen opposite made more noise than a whole barnyard of roosters with only one hen there, because we were not doing enough for agriculture. Well, we gave agriculture a break, with reference to our excise tax. They were to pay a much lower price in agriculture than in other spheres of activity.

An hon. Member: Capital gains.

Mr. Crosbie: Capital gains for farmers. We gave farmers relief in connection with capital gains. Where is it now? We were attacked by members opposite who said we were not doing enough for farmers in connection with capital gains. What is in the budget about capital gains? The Minister of Finance tells us he has had a study done about capital gains and, lo and behold, everything is well with capital gains; nothing should be done to interfere with the capital gains tax, it is a wonderful tax, we are getting wonderful revenues, shaft the farmers as far as capital gains tax or anything else is concerned; we are in power for four years and when four years is over, we will send the Minister of Agriculture around to flapdoodle at the farmers and try to talk them into supporting us again. In this budget he has done nothing to help farmers meet their energy costs, or their other increasing costs.

We saw the Minister of Energy, Mines and Resources, Robespierre, the hon. Robespierre, get up. It is too bad he did not have his head under his arm; it was still on top of his

shoulders. Do you know, that minister has adopted our 85 per cent ceiling. We were only going to allow oil price increases, if they ever got that high, to go within 85 per cent of the world or the U.S. level, whichever was the lower. Lo and behold, in these energy documents the Minister of Energy, Mines and Resources will be Horatio at the bridge. He will only allow them to go to 85 per cent of the U.S. or world level. I am sure 85 per cent in my terms is the same as 85 per cent in the terms used by the other side. Or am I wrong? Will there be an advertising campaign to show us that 85 per cent is not 85 per cent, that $40 billion is not $40 billion or that an export tax is not an export tax? The plucked goose is flying along.

It is a funny thing, but during the negotiations with Alberta, the government of Alberta offered an arrangement under which they said that they would be prepared to go to increases which would be only 75 per cent of the world level or the U.S. level, whichever was the lower. That was 10 per cent lower than the Minister of Energy, Mines and Resources. What happened to the 75 per cent? When we are giving Alberta the boots, why did we not give Alberta the 75 per cent to boot? Is it because hon. gentlemen opposite just wanted to paint Alberta as being a villian, a tyrant, a selfish, grasping province that is trying to wreck the rest of the country? Is that the picture they were trying to paint? Why do they not paint a clear picture? Why did they not adopt the 75 per cent suggestion of the province of Alberta? We do not hear 75 per cent even mentioned.

Page 10 of the budget contains some energy policies. I want to say a good thing about the budget. It has some good energy policies. For example, the budget indicates—I have to read this because the people of Newfoundland will not believe me. My people down there will not believe me unless I read it. They are watching it there now on cable television. The budget indicates:

> The Atlantic provinces are more heavily dependent on oil than any other region of the country. For this reason, a fund will be established to support the conversion of oil-fired electrical plants to coal.

Have you heard that before? Yes. When? In the December budget. It was part of the PC energy program. Here it crops up again. It continues:

> Financial assistance will continue to be given for interprovincial electrical connections and federal equity will be provided in support of hydro development on the lower Churchill River in Labrador.

That is another plank from the PC energy policy of December, but it is a plank that will never be crossed if the Prime Minister (Mr. Trudeau) will not act to use his powers under section 92(10) of the BNA Act so that Newfoundland can transport hydroelectric power across the province of Quebec to customers in Ontario, the maritimes and New York. All he has to do is use section 92(10)(a) or (c) to declare that it will work for the general advantage of Canada. Ever since 1965 Newfoundland has asked him to do that, including his friend, the former Premier Smallwood who is down in Newfoundland today boosting his constitutional proposals and opposing Premier Peckford. He is squawking again after being so many years out of politics. Mr. Smallwood tried from 1965 to his demise politically in 1971 to get the government to use its power to give Newfoundland a break so that one of our great natural resources could be utilized and not all of the economic rent would be taken by the province of Quebec. Ever since 1971 the Moore and Peckford PC administrations—for nine long years—have been asking the government to make that decision, and we still see this kind of wording in the budget, that they will give equity. Well, they can give all the equity they like, but the project is going nowhere if they will not use the constitutional powers, as they should, to treat Newfoundland in a similar manner as the other provinces have been treated with regard to transmission facilities for oil and gas.

Some hon. Members: Hear, hear!

Mr. Crosbie: Then it goes on to say:

> New funds will also be available to find ways in which the large reserves of Cape Breton coal can be used to enhance energy security in the maritimes.

That is another PC policy. There will be an industrial conservation program and a housing retrofit program taken directly from our energy proposals. What is needed in this country is a retrofit job done on the Minister of Energy, Mines and Resources. That is what we need, a new retrofit program.

There are some good things in the budget, but they are taken from the budget of December, 1979. There is nothing new in it.

I have mentioned farmers, and it would be unfair not to mention fishermen. What is in this budget for the fishermen of Canada? There is nothing but increased prices of oil and increased prices of heating fuel. That is all that is in this budget for the fishermen. They will not get any energy tax credit to help them. To the fishermen in my district who supported me in this last election despite the talk of the 18 cents, the fishermen who supported me in ever-increasing numbers because they thought we were trying to do a job for Canada, I say, "You are being let down, gentlemen, not by us, but by the government which promised you that you were not going to face any increases in oil and gas prices."

That is the position, and they will not have anything to help them. In Newfoundland 80 per cent of the population live in their own homes. There will be no help for them. There will be no property tax credit or mortgage interest credit. There will be no energy tax credit for them, but there will be ever-increasing costs of energy for them and ever-increasing costs of food. When I speak to my electorate next, I will ask them to send back seven solid PC citizens to this House in the next election.

Some hon. Members: Hear, hear!

Mr. Crosbie: What about Canadian ownership? It is just as simple as this: the government of this country controls the oil and gas industry—this government plus provincial governments. In effect this government, this Parliament, has the overriding powers. We do not need to buy the oil and gas industry to control it. If we are to spend dozens of billions of dollars buying out multinational companies because it sounds

better to say we are buying out foreign-owned companies, then that means billions and billions of dollars that we will not have available to spend in frontier exploration, that we will not have available to spend in the Beaufort Sea, that we will not have available to spend on offshore Labrador projects.

● (1610)

It is as simple as that. The energy needs of this country are gigantic. I forget the exact figure, but it is in the trillions of dollars which must be spent in the next ten years. Can we afford to try to do that and then borrow tens of billions of dollars to buy companies we do not need? I say, encourage them to open up their share of ownership to Canadians. I am not against giving incentives so that Canadians may have a chance to buy into these companies. We should give Canadians encouragement in this area. We tried to encourage Canadians to invest in the equity of Canadian companies. But this business of allowing Petro-Canada to go on a buying rampage because of some supposed national policy will not bring us one iota closer to oil self-sufficiency in this country. Indeed, it will do the opposite and create strife and disruption; it will slow down exploration development. It is the wrong thing to do and it is being done in the wrong way.

Before leaving the subject of energy, which will be dealt with in a statesmanlike fashion by others, I would like to read some quotations. I cannot resist, because they show the cynicism of the government. I have here a quotation by the Minister of Industry, Trade and Commerce from a statement he made on December 12, 1979, as the finance critic for his party:

> increases in the wellhead price of oil are the equivalent of a new tax.

He was referring to our price increases of $4 per barrel per year and $4.50 per barrel on oil. What do we see in this budget? We see an increase next year of $4.50 including the $2.50 government tax and the figure rising until we get to $7.50 for oil at the wellhead. That is the equivalent of a new tax. The hon. member was so shocked that his remark was punctuated with an exclamation mark. He exclaimed: "Yes, a new tax!" He was so shocked at the realization. He went on to say:

> It takes money out of their pockets just as much as would have been the case had a new tax been announced in this budget last night.

That is the same as what the Minister of Finance is doing, but the Minister of Industry, Trade and Commerce is not here to talk about new taxes today. The Minister of Energy, Mines and Resources had this to say on October 24, 1979, as reported at page 551 of *Hansard*; this is what the hon. Pinocchio had to say—that a $4 increase could cause:

> the price of home heating oil to reach unconscionable levels.

"Unconscionable levels" is what he said. What is the minister's increase for oil next year? Is it $4.50 a barrel? What is his increase for this year? It is $3.80 a barrel. Is $3.80 any worse in permitting the price to reach unconscionable levels and, if it is, what about $4.50? If $4 per barrel causes the price of home heating oil to reach unconscionable levels, then what does $4.50 do? Where is the minister's assistance to the poor and lower-income people of this country to meet this unconscionable level in the price of home heating oil? The minister of energy made that remark on October 24, just one year ago. Now let him live up to it. Let him live up to the statements he made at that time. The minister said, as recorded at page 439 of *Hansard* on October 22:

> A $4 a barrel increase in the price of oil would mean the average Canadian consumer would be taxed an additional $180 for gas and homeheating oil next year.

The minister complained about $180, so he knows exactly what he is doing with the $4 increase and the $4.50 increase. What he then went on to say tops it all. You will believe, Mr. Speaker, that I am a teller of tall tales, but I am not. That is my problem, I am not sly or crafty.

Mr. Siddon: You're honest.

Mr. Crosbie: They say I am too honest. I do not agree with that. The minister then called a $4 a barrel increase, "unbelievable". What was "unbelievable" last year in opposition, this year becomes extremely believable. He does not even want to help the people of Canada meet these additional costs, these unbelievable additional costs. The price of $4.50 is now believable to the minister and the price of $7 and something is believable when it comes in four years, five years or six years' time. It is arrant, rank hypocrisy, and we will continue to remind the people of Canada about it.

The Minister of Industry, Trade and Commerce said last December 12, as reported at page 2295 of *Hansard:*

> The government says it is imposing these higher wellhead prices to encourage energy conservation. However, for millions of Canadians this is something they will react to with nothing more than bitter laughter. The Canadian climate means they will have to use a certain amount of fuel oil to heat their homes adequately no matter what.

Has the Canadian climate changed in the last 12 months? Will the Canadian people not have to use fuel oil to heat their homes adequately or otherwise? What has happened to this hero who struck out so bravely for the Canadian people in this House last year on December 12? Where has he gone? Where was he when this matter was discussed in cabinet? What is he doing about the heating oil costs? What is he doing about the Canadian climate?

Mr. McDermid: Try to do something useful for a change.

Mr. Crosbie: He said:

> However, for millions of Canadians, this is something they will react to with nothing more than bitter laughter.

There are millions of Pagliaccis out there today who will be laughing bitterly as the months and years go by and they see what this government has done to them, despite the statements they made last year and how they bluffed the Canadian people. It is no wonder that their finance critic is not the Minister of Finance. At page 2296 of *Hansard* the hon. member said:

> The only result of these . . . higher prices of gasoline or fuel oil will lower the standard of living of Canadians. They will have to cut back on what they are now spending for food, clothing and shelter for themselves and their families in order to heat their homes adequately.

Where is the energy tax credit to prevent that from occurring, if it was to happen? If it was to happen last year it will happen this year. The standard of living of Canadians has been lowered and the government is doing nothing to help. We did something to help. But here is the final lugubrious statement of the Minister of Industry, Trade and Commerce when he was finance critic as reported in *Hansard* at page 2292:

> Essentially this budget hits the little guy in this country.

The hon. member was discussing my budget and let us not get mixed up. He went on to say:

> If the little guy decides to have a smoke or a drink to find some solace from the impact of this Conservative budget, he will still be reminded of its unfair impact.

And what did the Minister of Finance do on April 21? He increased the taxes on cigarettes and liquor despite what the finance critic had to say, and people cannot find any solace today from the impact of his budget because of those increases. Today the Minister of Finance relents a little in favour of the fortified wines, but I can tell him that I beat him to it. I promised the people of the Niagara Peninsula, months ago, that I would look after their fortified wines. I am glad the minister has carried out my promise.

I do not want to take too long, but what can we do? I will leave the rest of this material for other hon. members. The $40 billion bump will not work. In four years' time Canadians will look back and they will see what actually happened and what would have happened under the Clark-Crosbie program for the future. They will erect statues throughout Canada to Clark and Crosbie.

Mr. Clark: Hear, hear!

Mr. Crosbie: I hope at least one statue anyway.

Mr. Clark: Cheek to cheek.

Mr. Crosbie: The people will find out that the increases under the minister's regime are considerably higher than our proposed increases. I do not want to touch on this subject too much, but the budget deficit is a matter of no account to the NDP because they do not care about deficits. They have never had anything but deficits in their lives and they do not care if the country is deficit-ridden. The deficit matters because the ever-increasing deficit makes it pretty well impossible to overcome inflation.

If hon. members do not believe me, then I suggest they ask governor Bouey. My authority is governor Bouey and hundreds of other economists. The Minister of Finance is now heart-to-heart, step-to-step and toe-to-toe—and I will not say anything else that he is—with the governor of the Bank of Canada. If he listens to the governor, he will understand why his burgeoning deficit is inflationary. The deficit has gone up to over $14 billion. It is up $3.6 billion from what it would have been under our government. Perhaps our deficit might have gone up—I will concede that—by a few hundred million dollars because the economic turndown is more extensive than we had prophesied. So our deficit might have been up a little bit. It could have been that my confrère at the desk here could not have held down expenditures because we would have lost some revenues. It might have been up, but it would not have been up by $3.6 billion.

• (1620)

What difference does it make? The money has to be borrowed. The government gets some of it from government civil servants who pay into pensions. The government uses that money—borrows it. If I were a government civil servant I would be concerned about the money I am paying into these pension funds because the value of money is steadily declining. Anyway, the government gets its hands on this. In addition to the couple of billion dollars it will be able to use this year from those sources, the government has to go to our financial markets to borrow money—in excess of $12 billion this year, and a huge figure next year and the year after. This means they are going out to compete with the private sector and everyone else who wants to borrow.

Unless the governor of the Bank of Canada increases the money supply, interest rates will go up, because the demand is going to be greater than the supply. Interest rates will have a tendency to go up unless the governor of the Bank of Canada prints more money. The governor of the Bank of Canada says it is wrong to print more money. He says we have to keep the increase in the money supply down to correspond better with the increase in what we produced. But we are not producing more, Mr. Speaker; instead, we have a one per cent decline in GNP this year.

In any event, the governor of the Bank of Canada is going to have to say, "No, I cannot increase the money supply just because you will not listen to me. Just because you will not help me with your fiscal policies to fight inflation, I am not going to increase the money supply. There is no real value in my increasing the money supply." He is going to say, "We did that years earlier, in the first half of the 1970s, and we have changed our policy. We are not going to do it again." That is what he will say and I hope he will stick to it.

This means that interest rates will have to go up, Mr. Speaker, because the government is out there borrowing and taking the room of the private sector. That is why the deficit is inflationary. Why is it inflationary? It is inflationary because it discourages the private sector from investing and building and expanding. Why should they do these things when they have a government that is intervening in all their actions, a government that does not care about whether they make any kind of profit or not, a government that is going to sic FIRA on them and extend this great bureaucracy of FIRA so that it can come into their business if they are foreign-owned or have any element of that at all and peer over their shoulders and tell them what to do. That is why we have to be concerned about the deficit.

Why else do we have to be concerned about the deficit, Mr. Speaker? Because this year $10,250 million is to be spent on interest payments. I am now addressing the taxpayers of Canada, from St. John's, Newfoundland, to Victoria, British

Columbia. The trouble with Canada is that part in between! I am addressing these taxpayers, Mr. Speaker, and telling them that one out of every four of their tax dollars is earmarked to pay interest on the government's debt this year. That is a stupendous figure. Next year, interest costs will amount to $12,265 million; in excess of 16 per cent of all government expenditures this year and next year are going to pay interest on the debt. That is the present estimate. It is a huge amount of money.

Do taxpayers wonder why they cannot have new services from the government? Do they wonder why they cannot have better transportation in Newfoundland? Do the fishermen wonder about small crafts and harbours and why they cannot get their harbours and wharves looked after? It is because the Minister of Finance has this huge bill for interest on past debts and it is going to get larger next year. The estimates show that it will go up by a couple of billion dollars every year.

The only way to get that under control, Mr. Speaker, is to reduce the amount being borrowed. It should be remembered, too, that over the last eight years, from 1972 to 1980, this government reduced taxation on every occasion before an election. The amount of those tax reductions this year totals altogether $9 billion—there is another $7.5 billion due to indexing, but this has nothing to do with indexing. I am dealing with tax cuts. There is $9 billion in tax cuts. For example, in November, 1978, the Minister of Justice then the minister of finance, brought in his budget and reduced the sales tax from 12 per cent to 9 per cent which will cost $1,100 million this year.

If the government says it needs more revenue—and the government is not finished yet, because the minister is going to have to get more revenue before he is through—taxpayers should remember that the government fooled them in the last eight years by pretending that they did not need revenue. Going into elections, they pretended that they did not need the $9 billion from the taxpayers of Canada. Now they are safely back in office and ensconced on their voyage for another four years, they are going to start getting that revenue back. We can be sure of that. There will be a bigger revenue grab than has been announced in this budget before the next four years are over. This is why, Mr. Speaker. The deficits for the last eight years total $49,679 million and if we add to that this year's deficit of $14,150 million, there is a total for the eight years, including this one, of $63,829 million in deficits.

I know the government does not worry about deficits because they are not expecting to be here when the final bills come in for payment. I can tell you, however, Mr. Speaker, that this is a grim record. If we look at what the situation was before we got into this mess, when the Prime Minister first wended his weary way off the diving boards into office, we will see what happened. I think I have some of the figures here. At that time, in 1968-69 I believe, the bill for interest was about $1 billion. Now it is the figure that I have already given.

I have so many notes, Mr. Speaker, that I do not know whether I can find a particular note right away or not. But I have great faith that I will, if you will just put up with me. Here is another little note that I found while looking for the first note. Canada is $75 billion in debt to the rest of the world. This is the government that is telling off the rest of the world—telling them "get off the globe". What is that song about the world—"Stop the world, we want to get off!" This government is saying to foreign investors, "You come to Canada, gentlemen, and we are going to have our hands not only in your pockets but somewhere else even worse." That is what they are saying to foreign investors. They are very independent. They have this ersatz Canadian nationalism policy that they want to pretend will not cost anybody anything. But they owe the rest of the world $75 billion. That is what Canada owes the rest of the world and this year the amount is going up. The current account deficit for this year is estimated by the Minister of Finance at $6.2 billion, for last year it was $5.8 billion and the forecast for 1981 is $5.5 billion. So much for the services of these gentlemen! When the people who are owed that money decide to take a stand—look out. They will not be long in changing the minds of this government.

I knew I would find my note, Mr. Speaker. Here it is. There have been two budgets that showed a surplus since the Hon. Douglas Abbott was minister of finance in the early 1950s. There have been two budgets with a surplus out of the last 31 budgets. Mr. Douglas Abbott was minister of finance at the time of the last surplus. From Sir John A. Macdonald to Lester B. Pearson, from confederation to centennial year, the combined budgetary deficits of the federal government totalled $17 billion. With the present budget, the net debt of the government will be over $81 billion by next March. All of that increase is a gift to us from the Prime Minister. He is bequeathing us the difference between $17 billion and $81 billion. The gross debt of the federal government in 1967 was $30 billion; by next March it will be about $122 billion. This is the great legacy of the Trudeau years. In addition to the strain he is putting on the whole confederation now in attempting to mould it in his own fanatical way, this is another part of what he is bequeathing to Canada.

When he ascended his throne in 1968 interest charges on the national debt were $1.2 billion; we know what they are this year and next year the figure will be in excess of $12 billion.

I could give other startling and alarming figures, Mr. Speaker, but I do not want to startle and alarm the hon. gentlemen opposite too much. They might wake from their lethargy.

On page 35 of the budget document a lot of other deficits and borrowings are shown that are not included in the government's deficit. Under the heading "Loans, Investments and Advances" there appears the following statement:

In 1980-81 direct market borrowings by agent Crown corporations are expected to increase by a further $1.6 billion, resulting from borrowings by Export Development Corporation— $802 million; Eldorado Nuclear— $80 million, and the Federal Business Development Bank— $755 million, partially offset by repayments of $40 million by Petro-Canada.

That is a fine gesture. Petro-Canada's part is to repay $40 million while oil and gas consumers are asked to pay billions. There it is, Mr. Speaker—another $1.6 billion that the agent Crown corporations are borrowing in 1980-81. This can be added to the government debt because every dollar of the debt of those agent Crown corporations is a debt of the Government of Canada, if any one of them goes belly up.

● (1630)

I just heard a grunt over there in the NDP ranks. They do not agree. They do not agree with anything in the NDP. It is $1.6 billion. They do not like to hear any talk of debts. The hon. member from Winnipeg Birds Nest is getting all stirred up. So there is another $1.6 billion.

Let us pass on from the deficit because it annoys members of the NDP, the little red rump of the Liberal party. I am almost missing points, and they are important points.

I refer now to page 13. Here is what the Minister of Finance speaking for the government promised to do about expenditures. Just listen to this. Hear ye, hear ye! All ten provincial governments please pay attention to this:

A large element of our expenditures especially in the social affairs envelope consists of transfers to the provincial governments. I have already indicated to my provincial colleagues that we will be examining these programs closely as they come up for renewal, and we expect to achieve significant savings here.

Where does this government say it is going to get significant savings from the programs it induced the provinces to enter into in the social service field? It is presumably in Medicare, the Canada welfare plan, hospital insurance and Canada assistance. They are going to put the squeeze on the ten provinces to achieve it. There is no expenditure reduction in these estimates. There is a tremendous burgeoning of expenditures. Where are they going to get some of that money? They are going to squeeze it out of the ten provinces. These ten provinces are supposed to be supermen. We are led to believe that these ten have ganged up on the Prime Minister. As I said the other day, "little granny Trudeau with these ten big brutes, get him in a room and assault him". That is the picture we are given. It is the wrong picture. It is superman Trudeau and the ten midgets. That is the real picture, because the ten provinces have no powers compared to the power of the central government. It is the biggest canard of the century that the federal government is weak or that the federal government does not have power. It has overwhelming power and the government is going to use those overwhelming powers now to squeeze those ten provincial governments. The budget document reads: "We expect to achieve significant savings here". That means the provinces, including the poorest provinces such as my own province of Newfoundland, and the province of Prince Edward Island. All the provinces are going to have to pick up where this government reduces its spending. That is what this government is going to do. It will reduce its spending, even if it does so on the backs of the ten provincial governments. That is this government's great principle of equalization and the great principle of the Prime Minister and how he is going to help strengthen the regions of this country. The man is destroying the regions of this country. He is destroying the country with it.

So this is what the minister promises. This is where he is going to achieve his expenditure reductions. This is the government that inveigled them into it and dangled the bait which they could not refuse politically. It gets them in, keeps them there for years and then gives it to them with significant expenditure reductions for the federal government.

Look at this sick joke on page 13:

I would like to announce at this time a special allocation of $350 million over four years—

Over four years!

—to promote industrial restructuring and manpower retraining and mobility in areas of particular need.

The total amount has been divided equally between economic development and social affairs envelopes. This sum of $350 million over four years—is that $85 million a year? Is it $85 million out of $60 billion this year? Is it $85 million out of $66 billion next year? There is going to be an additional $85 million for manpower, industrial restructuring and manpower retraining. That is called a program? That is not a program. That is not even an excuse for a program. In our budget we had $250 million for youth. This was an employment tax credit for youth alone which was a $150 million increase over what the previous government had. This is supposed to be a great program. It should not have even been in the budget as a footnote. It is an insult to even have that.

There is one other thing I need to refer to under this section. I ask hon. members not to get your hopes up. When I run out of new material, I will sit down, but there is a lot of material here. At page 33 having to do with equalization and fiscal transfers, it reads:

The equalization figures for 1980-81 and 1981-82 assume the passage of Bill C-24 now before Parliament.

The government is assuming that the bill will pass. It is the bill which takes Ontario out of the equalization formula. It will remove hundreds of millions of dollars of revenue which Ontario could have had if the changes had not been made. It is the bill that embodies the PUITTA changes. This assumes that it will pass the House, and the government has therefore reduced its expenditures by that amount.

By the way, anyone who believes that equalization is entrenched in the constitution had better take another look at the document before they continue to think that.

I mentioned unemployment insurance last night. There is an increase there. Let us look at my budget from last year. I want to share it with you. Let us have just one more brief mention of last year's budget with a certain fondness and tender regard. Let us look at page 18 of my budget and at page 17 of the government's budget for this year. What did we do in our budget last year? We explained employment programs and unemployment insurance. At page 18 of the 1979 budget, it reads:

The weekly employee rate of unemployment insurance contributions for 1980 will be increased from $1.35 per $100 of insurable earnings to $1.60. The employer rate will be increased from $1.89 to $2.24.

The howl from the hon. gentlemen then in the opposition was deafening. They said that this was unconscionable. They said it was another unconscionable thing that we should attempt to raise the contributions from employers and employees to help meet the heavy costs of unemployment.

What is in the budget for this year? At page 17, the Minister of Finance said this:

I am announcing on behalf of my colleague, the Minister of Employment and Immigration, that effective January 1, 1981, the weekly rate of unemployment insurance contributions will be raised to $1.80 per $100 of insurable earnings. The employer rate of contribution will be increased to $2.52.

That is 20 cents more than we proposed. The employer rate of contribution will be increased to $2.52. We suggested $2.24. That is 28 cents more. These are very significant increases in both categories in excess of $1 billion this year. That will be taken from employers and employees by the government which last year decried the practice and wept crocodile tears on the floor of this House. There are a few similarities in these two budgets, except that the minister's budget was far more unconscionable than mine when it came to raising revenue.

Other speakers on our side will be dealing with questions such as of research and development and how that has been ignored, as far as we can tell, and how the economic development envelope has been increased. We are told the economic development envelope is supposed to include a western development fund of $4 billion. I assume it will have to be increased if it is going to include that. It is very hard to see what will be increased in the economic development envelope if there is to be an additional $4 billion for the west.

Let me suggest something to hon. gentlemen opposite. Instead of creating this $4 billion fund for the west, so-called, why do you not let the west look after their own development by treating them fairly and squarely with respect to oil and gas? The federal government has certain responsibilities in the west just as it has in the east and in the centre. It has the responsibility for giving them a decent transportation system, a decent system of ports and a decent system of shipping grain, all these things that we have a right to expect everywhere in Canada. There is no need for a special suggestion that there is going to be a $4 billion fund. This is conscience money.

● (1640)

They are thrashing the west. They are bearing down on the west. They are taking control over the oil and gas industry. They are taking away many of their ownership rights. Then they say: gentlemen, we are going to give you a $4 billion fund for western development which we are going to spend on your behalf. It just so happens that westerners would like to have their own $4 billion to spend in accordance with their own priorities. Let the federal government spend its own money, got legitimately in its proper, legitimate areas of policy across Canada in its own jurisdiction. Do not think westerners will thank you for that $4 billion development fund for the west, not at all.

Some hon. Members: Hear, hear!

Mr. Crosbie: The government should be leaving $4 billion with the west in its oil and gas regime and energy package. That is something it should be doing for the west, letting them develop themselves, not taking billions and billions from them and then giving them back a little. That is the same situation they want for Newfoundland.

Imagine the Minister of Justice threatening the premier of Newfoundland in this House last week. What is this country coming to when the big $60 billion Government of Canada says that a premier of this country cannot speak his mind on constitutional issues or he is going to suffer, the Government of Canada is not going to give him any assistance if he does not do what he is told—he will get nothing on the Lower Churchill if he does not watch what he says?

Why is it that hon. gentlemen opposite will not recognize the coastal provinces as being the owners of offshore minerals? Why? Because it wants us down there like trained seals, waiting for them to hand us our gifts just like they are now asking the west to put their paws out for $4 billion for a western development fund.

Some hon. Members: Hear, hear!

Mr. Crosbie: We are not coming to Ottawa cap in hand to this government or anyone else in Ottawa, those of us from Newfoundland or in any of the maritime provinces. We are going to speak our minds. We are full citizens of Canada. We have been here 31 years and we are going to have our say with no threats or bullying by the Prime Minister (Mr. Trudeau), the Minister of Finance (Mr. MacEachen) and the Minister of Justice (Mr. Chretien). They are not going to deter our government, you can depend on that.

Some hon. Members: Hear, hear!

Mr. Crosbie: Page 15 is where the minister is so satisfied with the capital gains tax. He is going to release a discussion paper.

It shows that Canada's system of taxing gains is favourable to taxpayers.

How come? Are they not paying any taxes at all? Is the minister going to index the capital gains tax? In all justice, if he is indexing the personal income tax as he should, there is a strong case for the capital gains tax to be indexed. Otherwise he is taxing the families of the poor farmer who dies. He is taxing them on all the inflationary elements of their so-called capital gains tax. The minister does not care about the inflation impact on capital gains. He says it is very favourable to the taxpayer. He said, and I quote:

As well, the taxes on inheritances and wealth in Canada are the lowest among 21 OECD countries surveyed. The paper notes that, while the system has imperfections, the taxation of capital gains is an important source of government revenue, has important tax structure implications and is essential for the equity and fairness of the system.

I wonder what the farmers are going to think of his position on capital gains and what the business sector is going to think. Much of their profit these days is not profit at all. It is because

of the effect inflation has on the revenues and their balance sheets, and they are taxed on that. I hope the minister will take a deeper look at the question of capital gains tax and business taxation generally.

I went into housing assistance last night. I will not go into it again. Because I want to have this mentioned in the main body of my address, let me just point out there is nothing for the home owner, nothing for the tenant, no shelter allowance, no mortgage interest and property tax relief. There is not one iota of help for people now buying homes who are paying rates of 15½ and 16 per cent. There is not one element of help for them.

Apparently these people do not deserve help anymore. Why not? Because the Liberal party is in government. They deserved help when the Liberal party was out of government, but they do not deserve it today when the Liberal party is in government.

Some hon. Members: Hear, hear!

Mr. Crosbie: It is only the MURB. This year the MURB is going to cost the government $15 million. The MURB will be some help in having a few more multiple unit residential dwellings built, but essentially it is a tax relief. It is a tax device which assists those with higher incomes while incidentally helping to build a few more housing units.

Why did I stop it last year? I stopped it because of advice from the Department of Finance. What was the advice? That MURBs are no longer needed. The advice was that the provinces are responsible for housing, property and civil rights and many of the provinces have policies that interfere with and do not give incentive to the building of housing units. Some of them have strict rent controls. They are discouraging investment in housing, apartments and the like. All this MURB business is doing is trying to offset things which the provinces are doing that they should not be doing to give disincentives for housing.

If the Department of Finance gave me that advice ten months ago, how can they now be giving different advice to this minister? The answer is, they cannot be. What is the answer? The answer is this. The minister said to his department, "Gentlemen, there is nothing in this budget for housing. There is no assistance for housing. I have to have something, no matter how tattered. I need to have something to put in for housing so that I can pretend I am concerned about the housing situation in Canada."

We have had the lowest number of housing starts year after year for the last four or five years. I believe this is the worst year ever. Is that correct?

An hon. Member: Right.

Mr. Crosbie: Thank you. Therefore, the minister came up with a MURB. Resurrect the MURB. If anything needed to be resurrected, that was not one of the most important. The MURB might help this year. It might attract certain wealthy Canadians to put some money into building apartment units and condominiums in certain areas of the country. For example, it will be very useful in British Columbia. There is a strong demand there for the MURB.

It is not even a flea bite in dealing with the housing problem, with the people who occupy houses or who are tenants in this country today. Where we were going to give the home owners this year $575 million in assistance, what are they offering the home industry? They are offering a $15 million deduction in revenue for MURB. Where we were going to give $1.2 billion next year to help the home owners of this country, they are going to give $15 million in MURBs. Enough said. I won't go into that.

I will give just one quotation because I am sick of showing what was said by members opposite when they were in opposition as compared to what they are doing now. One more little plank in the coffin. The Minister of Employment and Immigration (Mr. Axworthy) in the House of Commons on November 19, 1979, said:

> The government could have started where the real problem lies and could have provided something for rental assistance.

Did the Minister of Employment and Immigration, once he was in power, go to the Minister of Finance and say that the real problem is there and something should be provided for rental assistance? He spent all his time in the couple of brief months in opposition saying that to us, that what was needed was assistance for the renters in Canada. Now this minister has not done anything.

There are a lot of other areas I could cover. I suppose we do want the members of the New Democratic Party to get on today so that they can move their subamendment. They are so good at subamendments. Their last subamendment—what an excuse for an opposition party that was over begging the government for favours.

● (1650)

The Leader of the New Democratic Party (Mr. Broadbent), just like a trained seal, went over begging for a scrap from the Prime Minister. He says: "Give me a scrap. Give me a scrap to help me in my problem. I have dissidents in my caucus. My caucus is all westerners except for a little, tiny pink rump here in Ontario. The Ontario rump is three people and the western rump is a big, healthy, steak-like rump. I have a dispute in my caucus and the western people in my caucus are very, very agitated about what you are doing in the energy field. They do not like this constitutional package and I have got to try to get them quietened down because I am from Ontario, from a district in Ontario. I am seriously worried that my position is going to be in jeopardy in the next election. Please help me, Prime Minister. What can you do to help?" That was the Leader of the NDP in his conspirators' meeting with the Prime Minister a week or ten days ago. And the Prime Minister said: "Don't worry about this, Ed. I offered to take you in with me after the election, you refused me, nevertheless, I, in my wisdom, am going to help you, Ed. I am going to give the right of indirect taxation to Saskatchewan and I am going to pretend that I am going to help you in the resource area, when

really I am only endangering the whole resource structure for the ten provinces across Canada." So, Mr. Broadbent threw in the hat. When he threw in the hat he threw in Mr. Nystrom with it. He went with the hat.

Some hon. Members: Hear, hear!

Mr. Crosbie: It is not a ten-gallon hat now, it is a ten-pint hat because Mr. Nystrom is not going to be in that hat and he has already lost another member from the hat. So that was a mad hatter's tea party that the Leader of the NDP had with the Prime Minister. Now his credentials are gone. Now that his credentials are gone they should all go over there and join them. The Social Credit party used to be over there. That is about right where the NDP fits, over where the Social Credit were.

Some hon. Members: Hear, hear!

Mr. Crosbie: Their last subamendment destroyed a budget that was going to help Canada in the short term and the long term. It was going to help the medium and lower-income people of Canada. I demonstrated that earlier today. They are so blind in their NDP fanaticism that they destroyed a budget which would have helped the people they say they represent. Now they do not represent them one iota more than I do and they have not got any more of a heart than I have got. But I do not go around every day beating my gums about the great heart I have got. I do not wear it on my sleeve like the NDP.

Why do we in this party want to help the Canadian economy? Why is it we seem to have a fixation with the economy and producing more and more? Why? Because that is the only way we can give the people of Canada who need more, more. You cannot give them more if the pie is shrinking and not expanding. That is why we are concerned with the economy. So if we do not wear our hearts on our sleeve like the NDP it is not because we are not thinking of the little people of this country. The little people of this country are not going to have a thing if the economy of this country goes on for the next four or five years as it has gone on over the last four or five. There will be nothing for those people and we will be in a mad fight because the pie does not grow, it is diminishing. The groups who are suffering will be fighting one another for a piece of the pie and the people who are going to get the pie are the organized sections of society; the senior citizens are not going to get it. The defenceless and the unorganized are not going to get a piece of the pie. That is why we are concerned about the economy. That is why we wanted to take a long-term look, because if we do not take a long-term look there is going to be nothing for anyone. That is why we are concerned.

Some hon. Members: Hear, hear!

Mr. Crosbie: That is why I am hoping, with the moving of this motion, that we are going to destroy this government next Tuesday. Do not laugh, there may be 30 or 40 statesmen on the other side—there might be. After all, I was a statesman myself once and a member of the Liberal party and I left it. There may be 20 or 30 over there who will take the step to save Canada next Tuesday by voting for this motion. That is why I have couched it in extremely diplomatic terms, with the assistance of our House leader. So, Mr. Speaker, I move, seconded by the hon. member for Nepean-Carleton (Mr. Baker):

That all the words after "that" be struck out and the following substituted therefor:

"This House condemns the government for the regressive nature of its budget and rejects the budget because it fails to assist monetary policy to combat inflation, fails to meet the campaign commitments of the Prime Minister, fails to control government spending, fails to reduce unemployment, fails to help low or middle-income Canadians meet increasing living costs, fails to advance effective policies to achieve oil self-sufficiency and fails to maintain national unity".

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, after that exercise in primal therapy I thought I would concentrate on this year's budget.

Some hon. Members: Hear, hear!

Mr. Rae: It is a Liberal budget. I think it was Woody Guthrie who said that some rob you with a six-gun and some with a fountain pen. If the Canadian public was held up by the budget last year there is little question it is being held up by the budget this year. The techniques are different. I do not agree with those people who say there is no difference between the Conservative party and the Liberal party. There is a difference of style. There is some difference of substance.

This is a budget which in its own way is just as unacceptable, just as harsh, just as regressive and just as reactionary as the one which was rejected not only by the NDP last year—surely the member for St. John's West (Mr. Crosbie) could hardly have expected us to support his budget— not simply by the Liberal party united strangely in the thought they could win power. I would remind those members of the Conservative party, who continue to return to those halcyon days prior to February, that between the defeat of the budget and the return of the Liberal government there was an event of some significance. That event was an election.

If you want to take your case to anybody, in terms of blaming them for what happened, I suggest to those members of the Conservative party that they take their case once again to the Canadian people. There are to those who say, "Well, the NDP can hardly be expected to criticize the economic policies of the Liberal party because they were opposed to the economic policies of the Conservative party." I have heard comments such as that. It is a strange and wonderous thing that a person can be opposed to cholera in 1979 and be opposed to leprosy in 1980.

Some hon. Members: Hear, hear!

Mr. Rae: It is a strange and wonderous thing that we can attack one party of government for following policies which inflict great hardship on Canadian people and provide no economic leadership, and once again when another party takes power we can be just as critical of that same party for following exactly the same trend and the same thrust of policies. In fact, far from it being an inconsistency it is the

height of consistency and, I think, the height of a commitment to a certain number of principles which I hope to outline.

● (1700)

In my view this budget represents the three Ds of Liberalism. This budget is profoundly disappointing. It represents an opportunity missed. This budget is duplicitous. This budget, most important, is damaging to the Canadian economy, to the Canadian worker and to the future of our country.

In terms of our disappointment, I think all of us as members of Parliament should focus not simply on the balance sheet which has been presented, not simply on what is there and not simply on the number of issues which were raised by the hon. member for St. John's West but perhaps most clearly on our own constituencies and constituents. We should be thinking of the people who day in and day out work in those constituencies, cities and communities. When we return to our ridings on weekends or whenever we can to meet with our constituents, we should think of what it is that strikes at the hearts of those people. The thing which struck me about this budget is that just as in the other budget there was no mention of the unemployed. There was mention of unemployment. We have projections of what it will be this year, next year and the year after. Incidentally, it will be higher this year than it was last year and it will be over one million in the five years to come.

That is the kind of projection we are getting from the Minister of Finance (Mr. MacEachen), but I am not speaking about unemployment as a concept or idea. I am speaking of and thinking of the unemployed. As I am sure many hon. members do, I am thinking of young people, old people, not so young people, not so old people and the men and women who come in constantly and say, "Mr. Rae"—or whoever, Mr. Rose or Mr. Nystrom—"I would like you to help me find a job". We must constantly respond, if we are not members of the government party, if we are not living in that part of the world where patronage is a way of life, as is my case in the city of Toronto, by referring people to Manpower or trying to get them interviews or seeing if we can do something through the manpower system. But basically the force which dictates the level of unemployment and the fate of unemployed people is not whether the individual member of Parliament can make a telephone call and get somebody a job. It is whether or not there is a government in Ottawa which demonstrates leadership. I define leadership quite simply as an ability to respond to the deepest anxieties of the people, and ability to respond with compassion and direction and an ability to respond in a way which gives hope and strength to the Canadian people.

One thinks of a government like that of Roosevelt in 1932. One thinks of the Labour government in Britain in 1945. One thinks of those governments which decided they could change some things and some circumstances. They could tell people in certain situations that unemployment was not like the weather and not a function of climate but that unemployment was something which could be affected by the policies of government. We have never had such a government in this country. We have never had a "New Deal". We have never had a democratic socialist government. We have had the policies of Mackenzie King, the policies of Mr. Trudeau, the policies of R. B. Bennett. We have had policies which have consistently told unemployed people that there was nothing which could be done. That is a very old message and basically a very mean message, a message of intellectual bankruptcy and precisely the message which is contained in the budget which has been put forward by the Minister of Finance. On September 9 in Halifax when the minister was making one of his few public speeches prior to the budget he said that a budget is more than a statement of economic accounts and more than a statement of how much we will spend and how much we will tax. "A budget must be an accounting of commitments, a statement of priorities and a blueprint for achieving our goals".

Measured by that very test which the Minister of Finance set out for us six short weeks ago, this budget is a failure. It is not an accounting of commitments. It is not a statement of priorities, and it is certainly not a blueprint for achieving our goals. Instead, the minister has made fun, as he is wont to do, of our party for talking about serious commitment. We asked him to make certain serious commitments, and he in his own way perhaps correctly said, "We in our party do not take ourselves quite so seriously. We are not in the habit of making serious commitments". The minister is in the habit of giving us lugubrious evasion, and I think what is represented in the budget today is lugubrious evasion. It fails to respond to the need for economic insecurity which racks so many of our communities. It fails to respond to unemployment levels in central, eastern and Atlantic Canada which are unacceptable. It fails to recognize the fact that Canada now has, has had for some time and will continue to have under this government, because of its projections and because of the policies it is making, the highest level of unemployment in the industrial world.

That is the only economic record in the OECD which we can claim to hold. We do not spend more than anybody else on research and development. We do not yet have the highest rate of inflation. We do not have the highest *per capita* income. We have one achievement and one achievement alone, and that is, we continue to have the highest rate of unemployment in the western world.

I am not going to refer to duplicity at the moment. Hon. members opposite said some things when in opposition and now say something else when in government. We have seen governments come and go and change a number of times in the past couple of years. Believe me, if we did not have a program we would not know who the players are. When the Tories are in opposition, they suddenly become the workers' friend. Mr. Crosbie suddenly portrays himself as a friend of the poor and disadvantaged. That is an unique role for him. In opposition we saw that Mr. Gray was the opponent of high interest rates. As Minister of Industry, Trade and Commerce—

The Acting Speaker (Mr. Blaker): Order, please. I do not want to overdo the business of some of the House rules, but I should remind the hon. member for Broadview-Greenwood (Mr. Rae) that when referring to other members of Parliament the custom is that he refer to them indirectly as "the hon. member for" whatever rather than by name.

Mr. Rae: I am sure you will use the same standard for all members, Mr. Speaker.

The Acting Speaker (Mr. Blaker): Order, please. I do not know whether the hon. member is questioning whether or not the Chair applies the same standards to all hon. members, but that certainly is not a comment that is appreciated by any occupant of this chair. In the meantime, the rule stands for all hon. members, and I would appreciate it if the hon. member would observe it.

Some hon. Members: Hear, hear!

Mr. Rae: When he was the hon. member for Windsor West and finance critic of the Liberal party, the Minister of Industry, Trade and Commerce (Mr. Gray)—and I happened to be on the same television program—promised that he would resign if interest rates continued to rise, which they have done. They went down, and now they are going up again. However, that is not the principal point I want to make. The point I want to make is that there is a commitment and a consensus that unemployment will remain high. There is a consensus that inflation will remain high, and an examination of the budgets of the present Minister of Finance and the previous minister of finance, the hon. member for St. John's West, will indicate that that consensus exists and will continue to exist.

We can talk about a co-conspiracy. It is against that consensus that we in this party are speaking, and it is about the fact of unemployment and about the difficulties and the human cost of unemployment that we have to speak. I am constantly amazed that budgets can refer to unemployment statistics, but budgets can never mention the cost in human terms of being unemployed. Yet that is as much a reality as the statistics mentioned in the tables which are distributed with such glee and fervour by the Minister of Finance and his associates. We would have looked, for example, for a budget which recognized that because of the rates of inflation and unemployment there have been dramatic changes in our society.

● (1710)

There has been, for example, a dramatic loss in wages right across the country, with only two provinces being exceptions, a loss of wages of $200 on an average in the province of Ontario and $450 in the province of Newfoundland, nearly $1,200 a year. We have to deal with the fact that this very budget, rather than attempting to reverse the direction, attempting to establish a cost of living tax credit which would provide for advantages, for credits, and for income where income is needed most, the most progressive form of indexation that can be devised, the minister has continued with the old system of indexation which will guarantee that the average wage earner will fall further and further behind the cost of living.

We have to recognize that in this economy in the last year there have been 1,000 lay-offs a day. Every working day, 1,000 people are laid off right across Canada. One has to laugh rather than cry when one reads the response of the minister to this kind of situation. On page 13 of the budget he refers to the pension system which he describes, not as a disgrace or as tragedy for workers who have been laid off and left without pensions, not as something that affects the very justice of our system when workers in their fifties are laid off and are not able to find jobs, but as "defective in many ways". He describes the present pension system as "uneven". But then he has a final criticism. He says that not only is it uneven, it also hinders labour mobility. What about labour security, Mr. Speaker? What about the fundamental principle of economic rights, the rights in the constitution? What about the fundamental principle that, as well as being mobile, people also want to be secure? People also want the assurance, not that they have to move from Newfoundland, from Cape Breton or even from Toronto to go to Alberta in order to find a job, but that their government will be concerned to see that they get a job in the communities where they want to raise their families. That is the principle which is at stake when the minister talks about pensions and refers to the fact that there is no labour mobility.

The budget is a disappointment because it reads almost as if the minister had decided not to take so many critical decisions. For example, one reads the paragraph on the country's tax system and one wonders whether this is a statement by the Minister of Finance or a statement by a professor of economic theory talking about what kind of a budget it might be a good idea to bring in one day. This is what he has to say on page 15 of the budget. He observes that we have created a mammoth system, a grotesque system of tax expenditures, with tax expenditures now worth well over last year's figure of $32 billion. The minister says:

> Tax incentives tend to pyramid with the result that a number of profitable corporations or wealthy individuals pay little or no tax.

The fact is that in 1978 there were 96 Canadians, and right now we know we have well over 100 Canadians, making over $200,000 a year who pay not a penny in tax, and the minister says this is what tends to happen. He tells us that other countries have responded by introducing minimum rates. He says:

> While this approach may be an answer to the problem, perhaps a fundamentally different one would be preferable.

Is the minister going to tell us? I thought his job as Minister of Finance was to respond to the family making $15,000 a year which sees the inequity, which sees a stratum of people being subsidized by average taxpayers so they can spend their winters in Florida and their summers wherever they please. That is the system which the Minister of Finance is perpetrating and defending. He says:

> One questions whether the economy might not be better served by a tax system with lower rates—

He says "one questions". What is this, an academic seminar? I would have thought the minister would have said not that "one questions" but that this is an abuse which has grown, that they recognize their mistakes, they see they were at fault and they are prepared now to do something about it. But that is not their response. Their response is that they question whether it might not be better for the economy. There is not a mention of social justice, not a mention of the disease of envy that is created in a society where you have such

inequality. That does not feature in this budget. Those words are not trendy at the moment. It is not done to talk about equality in our society. It is all supply economics and what is good for the macro-economy, and it may not be good for the macro-economy to have so much money being sheltered from the tax system.

One can say the same for capital gains. The minister tells us he is looking forward to a good discussion on the problem of capital gains. There is no mention in this budget of the problem of equity. There is no mention in this document of an industrial strategy for our country. It is amazing that a government should have laboured so long and produced a document which says nothing about the problems of our industries. We have the Minister of Industry, Trade and Commerce who is desperate for funds, who is faced with crises week after week. He comes to the House looking exhausted and worn out. He has been in negotiations giving away the sink to Chrysler Corporation and to Massey-Ferguson. He comes to the House desperately trying to explain what he has been doing. Is there a mention in this document of industrial strategy? Is there a mention in this document of the problems faced by central Canada, by Quebec and by Atlantic Canada? Is there a mention of runaway plants and workers left abandoned? They talk about spending $350 million over four years, $85 million a year. That is a lot of money these days, Mr. Speaker, and it will go far to deal with the problem of industrial restructuring. There is no mention of the underlying disease, no analysis of what is causing this problem, no mention of the fact that there are people in every industrial city in this country and in every community who are looking for leadership, who are looking to the Prime Minister (Mr. Trudeau) and to the Minister of Finance to show leadership, to show that just as much as they are prepared to take steps on the constitution, just as much as they are concerned with our becoming politically whole, so too are they concerned about the country becoming economically whole once again.

I can think of no greater condemnation of this government than that they have learned nothing in opposition, that they have seen nothing of what is demanded of Canadian people, and that they continue with a policy which lacks direction, which lacks compassion and which does not speak to the Canadian people in the language and in terms they can understand, in terms that will allay the anxieties which exist in far too many homes. I could mention the fact that this document says nothing about a science policy for Canada, the fact that scientists are leaving by the dozens and by the hundreds from our universities, the fact that we suffer now from an intellectual brain drain, that we have to constantly import scientists from overseas, the fact that there are fields of research and science into which our young people will not go any more because there is no hope, no industry, no determination for the government to say, "Yes, we have a technological policy, yes, we have a scientific policy, and we are prepared here to provide employment for people coming out of our universities."

This is a disappointing document because it is fundamentally empty. It is a duplicitous document because it is doing things it claims it is not doing and because it is not doing things which it claims to be doing. It is doing things it claims not to be doing; it is claiming that it is not increasing taxes. But what are unemployment insurance contributions if they are not a tax on payroll, if they are not a tax which comes out of the salary of every salaried employee and which comes out of the payroll of every employer who hires an employee? What are they, if not a labour cost for the employer just as much as if the employee paid for those costs himself? The minister understands what I am talking about. The minister knows perfectly well that the unemployment insurance contribution is a tax just as surely as any other form of tax. Also he knows that it is a regressive tax, and because of the upper limit of $15,000, he knows that the average working Canadian pays for his own unemployment. No one else pays, and they call that redistribution and equalization. It is redistribution among the working people of Canada. It is not redistribution from those who have to those who do not have. It is duplicitous because they are saying there is no tax and then they are imposing a tax, only they are doing it another way.

● (1720)

The hon. member for St. John's West did not mention one interesting contrast between his budget and that of the Minister of Finance. In the budget of the hon. member for St. John's West, they increased unemployment insurance contributions. That is true, but in their explanation they said, "We are increasing them from $1.30 to $1.60." Mr. Speaker, do you want to know what the minister said in this budget? He said, "We are increasing unemployment insurance contributions to $1.80." From where? Do the press know from where? Does the average citizen reading the budget know from where? Would it have taken anything other than a commitment to openness to say that they were raising them from such and such to such and such which represents a net increase of 33⅓ per cent? That is all it would have required, yet it is symbolic. It is a small thing, it is not a major thing, but it is symbolic of this government that they will not even tell us in their own budget what the net increase is. Everyone must figure it out for himself.

This has got to be the height of chutzpah. They tell us there will not be a natural gas export tax. The minister said they received so much opposition from the producing provinces, Alberta and British Columbia, that they decided not to impose an export tax and as an alternative, which is the way the minister described it in his budget, he was proposing a very different kind of tax. He was not going to tax the export of gas, he was going to tax all gas. I see the minister nodding his head. I would simply say to him that what he proposed is not an alternative, it is an addition. I woke up to the CBC news on the radio this morning and heard the press solemnly saying, "There is no export tax on natural gas; the government has handed out an olive branch to the provinces of Alberta and British Columbia." It is not an olive branch. Who is the minister trying to kid? He is simply providing a natural gas

tax and in addition he will tax everybody else. That is all it is. I think this should be said clearly. They are taxing the exports of natural gas, they are taxing domestic consumption of natural gas and all forms of natural gas.

I understand I need to move the subamendment in order to gain some extra time. I should like to move a subamendment to the amendment of the hon. member for St. John's West. I do not think any cannons will go off if I move it. Therefore, I move, seconded by the hon. member for Oshawa (Mr. Broadbent):

That the amendment be amended by changing the period at the end thereof to a comma, and by adding immediately thereafter the following words:

and this House condemns the government for continuing the Liberal-Conservative policies that have brought Canada to its most serious recession since 1954, in particular for its policies of high interest rates, indifference to the poor, punitive taxes, and inflated prices; and this House further condemns the government for its failure to introduce in this budget a program of capital investment, a fair prices commission, cost of living tax credits and a serious commitment to public ownership in the oil industry to ensure that Canadians would no longer be industrial tenants in their own land.

Some hon. Members: Hear, hear!

Mr. Rae: I will leave the question of energy as the key example of the government not doing things it claims to be doing. I do not want to spend a great deal of time on this because of the limitations of time and because the hon. member for Vancouver-Kingsway (Mr. Waddell) will be dealing with this question, but I want to make clear to the minister the nature of our objection. I am glad the Minister of Energy, Mines and Resources (Mr. Lalonde) is here. In the question period today I mentioned the cost to the Canadian economy of this phony goal of 50 per cent Canadian ownership. We are trading David Rockefeller for Conrad Black. So what? What is the importance of this?

Mr. Blaikie: Big deal.

Mr. Rae: Big deal, as the hon. member for Winnipeg-Birds Hill (Mr. Blaikie) said. The key point is that the outflow of dividends will continue to be as big a problem in 1990 as it is now. It will be even bigger, because the amounts we are talking about will be so much bigger than they are at the moment. It means that the multinationals will be allowed to increase their market share. It means a few wealthy Canadians will benefit from this phony nationalism and that there will be continued foreign domination and outflow of dividends. The goal of 50 per cent ownership is meaningless unless one talks about control. It is a meaningless figure, it is a meaningless idea. It is so meaningless that it was stated by the Prime Minister in 1974 as one of his key objectives of the next six years. In the national energy policy released last night the minister said, "We do not know how we will get there, we have no method of enforcing it, but it continues to be a very important objective of the government."

The hard fact of the matter is that we are charging $16.75 for a barrel of oil right now. Imperial Oil, the largest oil company in Canada, has total assets worth $4.6 billion and an annual revenue of $6.6 billion. The province of Manitoba has revenues of $1.7 billion. That is the size and kind of institution about which we are talking when we are charging $16.75 for a barrel of oil. Imagine what revenues will flow and what the assets side of Imperial Oil will be by 1990. Imagine how big, how mammoth it will be, all of it subsidized by the phony policy of this government.

It is just amazing the press is able to say that it represents a tremendous advance to Canadianization and that we in the NDP must be really worried because the Liberals are moving in on our ground. We were shaking in our boots last night as the minister read his statement. We felt that the two ministers combined had come up with a real radical document. Imperial Oil will only own all of Canada by 1990, and we can take satisfaction from the fact that 50 per cent of it will be owned by the wealthiest people in Canada! That gives us a lot of worry.

Mr. Rose: It is a fake to the left.

Mr. Rae: As the hon. member for Mission-Port Moody (Mr. Rose) has so aptly described it, it is the biggest fake to the left since the last fake to the left of the Liberal party.

Finally, this is a profoundly damaging budget because it continues to apply the same unsuccessful phony remedies as have been applied by Liberal and Conservative governments to our basic economic problems for too long. It is damaging in another sense, because it is an admission of defeat. It is a declaration of intellectual bankruptcy because it does by stealth what the Tories tried to do openly, but it does exactly the same thing and has exactly the same effect.

I should like to refer to just two matters because I know my colleagues will be referring to others.

● (1730)

The projections that are contained in this budget for the social services provided to the people of Canada by the Government of Canada indicate that those basic services will be under the most severe attack since they were established. There is no getting around that fact. There is no getting around the fact, for example, that the rate of growth in this so-called envelope will be 10.6 per cent in 1981, 6.3 per cent in 1982 and 6.9 per cent in 1983. I see that the minister would like to argue that this matter should be taken care of by the provinces. Will eight Tory provincial governments provide social services to the people of Canada? That is a statement coming from a government which is supposed to care about the provision of services for the people.

I say to the minister quite honestly, and I know his role personally in the introduction of medicare, that if this was the attitude of the Pearson government in the 1960s, we would never have had medical care for all Canadians; never. It is a guarantee that we will never take on the new challenge of providing daycare so that women can have a genuine choice between whether they want to stay at home and whether they want to go to work. We will never have a national co-ordinated system which guarantees that women in Newfoundland have the same rights in this vital field as the people of Manitoba or Saskatchewan. It is a guarantee that the over-all level of social

spending and the provision of social services for all our people will go down.

That is not an abstraction. It means, quite simply, poorer people, more poorly clothed people, more poorly housed people, more poorly fed people and more poorly educated people. It is a tragic abdication of even the minister's professed interest in being progressive. I was reminded of the ultimate statement of bankruptcy when the minister said that the concept of sharing seems to be close to the distinctive fibre of the Canadian tradition, and that he does not think the state should do it all. What are we going to rely on, the United Way? Is that the answer, that we go back to the United Way and the handouts of lady dowagers who come down to the poor people of Broadview-Greenwood and say, "Here is a handout. I am sharing with you by bringing you a turkey at Christmas and a cake on your birthday."? Is that the kind of sharing about which the minister is talking?

The return to private charity is an abdication of the fundamental social rights of the Canadian people. The notion that we should return to some kind of private sharing is worthy of the rotarian that the Minister of Finance has now become.

[*Translation*]

Mr. Speaker, France had a socialist government 45 years ago. The premier of that government was a great socialist of democratic tradition, Léon Blum. At the end of his life someone asked him: Are you satisfied with what you have accomplished with your government, that popular government during the 1930s, those very difficult years? He replied: Well, yes, because I received a letter from a grandfather who wrote to me: "Thanks to you and to your government I was able to see the beach and the sea before dying."

[*English*]

There is not one Canadian, be he in Broadview-Greenwood, or be he anywhere else who will be able to write the Minister of Finance or the Prime Minister and say, "As the result of this budget, thanks to you, I will finally be able to see the sea and the beach", because the seas and the beaches are reserved to exactly those people for whom they have been reserved for far too long in our society and nothing has been done to change that.

That is the simple reason why it gives me the greatest pride to move the amendment that I have moved to stand as firmly and as resolutely opposed to this phony budget, a mile wide and an inch deep, with its statement of intellectual bankruptcy and its condemnation of the Canadian people to a future far less bright, far less generous, far less hopeful and far less compassionate than the one they deserve.

The Acting Speaker (Mr. Blaker): After consultation, the Chair has found the subamendment put by the hon. member to be in order. Is it the pleasure of the House to adopt the said motion?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Mr. Speaker, I can see that the NDP is disappearing, but I hope it is only physically. It is my privilege to speak today in this debate about the national energy program and what it will do for Canada and for Canadians. Before getting into the more substantive elements of my remarks, I would like to spend a minute on the long rumination of the hon. member for St. John's West (Mr. Crosbie) on the, as it was called, "budget of a dead government".

The hon. member referred last night to a 30 per cent cubic foot increase in the price of gas. I am not surprised that he had so much trouble as the minister of finance because he cannot tell the difference between one cubic foot and 1,000 cubic feet. The hon. member cited many figures today. For the record, I would like to put a certain number of figures in *Hansard* and before the Canadian public so that they may judge what the Conservative budget of last year may have meant in terms of their prices for gasoline, home heating oil and natural gas. I will satisfy myself by putting the figures on the record. I think they speak for themselves. According to our estimation the 1979 budget, the so-called "Crosbie budget", would have meant that the per gallon price of gasoline would have gone up to $1.56 in 1981; $1.75 in 1982; $2.32 in 1983 and $2.63 in 1984. If these figures are compared with the present budget with its per gallon price of $1.36 in 1981; $1.53 in 1982; $1.71 in 1983 and $1.95 in 1984 there is a difference of over 60 cents in the price of a gallon of gasoline between our budget and the budget proposed by the hon. member for St. John's West last year.

The difference in the figures on natural gas prices is even more telling. If one were to take the price of natural gas at the Toronto city gate in terms of dollars per 1,000 cubic feet, not per cubic foot, the 1979 budget proposal meant the following prices: 1980, $2.75; 1981, $3.45; 1982, $4.10; 1983, $6.55 and 1984, $7.90. Our program will mean the following prices for those years: $2.90 for 1980, $3.05 for 1981, $3.50 for 1982, $3.95 for 1983 and $4.60 for 1984.

• (1740)

The difference between $7.90 and $4.60 per thousand cubic feet in 1984 means a difference of over $3.30 between the so-called "Crosbie budget" and the budget presented by the government last night.

The hon. member made a lot of references to heating oil. He was crying about the fate reserved to people who are going to heat their homes with oil in the next few years. I would remind the hon. member, and the Canadian public at large, that the 1979 "Crosbie budget" would have meant, under the present assumptions and assuming no substantial and large increases in the international price of oil, $1.96 per gallon. Under our proposal there will be a maximum of $1.51, a difference of about 45 cents for every gallon of heating oil. Yet the hon. member for St. John's West dares to shed tears, though he was trying to do this to the Canadian public last year. I think the Canadian public saw through this last February so I do not intend to spend more time talking about the consequences of that dead budget—dead, fortunately for the country.

In energy, as in other things, the essence of good politics is to make sensible promises to the electorate and the essence of

good government is to keep those promises. In the budget of last night and in our national energy program, we have done both. And I believe Canadians everywhere in this country will agree with us in the weeks to come.

Some hon. Members: Hear, hear!

Mr. Lalonde: In the election campaign, we offered an explicit alternative to the Conservative view of energy policy. We offered a "made-in-Canada" oil price, not one determined by the whims of OPEC, or the vagaries of a turbulent oil market. We were very specific in our commitment—oil price rises less than $4 a barrel in 1980, and no more than $4.50 a barrel in 1981, 1982 and 1983. We offered a revitalized Petro-Canada. We offered major initiatives to increase Canadian ownership of the petroleum sector.

We won the election. We received a clear mandate from the electorate to develop energy policies and programs consistent with our principles. In the Speech from the Throne, we made it clear to the people of Canada that we intended to fulfil our election commitments; that we would resolve the nation's energy problem, in all of its dimensions.

[*Translation*]

Mr. Speaker, in the Speech from the Throne we promised that oil prices would be set by Canada, not by OPEC. We promised that there would be no 18-cent excise tax increase on gas. We promised that we would renew our efforts to conserve energy in Canada. We promised that we would speed up implementation of programs to substitute plentiful energy sources for the petroleum which is now getting scarce. We promised new incentives for renewable energy. We promised to double our efforts to promote the discovery of new petroleum supplies in Canada. We promised to expand Petro-Canada, not to destroy it as the Tory government wanted to do last year. And we promised to give every Canadian a greater opportunity to take part in this huge industry everywhere in Canada, an industry which is ever growing, to participate directly in our rich energy legacy, particularly petroleum and natural gas. We made those promises in the Speech from the Throne. In earlier speeches I had the occasion to define certain of those elements and I stated in particular that our policy has three great objectives: the security of supplies, the opportunity for Canadians to participate in the benefits of that industry, and fairness.

[*English*]

No one who heard or read the Speech from the Throne or read my remarks since should be surprised by "The national energy program" tabled Tuesday night. It addresses each of these principles with a vigour and determination never before attempted by a Canadian government. It does exactly what we said we would do. It delivers on all of our promises.

The document tabled by my colleague last night is very significant in two respects. First, it represents what is probably the largest and most fundamental set of economic initiatives taken by the Government of Canada in this generation. Second, it is the most comprehensive government enunciation of energy policy in our country's history. I know of no other energy-rich nation that has taken its energy challenges and obligations so seriously.

The national energy program means energy security. It means becoming independent of foreign oil supplies well within this decade. It provides the price and incentive basis for accelerated exploration efforts so that new supplies will come on stream to replace imports. The program will stimulate the process of substituting other domestic fuels for scarce oil. It will foster more vigorous efforts to conserve oil and other fuels. Oil demand will be reduced dramatically, and the growth of over-all energy demand will be held below 2 per cent per year. In this way, we will achieve a more efficient energy-using structure, and bring demand in line with available domestic supplies.

But the program is more than a single-minded thrust toward oil security. It assigns high priority to other goals. One of these is energy opportunity—Canadians everywhere will be able to participate in the management and benefits of the energy sector. This means, obviously, a greater role for Canadian companies. We have three principal goals for the petroleum sector: First, at least 50 per cent Canadian ownership of oil and gas production by 1990. Contrary to what the hon. member for Broadview-Greenwood (Mr. Rae) said earlier, this does not necessarily mean only the better-off in our society. We have had fruitful negotiations with people in the credit unions, the caisses populaires and wheat pools who have expressed interest in investing in the Canadian oil and gas industry and in participating in this big movement to patriate the oil and gas industry in this country.

Some hon. Members: Hear, hear!

Mr. Lalonde: Second, our policy means Canadian control of a significant number of the larger oil and gas firms, and, finally, an early increase in the share of the oil and gas sector owned by the Government of Canada.

Our opportunity theme has another, broader aspect. We intend to ensure that the benefits of the energy boom already under way in this country are enjoyed by Canadians in the west, as the petroleum boom takes on new momentum stimulated by our initiatives; in Atlantic Canada, as the offshore begins to deliver on its promise and new electricity sources are developed, and in central Canada, as the spin-off business stimulated by the national energy program creates new jobs and new prosperity.

And we are talking about real opportunities—for jobs and growth and new industry. There are offshore drilling rigs to be built. Canadians should build more of them, and they will. Given a real fair chance, we can compete with the best of them. The national energy program will provide that chance. Canadians can provide more of the equipment needed for oil sands plants. And they will. Consider, too, the dramatic off-oil effort. Equipment and installation will be needed meaning more activity, more industry, more jobs. We set the stage; we provide the stimulus. Thousands of jobs, Mr. Speaker, for Canadians—thousands of jobs across the country, not just in

the oil producing provinces. Helping to meet our energy goals means meeting our economic and social goals as well.

Let me now turn to a central challenge that faced us as we developed the national energy program: I mean, fairness. Is the energy program tabled with the budget last night fair? The answer is emphatically and undeniably, yes. It is fair to the oil and gas producing provinces, fair to the consumer, and fair to the national government. Moreover, it is fair to the petroleum industry, which will continue to enjoy the same prosperous outlook most other industries do as it becomes more Canadian in its ownership and control.

● (1750)

First, the producing provinces. There has been hard bargaining with the producing provinces. The provinces brought strongly-held principles and objectives to the table. So did we. Both sides communicated their views to the Canadian public in clear and forceful terms. That was to be expected.

But now it is time for compromise and for conciliation. On our side, broad principles and concerns must override our negotiating objectives on revenue shares and revenue-raising objectives, for example. So we have adapted. We have yielded some ground, as a matter of fact, a lot of ground, and we have searched for a common ground. This is essential for the unity we all want. We have adapted our energy principles seeking a renewed, strengthened harmony between this government and those of the producing provinces.

When I began these negotiations, I said I was prepared to walk an extra mile to get an amicable agreement, to get a deal responsive to the position taken by the governments of British Columbia, Alberta and Saskatchewan. Any objective observer will agree that we have walked several extra miles. Let me explain.

As we all know, there was a near-agreement between the producing provinces and the federal government in the December 11 budget speech. The terms then being discussed would have brought the producing provinces some $40 billion in oil and gas revenues in the period 1980-83. In our negotiations, the provinces took the view that they should get the "same benefits" from any arrangement with us.

The producing provinces, especially British Columbia and Alberta, placed other constraints upon our negotiating position. They wanted no gas export tax and no federal tax at the wellhead.

It was almost impossible for us to accommodate these provincial concerns and restrictions. I still believe that an export tax on natural gas would have been fair, and that it represents no intrusion upon provincial rights. Nevertheless, we accommodated the provincial positions. And let us see how.

First the $40 billion. Under the national energy program, the producing provinces will receive $38 billion directly from oil and gas revenues and a further $2 billion, with $2 billion more to come in the form of the western development fund. So we have met their target. In the case of British Columbia and Saskatchewan, we have made them even better off than under the December 11 budget proposals. As well, we have spread the benefits to Manitoba, which will share in the growth resulting from the western development fund.

The percentage shares of revenue are also important. Over the past several years, the governments of the oil and gas producing provinces have received approximately 45 per cent and the federal government about 10 per cent of petroleum production revenues. What does the national energy program do to this revenue-sharing relationship? It raises the federal share to 24 per cent, and reduces the provincial share from 45 per cent to 43 per cent. The producing provinces, under the national energy program, would see their aggregate share drop by two percentage points. But the total tie would be much larger and their total revenue would be much larger than ever before.

Surely this is reasonable and fair, by any standard. The Canadian provinces will continue to enjoy a higher share than is the case in any other state in the world, more than double the share that would go to a U.S. state such as Texas, and triple the share going to Victoria state in Australia. Both of these states own their resources, just as the Canadian provinces do. In short, our package yields provinces a share much greater than the international norm. That is what I mean by going the extra mile to get an amicable deal.

Let me be more specific about the Alberta government's position under the national energy program. Its revenues in 1983, $9.7 billion—that is to the government of Alberta—will be more than double those it enjoyed in 1979. Over the period 1980-1983, its revenues will be over $31 billion. In per capita terms, the province's oil and gas revenues, about $1,600 in 1977, will be $4,300 in 1983. No other province can expect this sort of growth in its revenues and no other province in our history has ever known such a fantastically rapid growth under any regime. This outlook is in a province which already enjoys massive budgetary surpluses. Indeed, Alberta has a greater fiscal capacity than the average Canadian province, even without its oil and gas revenues.

Under our proposals, the government of Alberta will obtain more than $100 billion over the decade from oil and gas. It will go on earning large revenues in the foreseeable future. Alberta's vast energy endowment will ensure prosperity to its government and its people well beyond this decade. We are not talking about a short-term boom of a few years. We are talking about a new financial and economic presence in Canada, a new centre of gravity for our economy. Our policies, as indicated by the national energy program, will encourage that new wave of prosperity.

In our negotiations with the producing provinces, we sought a system which would give the Government of Canada a more reasonable share in the windfall revenues accruing from increases in the world oil price. I refer mainly to the increases in natural gas export prices. We have repeatedly noted the basic unfairness of a system that gives the gas-producing provinces all of the upside gain, while we are saddled, as the national government, with the financial and economic burden of higher oil prices. We wanted to change that; we wanted to

share in the upside potential. How? Through an export tax similar to the one we have had on oil since 1974, and the one we have had on electricity for over 35 years up to 1963 and which was affecting essentially central Canada.

But the provincial governments were adamant on this point. No amicable deal could ever have been struck, had we insisted on a system that satisfied this basic principle. So, Mr. Speaker, again we yielded. There is no export tax on gas as was planned. Moreover, we will henceforth share 50-50 revenues from the oil export charge, in place since 1973, rather than keeping it all as we have up to now.

As far as British Columbia is concerned, the B.C. government is not losing today one penny of the money it was collecting yesterday either from B.C. citizens or from its exports. It is a total fabrication to pretend otherwise.

Some hon. Members: Hear, hear!

Mr. Lalonde: I am sure the provinces realize the importance of our concession on the export tax point. They know what upside potential means. It means that if world oil prices rise again the next few years as they did in the past couple of years, the provinces will derive a huge gain from export sales. Under such circumstances, with no federal export tax, again the provinces would be the chief beneficiaries.

We yielded most reluctantly on this point. I hope this gesture will remove the barriers to the concerted effort needed to get new supplies on stream. So here we have given ground in terms of both principle and revenues, now and in the future. Our projected revenue share—24 per cent—is smaller than that enjoyed by any national government I know of. Moreover, our methods of raising new revenues have been carefully chosen to avoid conflict with publicly stated provincial positions. There is no gas export tax, no wellhead tax. We have been conciliatory; we have bent over backward in a search for harmony. Our efforts will be richly rewarded, if they create a new basis for us all to work together.

● (1800)

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

The Acting Speaker (Mr. Blaker): Pursuant to Standing Order 2(1) this House stands adjourned until two o'clock tomorrow afternoon.

At 6.02 p.m. the House adjourned without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, October 30, 1980

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

UNEMPLOYMENT INSURANCE

INCREASE IN PREMIUMS—MOTION UNDER S.O. 43

Mr. Don Blenkarn (Mississauga South): Madam Speaker, I rise under the provisions of Standing Order 43. The unemployment insurance program has long ceased to be an insurance program and is, in reality, a payroll tax scheme. The other night, the Minister of Finance increased this payroll tax from $3.24 to $4.32 per $100 of earnings.

This tax increase on working people represents a hidden billion dollars of revenue to the government. It represents to the ordinary working person, people earning $290 a week or less, over two weeks pay to the government over and above income taxes, sales tax, duties and now new taxes on their home heating costs.

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

That the Minister of Employment and Immigration justify on motions the seizure of over two weeks' pay from the working people of this country, justify this additional billion dollars taken out of the pockets of working people, and justify his inefficient and inept handling of unemployment insurance.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENERGY

REFERENCE TO SUPREME COURT OF FEDERAL TAXES—MOTION UNDER S.O. 43

Mr. Bill Yurko (Edmonton East): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. As the federal government appears to be exceeding its constitutional authority and transgressing the constitutional powers of the provinces in imposing a federal tax and royalty on provincial resources in contradiction of section 109 and section 125 of the BNA Act, I move, seconded by the member for Wetaskiwin (Mr. Schellenberger):

That the federal government immediately refer to the Supreme Court, for a constitutional opinion and ruling, both its budgetary 8 per cent tax on net revenues from oil and gas and its domestic and export tax of 30 cents per 1,000 cubic feet on natural gas and liquefied petroleum products.

I am certain that in the interest of constitutional correctness the government would not hesitate to make such a reference.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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HUMAN RIGHTS

CALL FOR CONDEMNATION OF VIOLATIONS IN U.S.S.R.—MOTION UNDER S.O. 43

Mr. David Orlikow (Winnipeg North): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. The motion has been drafted in consultation with groups such as Amnesty International.

In view of the fact that over 300 dissenters in the Soviet Union have been sentenced to terms of imprisonment, exile or have been forcibly confined to psychiatric hospitals since 1975, and in view of the increase in the arrests of dissenters in the Soviet Union which now exceeds 100 since October, 1979, I move, seconded by the hon. member for Dauphin (Mr. Lewycky):

That this House condemns the Soviet Union for its widespread harassment, imprisonment and physical ill-treatment of people such as the well known Anatoly Shcharansky; the Russian human rights campaigner, Malva Larda; the well known Russian orthodox activist, Viktor Kapitanchuk; and Zinovy Krasivsky and Olha Matusevych, who are members of the Ukrainian Helsinki monitoring group, as well as others ill-treated for their non-violent exercise of their human rights, and urges the Canadian delegation to the Madrid Conference in November to make these views known to the delegates from the U.S.S.R.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

PUBLIC SERVICE

ALLEGED USE OF EMPLOYEES' SUPERANNUATION FUNDS—MOTION UNDER S.O. 43

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, I rise under the provisions of Standing Order 43 to propose a motion on a matter of urgent importance to the public service employees of Canada. Given that Tuesday's depression budget shows a cash requirement some $2 billion less than the projected deficit of over $14 billion, largely because the pension funds of government employees are plundered each year to finance a substantial portion of the national debt, and whereas the public service pension contributions are not secured by any form of investment in equity, as they ought to be, I move, seconded by the hon. member for Cambridge (Mr. Speyer):

That the government be directed to stop using dishonestly the pension contributions of public service employees, RCMP and armed forces employees to help pay for the extravagantly wasteful excesses of the Liberal government and, furthermore, that a royal commission be called now to investigate the scandalous mismanagement and misuse of the government superannuation accounts.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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● (1410)

INDIAN AFFAIRS

CALL FOR REMOVAL OF TAX ON NATURAL GAS PRODUCED ON RESERVES—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Madam Speaker, I rise under the authority of Standing Order 43 on a matter of pressing and urgent importance. Whereas a number of Indian band councils in western Canada and perhaps in other parts of our country are endeavouring to get off welfare and raise their standard of living through the development of their natural resources, and whereas the Indian Act exempts our Indian reservations and the Indians from taxation directly or indirectly, I therefore move, seconded by the hon. member for Lethbridge-Foothills (Mr. Thacker):

That this House urges the government to desist from imposing the natural gas tax on natural gas produced on the reserves and thus give our Indian people an opportunity to get out of poverty.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ENERGY

PARTICIPATION OF CANADIANS IN FUTURE DEVELOPMENT—MOTION UNDER S.O. 43

Mr. Maurice Harquail (Restigouche): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the special considerations in the budget for all Atlantic Canadians with respect to regional development, and in view of the hundreds of millions of dollars allocated by the Minister of Energy, Mines and Resources (Mr. Lalonde) to the Quebec-maritime natural gas pipeline, I move, seconded by the hon. member for Témiscamingue (Mr. Tousignant):

That this House should applaud the efforts of the Minister of Finance and the Minister of Energy, Mines and Resources for finally giving Canadians a real stake in their energy future.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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SHIPPING

CALL FOR CREATION OF MERCHANT FLEET—MOTION UNDER S.O. 43

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter which has been presented by most members in this House from time to time. I hope there might be unanimous consent. I move, seconded by the hon. member for Skeena (Mr. Fulton):

That the members of this House affirm their support for the creation of an economically viable Canadian deep sea merchant fleet and recognize that this fleet would further encourage development of a full range of Canadian marine industries, including a world class shipbuilding industry, so that Canadians would have the opportunity to obtain a greater share of the economic and employment benefits of this industry.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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GRAIN

EMBARGO ON SALES TO U.S.S.R.—MOTION UNDER S.O. 43

Mr. Len Gustafson (Assiniboia): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. The embargo on grain sales to Russia has cost Canadian grain producers an average of $1,200 per farmer. I therefore move, seconded by the hon. member for Lisgar (Mr. Murta):

That this government take immediate steps to make necessary payment to western farmers.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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WILDLIFE

FUR RANCHERS—DANGER POSED BY JAPANESE FOXES—MOTION UNDER S.O. 43

Mr. Tom McMillan (Hillsborough): Madam Speaker, I rise under the provisions of Standing Order 43. Nature conservationists have strongly criticized the federal government for permitting fur ranchers in Canada to import from Europe so-called "raccoon dogs" or Japanese foxes, as they are sometimes called, which could devastate domestic farm crops and wildlife in this country if they escaped or were released. I therefore move, seconded by the hon. member for Esquimalt-Saanich (Mr. Munro):

That this House urge the government to require fur ranchers to send all Japanese foxes or raccoon dogs back to Europe; to compensate the ranchers for their losses; and to pass strict laws to prevent the importation of all exotic animals except those proven to be harmless and over which complete control can be exercised.

Madam Speaker: For presentation this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

• (1415)

FEDERAL-PROVINCIAL RELATIONS

REPORTED EXCISION OF ALBERTA FROM FEDERAL GOVERNMENT MAP—MOTION UNDER S.O. 43

Mr. Gordon Towers (Red Deer): Madam Speaker, I rise under Standing Order 43 to seek redress from a news item and map which appeared in this morning's Ottawa *Citizen* and dealt with a Canadian government map which excised the province of Alberta out of confederation in favour of Saskatchewan. It is quite one thing for my province to be excised at the wellhead, but it is quite another thing to be excised out of existence.

I therefore move, seconded by the hon. member for Calgary West (Mr. Hawkes):

That the Prime Minister:
Woo the socialists if you must,
Bed them down in common-law lust,
Rush after them their favour to curry,
Because, after all, they're Liberals in a hurry;

But don't get caught in the Broad-Blake snare,
And leave Albertans tearing their hair.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE CONSTITUTION

PATRIATION—REPORTED POSITION OF UNITED KINGDOM GOVERNMENT

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I have a question for the Secretary of State for External Affairs that flows out of the possibility that new difficulties have arisen in the government's attempt to have Britain decide constitutional questions which Canada should decide here in Canada. The Secretary of State will know from British news reports that the British government does not want to become the arbitrator between the Canadian federal government and the provincial governments on amendments to the British North America Act. The reports relate both to alleged communications between the British government and Canadian representatives and to more recent statements by British government spokesmen.

My first question is: Has there been any suggestion, in correspondence or conversation involving ministers or representatives of the two governments, to the effect that the British government wants basic Canadian disagreements to be resolved in Canada before Ottawa asks Britain to resolve them?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, there has been no such request made by the government of the United Kingdom. There was a news story published this morning with which I am acquainted—it was also denied at 10 Downing Street this morning—to the effect that no message had been sent to the Canadian government as that earlier communiqué suggested.

There was also a news report stating that my colleague the Minister of the Environment and I, while in England, were told that the British government would not accommodate a request to patriate the constitution in the face of violent provincial disagreement during this year's parliamentary session. That report is entirely false.

Mr. Clark: Madam Speaker, I understand, as does this House, that the minister's department earlier denied the report in *The Times* as it was written. That was not my question. My question was: Has there been any suggestion communicated, in conversation or in any other communication, between British

government ministers or representatives and Canadian government ministers or representatives suggesting that the British would want basic Canadian disagreements to be resolved in Canada before Ottawa asks Britain to resolve them? I am not asking for paragraph by paragraph verification of *The Times* story; I am asking the question whether or not there has been any suggestion to that effect conveyed in any way by any representatives of the British government to the Canadian government.

Mr. MacGuigan: Madam Speaker, there has certainly been no proposal or request of that kind in our discussions with the British government. We had a free-flowing discussion, and while many possibilities were canvassed, as happens in a discussion of this nature, certainly that was not the way in which the conversation ended. There was no request, suggestion or proposal of that kind.

Mr. Clark: Madam Speaker, I believe that the minister has now said that there was no suggestion of that kind at any time. If that is what he intended to say, I would like him to verify his statement. Since the government strategy document anticipated provincial and parliamentary opposition to certain parts of the Liberal proposal, will the minister tell the House of Commons whether Canadian ministers or representatives raised with the British government or representatives the possibility of disagreement here in Canada and the possibility that Britain might have to decide questions that are deeply contentious in Canada?

• (1420)

Mr. MacGuigan: We certainly acquainted the British government and its representatives with the fact that there would be disagreement in Canada. That was already apparent at the time we saw them but, of course, there was a common assumption on both sides that the normal constitutional convention in the United Kingdom would be followed, namely, that the advice of the Canadian government would be the advice heard by the British government and that a joint resolution of the Canadian Parliament would be what is accepted by the British Parliament.

Mr. Clark: Madam Speaker, the minister and the rest of the House will know that detailed memoranda of conversations of this kind are kept. In light of the extraordinary circumstances, it being important that all members of Parliament know exactly what was discussed between ministers and, indeed, between officials on this question, and in light of the extraordinary situation of the government seeking a joint address on a matter that is contentious in Parliament and a matter of disagreement among the provinces and under challenge in the courts, I wonder if the minister would agree to publish the Canadian memoranda of the conversations in which he and his colleague, the minister responsible for the environment and other things, participated. In these extraordinary circumstances I wonder if there would be a willingness to publish those memoranda.

Mr. MacGuigan: Madam Speaker, I do not think that would be in accord with the precedents nor with the practice, because it would remove the sense of confidentiality all sides have in discussions of this kind.

As I mentioned to the Right Hon. Leader of the Opposition, there was free-flowing discussion with various representatives of the British government. We have stated here the conclusions of that discussion. I do not think it would be appropriate to go through the discussion here in Parliament.

PATRIATION—POSSIBILITY OF DISAGREEMENT—POSITION OF UNITED KINGDOM GOVERNMENT

Hon. Jake Epp (Provencher): Madam Speaker, my question is directed to the same minister. I want to reiterate that it is our belief that this is a Canadian matter, that we should patriate the constitution with an amending formula which has widespread support here in Canada and that all future amendments should be made in Canada.

In view of the at best very weak denial he issued this morning—his press release says that he denies the story as written, so the minister is obviously leaving a fair amount of doubt that there was veracity to the story in *The Times* this morning—just on this narrow point, what would be the position of the government of the United Kingdom if there was widespread disagreement in Canada, including among the provinces? Can the minister answer that specific question?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, I do not know to what communication this morning the hon. member is referring. I issued no press release this morning. In fact, my view was that the matter should await the House this afternoon where I assumed there would be questions. It may be that some answers were given by spokesmen for the department, but they were not intended to express our total reaction to the proposals or the comments which were being made by some British and Canadian media.

With respect to the precise question the hon. member asks, as I said, the common assumption on both sides during the discussion, which was never questioned by anyone and in fact has been expressly affirmed both in public and in private by the United Kingdom government, is that what the United Kingdom parliament looks to is a joint resolution of both Houses of this Parliament and nothing else.

Mr. Epp: Madam Speaker, my supplementary question is to the same minister and it flows out of his answer. It obviously raises the question of who is responsible in his department for press releases. More importantly, in view of the difficulty in which this minister has now put this House and in view of the various reports he has given, will he assure the House that he will make a statement on motions to explain clearly what happened.

Further, in view of the requests of a number of Canadians, notwithstanding also the premiers at the first ministers' conference, would the minister recommend to his cabinet colleagues

that an early meeting be convened between the Prime Minister and the premiers to discuss one agenda item only, namely, an amending formula, so that the joint address could then go forward with regard to patriation with an amending formula that would then have the widespread support all of us seek?

Mr. MacGuigan: Madam Speaker, I will certainly give consideration to the hon. member's request for a statement on motions, but I will not accede to his request to change the policy of the government, which I fully support. There has been no ambiguity whatsoever in the statements made by me and the Minister of the Environment. We have stated with no ambiguity since our return—and, indeed, in the United Kingdom before our return—that the United Kingdom would follow the traditional convention that a joint resolution of this House would be followed by the British parliament and honoured by the British government, and that the only adviser to the British government on Canadian constitutional matters is the Canadian government.

* * *

● (1425)

LABOUR CONDITIONS

STATEMENT IN BUDGET RESPECTING "FULLY EMPLOYED SOCIETY"

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, my question is directed to the Minister of Finance. The figures which have been released by the minister in his budget indicate that he himself anticipates that unemployment will rise by over 100,000 this year, and indeed it is projected that over the next five years there will be on average one million unemployed Canadians and perhaps as many as 1.5 million if one includes the real unemployed.

In light of those figures, which I am sure the minister would agree are pretty shocking, I should like to ask him what he means when he says, on page 3 of his budget statement, that the budget which he has brought down is intended to restore, over time, among other things, a fully employed society. What does he mean by "a fully employed society", and what does he mean by "over time"?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the context of the budget anticipates for the short-term higher unemployment. The hon. member can have a dialectical argument, like we used to have ten or 15 years ago, as to what the concept of full employment would be. In this case I am talking about reduced unemployment over the time period forecast in the budget.

Mr. Rae: I am not a dialectician but I could describe the government's recipe as short-term pain for long-term pain. Because if the minister looks at his own projections, he will see that the unemployment figures at the end of the five-year period are just as high as they are now, and that the average over the five-year period is higher than now. That is not dialectics, those are straight facts. Can the minister please confirm that, on the facts which are contained both in the budget and in the medium-term prospects which are described in his budget papers, if you look at the real number of unemployed in Newfoundland, for example, in the early 1980s through to 1985 one out of every four or five Canadians will be unemployed and that the average for all of Canada will be one out of every ten Canadians unemployed over the next four or five years?

Mr. MacEachen: So?

Mr. Rae: I am asking the minister to confirm those figures, and he is saying "so".

An hon. Member: What do you mean by "so"?

Mr. MacEachen: Madam Speaker, the figures in the document are accurate. The hon. member's interpretation of them is a bit suspect.

Mr. Rae: If my interpretation is suspect, I think the minister's complacency is nothing short of unbelievable.

My final supplementary concerns an article written in 1962 by someone describing himself as an economist by the name of Pierre Elliott Trudeau. The article is entitled "Economic Rights". At the end of this article the author writes:

> —our laws . . . recognize as proprietors of an enterprise men who today hold a few shares . . . whereas workers who may have invested the better part of their lives and of their hopes in a job have no proprietary right to that job, and may be expropriated . . . whenever they grow old, whenever Capital decides to disinvest.

He describes that as an "erroneous concept of property". In light of all the statements that have been made by the minister in his document about the importance of labour mobility—and in fact he has turned the country into a nation of backpackers thanks to the levels of unemployment that he is expecting in many parts of our country—can he point specifically in his budget to any steps which have been taken which guarantee, not simply labour mobility, but the importance of providing some job protection, some pension guarantees and some economic security for those people who are affected by the 1,000 lay-offs per day that have been taking place over the past year and that we can be sure will be taking place over the next five years, thanks to this stand-pat-and-do-nothing budget.

Some hon. Members: Hear, hear!

Mr. MacEachen: The hon. member's rhetoric is about as outdated as the amendment which he proposed yesterday in the House which looked to me like a warmed over edition of the Regina manifesto.

Mr. Rae: A million unemployed is outdated?

Mr. MacEachen: He talked about intellectual bankruptcy. It was demonstrated clearly yesterday in his amendment and again in his questions.

● (1430)

May I indicate to the hon. member, if he is serious about the question of growth and unemployment in the economy, that I

have acknowledged in the budget my view about the medium-term economic situation as one which does not give any cause for satisfaction. The solution proposed by the New Democratic Party is to inject a "stimulus" into the economy by increasing the deficit at this particular time. In my view, that prescription is likely to fail and will prevent this country from participating fully in an economic recovery which will likely take place in the second quarter of next year. That is why there has not been an effort in this budget to run up a deficit, which is very large already, and make our problems in the medium term more difficult. That is the stance taken by the government in the budget.

The hon. member talks about jobs. Apparently he is interested in jobs, but he has not understood the impact of the budget. In the economic development envelope this particular year we are increasing expenditures by 22 per cent in order to support activities in the economy which we think will make a long-term contribution to improved productivity and growth. In addition to that, we have provided a special amount of $350 million in order to deal with the important problems of restructuring and manpower adjustments.

Finally, the hon. member talked yesterday about industrial strategy. His concept of industrial strategy or development is very limited.

Some hon. Members: Order, order.

An hon. Member: He is not answering today's question, he is answering yesterday's.

* * *

THE BUDGET

CONSIDERATION OF TAX CREDIT FOR COST OF HEATING FUEL

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, I sat through the budget on Tuesday night and a 50-minute—

Some hon. Members: Question, question.

Mr. Scott (Hamilton-Wentworth): It is coming, it is coming. We had a 50-minute "question period" yesterday and another 17 minutes of gobbledygook from the minister today—

Some hon. Members: Question.

Mr. Scott (Hamilton-Wentworth): —and never was a meaningful word heard on behalf of the Canadian consumer. This budget leaves the consumer far worse off than the previous budget of my colleague, the hon. member for St. John's West.

Some hon. Members: Hear, hear!

Mr. Scott (Hamilton-Wentworth): Since this budget potentially permits a 75-cent per gallon increase in home heating fuel by 1983, why did the Minister of Finance not consider a tax credit for home heating fuel or at least an increase in CHIP?

Mr. Lalonde: What about GIS?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I want to repeat a statement I made yesterday. It throws a good deal of light upon the difference between the impact of this particular budget on Canadian consumers of oil and gas in comparison with the impact of the budget which my hon. friend supported last December. The schedule of price increases of oil and gas over the period up to and including 1984 saves Canadian consumers $40 billion in comparison with the budget presented last December.

Some hon. Members: That is not true.

Mr. MacEachen: If my hon. friend wants to get some facts, I would ask him to read the speech given yesterday by the Minister of Energy, Mines and Resources.

Mr. Crosbie: Pinocchio.

Mr. MacEachen: In it he demonstrated very clearly that the price of gasoline, natural gas and home heating oil will be considerably lower under this budget than the one the hon. member supported last December, and that is why we are not providing an energy tax credit.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

* * *

POST OFFICE

INQUIRY RESPECTING INCREASE IN POSTAL RATES

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, it just proves the point I was trying to make, that obviously the government cares nothing about the average consumer.

Some hon. Members: Question.

Mr. Scott (Hamilton-Wentworth): I have read enough speeches by the Minister of Energy, Mines and Resources, and I think other Canadians have read enough too.

My supplementary question is directed to the Minister of Consumer and Corporate Affairs wearing his hat as the Postmaster General. The budget indicates that there is no planned deficit in the Post Office. His own estimates show a deficit of $400 million which will require a minimum 10-cent increase to consumers in the price of first-class mail.

Mr. Crosbie: At least.

Mr. Scott (Hamilton-Wentworth): When does the minister plan to introduce this postage tax? How much will it cost us?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, as it turns out, I answered that very question this morning before a parliamentary committee. Obviously the estimates introduced by the Minister of Finance cover the next four years and what we must keep in mind, therefore, is the fact that, whether a Crown corporation is set up or not, the Post Office Department will have to boost postal rates in 1981. That is nothing new, it has been said several times before. My predecessor as Postmaster General, the hon. member for Vancouver South, stated himself this morning that when he was minister he had plans to raise postal rates; he never did get around to it because of the change in government. Besides, and after two years without higher rates, it is only natural that they go up in 1981.

* * *

[*English*]

SOCIAL SECURITY

IMPACT OF BUDGET ON POOR AND ELDERLY

Hon. James A. McGrath (St. John's East): Madam Speaker, my question is for the Minister of National Health and Welfare. Given the impact of the budget on the elderly and those on fixed incomes, has the minister examined the budget with that fact in mind? For example, almost 40 per cent of the $35 increase in the GIS will be taken up with increases in the cost of heating oil in the months ahead. Has the minister examined the impact of the budget on the poor and the elderly? After one finishes reading through what the minister said in his budget, the bottom line is that the burden has shifted to the poor and the elderly.

Some hon. Members: Hear, hear!

[*Translation*]

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, in my opinion the analysis of the hon. member is altogether erroneous. If he examines the budget he will see that it definitely includes the notion of indexation of social programs geared to the full cost of living, which has always been one of our priorities. It is obvious that the Minister of Finance has decided to act as firmly as possible to boost growth and productivity. These extra costs will be offset by automatic indexation and the suggestion of the hon. member is false and contrary to the budget his government itself introduced last December.

[*English*]

Mr. McGrath: Madam Speaker, I stand behind what I said. The poor and the elderly of this country will experience what I am saying this winter. Given the fact that the energy and food portions of the consumer basket of the poor and the elderly is disoriented toward that fact—in other words, it is disproportionate—and that the consumer price index is the weighting scale for indexing, will the minister examine the consumer price index to see if it is relevant to the disproportionately high amount of the cost of living which must be paid out for food and fuel oil costs by the poor, the elderly and those on fixed incomes? If so, will she change it?

Miss Bégin: Madam Speaker, I have just returned from a fact-finding mission in a few European countries and I wish my colleague would have had the chance to join us. He would have seen in the discussions we had—and I am thinking in particular of Sweden—although that government, like many others, has decided to take the cost of oil and energy out of the consumer basket, out of the indexing indicator which will be used for the pensions of seniors, we have refused that approach in this country. We will keep the full consumer price index as the method of ensuring that, despite the unpleasant increases of different components of the consumer price index, our senior citizens and people under social programs, including families, will be fully protected.

* * *

● (1440)

THE CANADIAN ECONOMY

EFFECTS OF REDUCTION IN PURCHASING POWER

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, my question is for the Minister of Finance. It is somewhat related to the question asked by my colleague. The minister speaks of economic recovery taking place in the second quarter of next year and the industrial redevelopment which he hopes will occur as a result of the budget initiatives.

Would the minister agree that the reduction in purchasing power which results from the increases that have taken place in costs in all the major areas of consumer spending can do nothing but reduce manufacturing, create higher unemployment levels, reduce the tax payable to the federal government and, in the final analysis, create an even larger deficit? What has the government done to reverse the trend which automatically flows from inflicting higher and higher costs on people in the essential areas, thereby causing this continual domino effect on the economy?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): With respect to the first point, the hon. member has asked what the government has tried to do to support the economy. The hon. member will understand that at the present time the deficit is $14.2 billion, which is an amount we are putting into the economy in order to give it support and stimulate activity.

Now hon. members in that party want me to do more in that direction, to run up the deficit in order to undertake the kinds of projects which have been enumerated. Yesterday the hon. member for St. John's West spent a good part of his speech

denouncing the budget because the deficit was too high. I believe that the deficit at the moment is appropriate to the weak output of the economy and that any greater effort to increase it would be counter-productive. That is the general posture of the government.

My hon. friend asks about—

Some hon. Members: Order!

Mr. MacEachen: Thank you.

Mr. Deans: Madam Speaker, a supplementary question. If we have an increase in unemployment of 100,000 persons this coming year, that will surely mean 100,000 people who will purchase less. If we reduce the consumer purchasing power of the balance of the population with the increases which the government has inflicted upon them in this budget, that will mean they will buy even less in the consumer marketplace, which will in itself result in even higher unemployment.

Some hon. Members: Question!

Madam Speaker: Order, please. Supplementary questions should be even shorter than the first question asked, but the question of the hon. member looks as if it might be longer. Would the hon. member please ask his question now.

Mr. Deans: What specific measure is there in this budget that will put an end to the domino effect which results from unemployment compounded on unemployment?

Mr. MacEachen: Madam Speaker, I am not sure I fully understand the hon. member's question, but I want to make one point to him. There is no way that I or the government can fully protect the Canadian consumer or citizen from increased energy or food prices. Most European countries and almost all of the OECD countries are fully absorbing world energy prices immediately. We have not done that. We have protected the Canadian consumer from the full impact of world price increases. But we have increased prices and there will be increased costs in the economy. Nothing I or the hon. member can say will change that if we want to face reality, one which is not only a Canadian reality but a worldwide reality.

Some hon. Members: Hear, hear!

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FINANCE

EFFECTS OF BUDGET ON MARKET AND HOME OWNERS

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my question is addressed to the Minister of Finance. He has said he believes his deficit is appropriate. However, that does not appear to be what the marketplace is saying, with the Toronto Stock Exchange index down 74 points since Tuesday, the oil and gas index down 600 points, federal government bonds, which were bought only four months ago, down 15 per cent, the dollar into the 84-cent range once again, and hundreds of millions of dollars going out of the country. Now it has been announced the bank rate is up four-tenths of a point over last week.

Some hon. Members: Shame!

Mr. Stevens: Would the minister indicate, now that we have had the energy statement, when do we get his budget in the hope that it might steady the market?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the forces in the market which have accounted for the increased bank rate today were quite evident before the budget was brought down.

Some hon. Members: Oh!

Mr. MacEachen: The same is true of the slight weakening of the Canadian dollar. So the hon. member is drawing a very long bow if he is attempting to relate one to the other.

Mr. Stevens: Surely it is unforgivable that a Minister of Finance would say that the forces which are driving up interest rates in this country were evident before he brought in his budget, yet in that budget he did nothing to correct that trend.

Some hon. Members: Hear, hear!

Mr. Stevens: In view of the fact that federal rates are now near 14 per cent for long-term bonds—that is the rates on Canada bonds—which indicates that mortgage rates are likely going to the 15 per cent or 16 per cent level, would the minister indicate what he intends to do to help the home owners in this country who have to renew mortgages, or those people who would like to buy houses in the future?

Mr. MacEachen: Madam Speaker, if he shares the view his deskmate expressed yesterday that the deficit is too large, even as it presently exists, then he would be the first to urge me not to undertake another new major spending program to add to that already high deficit.

* * *

THE BUDGET

INQUIRY RESPECTING DEFICIT REDUCTION

Mr. Garnet M. Bloomfield (London-Middlesex): Madam Speaker, my question is addressed to the Minister of Finance. Can he give us the reasons he chose to effect a somewhat smaller deficit reduction in this budget than his predecessor did in his budget?

Some hon. Members: Oh, oh!

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I think it is an important question.

Some hon. Members: Hear, hear!

Mr. MacEachen: I would make a clarifying observation, namely, that the former minister of finance was projecting a decrease of the existing deficit, over the time-frame, of about $2 billion, and that is exactly what I am doing, effective at the end of 1984. The hon. member for York-Peel said the deficit went up this year, which is absolutely right. It increased because of increased payments on the debt as a result of higher interest payments, interest rates which had run up even more explosively under the former government than under the present government.

Some hon. Members: Hear, hear!

Mr. MacEachen: It went up because of increased payments on oil compensation, which hon. members opposite would have had to pay in any event. I accepted those increased expenditures because of weak economic performance.

Madam Speaker: Order, please.

• (1450)

INQUIRY RESPECTING MEASURES TO ASSIST AGRICULTURE

Mr. Jack Murta (Lisgar): Madam Speaker, I should also like to direct a question to the Minister of Finance. Since the largest group of energy users in our society is those engaged in agriculture, and more specifically farmers, and in order to stop farm costs from absolutely skyrocketing under the added burden of the energy price increases that the minister announced on Tuesday night, there will have to be either a tax credit or some other kind of assistance given to agriculture or we will see absolutely skyrocketing farm prices. There was no indication of agricultural measures in the budget at all. What is the government considering doing for agriculture?

Mr. Baker (Nepean-Carleton): Sending Whelan to the Senate.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, we took action in the budget on Tuesday night to assist the agricultural industry by not proceeding with an 18-cent tax on gasoline and by bringing in a much lower cost structure for the agricultural industry.

Mr. Murta: Madam Speaker, a supplementary question. The increased costs vary but there are some estimates that grain farmers, for example, will experience as much as a 15 or 20 cents per bushel increase because of additional energy requirements, since agriculture is such a high component in the use of energy. May I ask if any special consideration is going to be given to the agricultural sector? I would remind the minister that the answer he just gave me is not satisfactory.

Mr. MacEachen: Madam Speaker, I cannot understand why the answer should be unsatisfactory when the budget on Tuesday night provided a lower cost structure for the agricultural industry than the budget of last December, which the hon. member supported.

[*Translation*]

HOUSING

ASSISTANCE TO HOME OWNERS TO MEET MORTGAGE INTEREST RATES

Hon. Roch La Salle (Joliette): My question is also for the Minister of Finance. Surely the minister is aware of hardships in the construction industry, not only in the province I represent but throughout the country as well. The Minister of Finance also knows about the difficulties facing small home owners and other prospective buyers. Given these circumstances, having failed to provide anything in the budget to cope with staggering interest costs, would the Minister of Finance, despite all his pious arguments about the budget, be prepared to reassure those thousands of Canadians and promise very special assistance to small home owners to help them face interest costs?

[*English*]

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): No, Madam Speaker, I cannot give the assurance that there will be a special program. I could not give the assurance earlier in the year, when interest rates were higher than they are at present, that the treasury could support an additional program of that size and expenditure magnitude. We made clear during the election campaign that we would not proceed with the mortgage interest deductibility program that had been part of the policy of the last government, and we do not propose to proceed with that program or any other program at the present time.

[*Translation*]

Mr. La Salle: A supplementary, Madam Speaker. If I heard correctly, the Minister of Finance has no intention of helping small home owners who are facing enormous difficulties and who are not yet at the end of their rope if we keep in mind that the minister did say the inflation spiral would continue at roughly 10 per cent. That being so, would the minister not show a little more sympathy for those small owners and tell us that in the near future he will introduce a measure, first to save those who already have homes and then to enable other Canadians to become home owners?

[*English*]

Mr. MacEachen: Madam Speaker, I recall that earlier in the year I examined this question very carefully in the light of the considerable interest rate increases that had occurred in relation to home owners who had undertaken the obligation of paying increased mortgage rates. After an examination of that problem I concluded, based upon the objective facts, that a very, very high proportion of those home owners, because of their increased incomes since mortgages had been taken out, and taking into account the normal relationship between income and payments for housing, could manage on their own resources.

We did undertake at that time to consider a program, not a financial program but a rearrangement of mortgages that

would assist a group that might be affected. That seems to have worked very well and up to this point has made unnecessary a very large expenditure program which is obviously being advocated by my hon. friend. I just do not have the resources at the present time to finance any other new programs.

Mr. Wilson: Why?

Mr. MacEachen: If I take the advice of the hon. member for St. John's West, I should be cutting down the current expenditures listed for the government.

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NORTHERN PIPELINES

QUEBEC-MARITIMES EXTENSION—SUPPLY OF PIPE BY CANADIAN INDUSTRY

Mr. Gilbert Parent (Welland): Madam Speaker, I should like to direct a question to the Minister of Energy, Mines and Resources. Yesterday the minister stated it was the government's intention to complete a Quebec-Maritimes pipeline. In view of the fact that 100 per cent of the pipe for the western pipeline is being made in Canada, could the minister tell the House whether he has ascertained if the industries in Canada will have the capability of producing the pipe which will be necessary for the completion of the Quebec-Maritimes pipeline in the desired time?

An hon. Member: Of course they will.

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I think there is no reason to doubt that the pipe provided for that pipeline will come from Canadian steel companies.

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HOUSING

INQUIRY RESPECTING REINTRODUCTION OF MURB TAX WRITE-OFFS

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, my question is also directed to the Minister of Finance. Since it is well documented by the Canadian Council on Social Development that MURB tax write-offs in the past did absolutely nothing to help build affordable rental accommodation for families, for native people or for pensioners, and that in fact family homes were often demolished in order to build fancy, expensive luxury bachelor apartments, why did the minister respond to the pressures from the real estate lobby to reintroduce MURB tax write-offs for the wealthy instead of investing in social housing to try to deal directly with Canada's most desperate housing problem?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member is distorting the purpose of the program, which is to increase rental accommodation through a tax shelter which may indeed apply to persons in high income brackets. That is acknowledged. The impact will be on increasing rental accommodation. I responded to representations not only from persons in the construction business but also to representations made at the recent ministers of finance meeting and representations made to me by members of the House of Commons, as well as by the minister who advised me that at the present time this would be the most appropriate way to provide additional stimulus. I noticed yesterday in one of the Toronto papers that it was stated the impact would be to create about 10,000 additional jobs, and I think that is rather important.

Mrs. Mitchell: Madam Speaker, social housing would create just as many jobs. I wonder if the minister talked to tenants. Does the minister realize that from 1974 to 1979, the MURB period, over $315 million was added to our national debt because of MURB tax write-offs, yet during the same period, construction of rental units dropped by 41 per cent? Since MURBs cost so much, benefited only the rich, I repeat, and made no impact on priority housing problems of Canadians, will the minister reconsider his decision or at least invest a similar amount in non-profit and co-op housing for those who most need it?

Mr. MacEachen: Madam Speaker, there has been consistent support by this government for co-operative housing and non-profit housing. One just has to travel the country to see the impact of the housing program. I believe that the introduction of this particular tax problem will have a beneficial effect on increasing rental accommodation in cities especially, where the vacancy rate is very very low. It will also have the substantial effect of creating jobs in the construction agency whose unions, I understand, are very much in support of this particular policy.

* * *

● (1500)

ENERGY

OIL AND GAS INDUSTRY—REDUCTION IN FOREIGN OWNERSHIP

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. It relates to the intent of the policy announced in the budget to increase Canadian ownership in the oil and gas industry. The budget states that one objective is to achieve at least 50 per cent Canadian ownership of production by 1990, down from the current level of foreign ownership of about 70 per cent. In order to achieve this, exploration and development incentives will be phased out by the end of 1983 for all companies more than 50 per cent foreign owned.

My question is this. Is it the policy of the government to reduce the ownership level of all companies within the industry to the 50 per cent level, or is the policy related to the industry in the aggregate; in other words, to reduce the level of ownership to 50 per cent in the aggregate? As well, could the

minister answer in what time-frame he is trying to achieve this? Is it related to the phasing out of the incentives?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, the objective of the government is to reduce foreign ownership to less than 50 per cent in the industry as an aggregate. We do not foresee, for instance, the elimination of any oil or gas company in Canada that would be more than 50 per cent owned. But what we are concerned about is that overall there would be at least 50 per cent Canadian ownership, and that in the larger companies there would be a significant increase in Canadian controlled companies, that is, companies actually managed and controlled by Canadians. This is a very strong part of our policy and we have announced a number of steps to achieve it.

As far as Canadian ownership is concerned, we have indicated that it will be before 1990 and we have announced steps that I hope will achieve this objective well within this decade. We have not set a specific year within the decade, but we want to make sure that by 1990, at least, this objective will have been achieved, while the other objectives I have mentioned—greater control and a few acquisitions by the Government of Canada—are to be achieved in the early part of this decade.

As to the second part of the question asked by the hon. member with regard to the phasing out of some of the incentives, these are spelled out in detail in "The National Energy Program", and I would refer him to the tables published with that program.

Mr. Wilson: Madam Speaker, I am aware of the phasing out of incentives. It is the concern I have which prompts the question. The primary objective, as stated by the government, was to achieve self-sufficiency during this period of time. Since the foreign-owned companies are a major element in achieving self-sufficiency, my question to the minister is this. Since the incentives for the foreign-owned companies—those companies which own more than 50 per cent offshore—are phased out, is there any intention of introducing at some time within the next ten-year period a change in the incentives to give encouragement to companies which bring in some degree of Canadian ownership but not the full 50 per cent, which would qualify them for the incentives?

Mr. Lalonde: Madam Speaker, I thank the hon. member for his supplementary question. The phasing out of the incentives to the foreign-owned companies was put in the energy program to allow those companies to turn around and find Canadian partners and to bring Canadian ownership into their companies as they exist at the present time. We believe that the time lag we have provided for should allow those companies that want to achieve Canadian ownership. For those not wanting to open their companies to Canadians, we have stated that we are ready to buy them out. We will ensure that they will continue to work for Canada in order to achieve our self-sufficiency goal.

Our purpose is not to drive out all foreign companies by any means. As a matter of fact, and as the hon. member knows, the incentives for tar sands and heavy oil continue, including incentives for foreign companies. There are still incentives for foreign companies, but we would like them to concentrate their efforts in areas where there is most need to help us meet our goal of self-sufficiency.

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POINTS OF ORDER

MOTION UNDER S.O. 43 MOVED BY MR. SIDDON

Madam Speaker: I have received notice of a question of privilege from the hon. member for Skeena (Mr. Fulton). I see the President of the Treasury Board (Mr. Johnston) rising on a point of order.

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, Standing Order 43 is to be used for matters of urgent and pressing necessity and is to be based on facts. The hon. member for Richmond-South Delta (Mr. Siddon), dealing with the use of pension funds, suggested that the government was plundering these pension funds. He made allegations intended, I suggest, to frighten public service employees. These allegations are not based on any facts whatever. He made references to figures set forth in the statement by the Minister of Finance (Mr. MacEachen) with regard to the financial position taken over a multi-year perspective, which is the same as that in last December's statement by the then minister of finance. If this had been a matter of urgent and pressing necessity, I suggest the hon. member should have raised it at that time.

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, I have been raising questions with respect to the state of the public service superannuation accounts with this minister, in committee and in this House, for several months. I have not been getting any answers. Therefore it has become a matter of urgent and pressing necessity.

Madam Speaker: I understand the two hon. members do not have the same interpretation of these facts. Each is entitled to expose them as he sees fit. That is why we have debate in the House of Commons so facts can be refuted from time to time.

As I was saying before that point of order was raised, I have a notice of a question of privilege by the hon. member for Skeena. I require an hour's notice for questions of privilege, and I have not had quite that hour's notice. However, I could close my eyes to that. But when there is notice, if the hon. member looks at the Standing Order, he will see that he should give me a brief statement as to what his question of privilege is all about. He did not do that. The idea is to save the time of the House so that the Speaker, in advance, can look into the situation to be evoked during the course of the question of privilege.

Since the question of privilege does not flow from the deliberations of the House today, I will take his notice now, and ask him to raise it tomorrow.

Point of Order—Mr. Hnatyshyn

GOVERNMENT ADVERTISING PROGRAMS

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, my point of order flows from an answer given by the Minister of State for Multiculturalism (Mr. Fleming) who has responsibility for the government's advertising programs, in response to a question raised by my colleague, the hon. member for Assiniboia (Mr. Gustafson), last Monday.

This point of order has to do with the address given by the Prime Minister (Mr. Trudeau) last night in Regina and the advertising which took place in advance of that particular function. I have in my hand, and I will present to you, Madam Speaker, a photocopy of some of the advertising that was placed in various newspapers in Saskatchewan before the Prime Minister's speech. By a scrutiny of this particular advertisement, Madam Speaker, you will be able to see that it is authorized by the Government of Canada, with the official Canada logo affixed to that particular advertisement.

These advertisements are very expensive. The difficulty I have, in terms of the response which was given to the question raised by my colleague from Assiniboia, is that I think the minister unintentionally misled the House to indicate that there was no government expenditure with respect to this particular program in the advertising for the dinner.

To compound this situation, the information in the advertisement under the logo of the Government of Canada is false, incorrect, and misleading. Listed in this advertisement are a number of organizations and associations, such as the Saskatchewan Stock Growers Association, and the Palliser Wheat Growers Association purporting to be "hosting organizations". That is false, and incorrect. It is not true. These organizations were not hosting. They had withdrawn. I do not know how many other organizations in Saskatchewan were listed as hosting organizations that would have withdrawn prior to this meeting.

● (1510)

I have copies of press reports which verify the fact that even though this was known to whomever put the ad in the paper, that the organizations had withdrawn their support, they went ahead and published this misleading advertisement for the Prime Minister's visit to Regina. For example, I quote from the Palliser Wheat Growers Association press release of October 27 wherein president George Fletcher advised that for "The Prime Minister's Evening with the People of Saskatchewan" on Wednesday, October 29, their association had been invited to have their members buy tickets and attend as guests.

The difficulty I have in connection with this point of order is that the minister indicated in his response that the government had not contributed financially to this advertising campaign for the dinner. Today in the media across Saskatchewan, Mr. Ralph Langdale, the executive assistant to Senator Hazen Argue, reaffirmed that the government spent no money—this is, one way or the other. Either there has been an expenditure of public funds on misleading information, wrong, incorrect, a public lie in the newspapers of Saskatchewan, or they have not contributed financially, whereupon it is incumbent upon the minister or the Minister of Consumer and Corporate Affairs (Mr. Ouellet) to launch an investigation to determine who is using the logo of the Government of Canada unlawfully, and misrepresenting the position of this government.

My point of order is this. The minister was either incorrect in his answer on Monday with respect to the support and funding of this so-called extravaganza, "The Prime Minister's Evening with the People of Saskatchewan", or not. The Prime Minister's evening was terminated after television coverage was cut off. The Prime Minister abruptly quit his speech and left the people of Saskatchewan. I can assure hon. members that in terms of the crowd that received the Prime Minister there were bigger crowds at executions during the French revolution.

The minister has a duty to stand in this House and explain his answer, to admit it was false, or undertake to make an investigation with respect to the use of the logo of the Government of Canada in this connection.

Hon. Jim Fleming (Minister of State, Multiculturalism): Madam Speaker, I am not sure how that rates as a point of order, but I want to respond to the hon. member. I will leave aside all the foofaraw about the attendance of various groups and so on. I obviously played no role with regard to who was invited, who was not invited, who came and who did not.

When I responded, as memory serves me, because I had no notice of this until a few moments ago when it was waved at me from across the floor, in the question the other day I was asked if the Government of Canada or the taxpayers of Canada were paying for a broadcast of the Prime Minister (Mr. Trudeau). I said I had no knowledge of any such payment. I do know the broadcast was paid for by the Liberal Party of Canada. I know in fact that no time had been bought at that point. It was purchased later, although arrangements were under way. It was paid for. The ad I had not seen and had not approved, and I will look into it.

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, may I just respond to what my colleague from Saskatoon West mentioned about the reply the minister gave to our colleague from Assiniboia.

In obtaining tickets for the centennial auditorium or the Centre of the Arts in Regina, when they requested the purchase of tickets the telephone number of Senator Hazen Argue's office was given out. The person responsible, the contact person in that office, was a Mr. Bob Lyster, who happens to be an employee of the people of Canada, not of the Liberal Party of Canada. At the same time, another defeated Liberal candidate from Saskatchewan, also listed as an employee of the Government of Canada, was soliciting purchases for the same tickets from a government office in Regina. It was a government office, not the office of the Liberal Party of Canada. The point about the logo of the Government of Canada being used for a fund raising dinner for the Liberal party in Saskatchewan is that this is a misuse, and there was misinformation contained in the advertisement.

Madam Speaker: Hon. members might have a complaint about the particular question that was raised as a point of order. It deals with something which took place outside this House. I fail to see how it can be the subject of a point of order since there is nothing in it which contravenes our Standing Orders. It seems to be a complaint, perhaps a legitimate complaint. I have had to listen to it, but I do not see it as a point of order.

* * *

PRIVILEGE

MR. YURKO—CONSTITUTIONALITY OF OIL AND GAS TAXES

Mr. Bill Yurko (Edmonton East): Madam Speaker, I hope you will give me several minutes to expand my question of privilege. Today I moved a motion under Standing Order 43 which asked that the federal government immediately refer to the Supreme Court, for a constitutional opinion and ruling, both its budgetary 8 per cent tax on net revenues from oil and gas and its domestic and export tax of 30 cents per 1,000 cubic feet on natural gas and liquefied petroleum products. You put the motion, Madam Speaker. Obviously you must have heard some "noes" from the government side because the motion was not accepted.

I would like to come to my question of privilege as a result of the motion. These taxes on the provincial royalty share of oil and gas from Crown-owned corporations are, among some experts, contrary to sections 109 and 125 of the British North America Act. The constitutionality of these taxes has been questioned by several provincial governments. As a member of Parliament, I believe it is incumbent upon the Chair and the House to ensure that the actions of this House are constitutionally correct in accordance with the rules of this House.

It is a basic privilege of the members of this House that we not only act correct constitutionally, but know that we are acting correctly. Therefore, Madam Speaker, I look to you to advise me and all members of this House that we are not involved in any actions which breach the existing Canadian constitution. Such action by me or any member of this House breaches the privileges of each member of this House in that they are or would be compromised in their actions by virtue of the fact that they may unwillingly or unknowingly be acting beyond the constitutional capacity of this House.

To circumvent such breaches, it is incumbent upon the government to assure us that it has unimpeachable legal advice and an opinion that the taxes it has imposed are within the constitutional capacity of this House or else the government will immediately undertake in the interim to refer these taxes for an opinion and a ruling by the Supreme Court of Canada.

My question of privilege is simply this. All members of this House should be apprised at the earliest opportunity as to whether we are acting constitutionally correctly in this matter. If not, then a reference should be made to the Supreme Court of Canada at the earliest opportunity. If this is not done and the question is left up in the air, then I look to you, Madam Speaker, to advise me as to whether my privileges of this House in acting unconstitutionally are in fact effective.

Madam Speaker: I suspect the hon. member knows that the Chair is in no position to interpret either the law or the constitution. Whether something which takes place in this House is constitutional or legal is not for the Chair to decide. The Chair only decides whether we are following our own rules. That is spelled out in article 12(1) of the Standing Orders which reads:

> Mr. Speaker shall preserve order and decorum, and shall decide questions of order.

● (1520)

That is the scope of my responsibility. That is sufficient. At any rate, I am sure that I would be unable to fulfil the request that is being made by the hon. member through a question of privilege.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baker (Nepean-Carleton): Madam Speaker, today is Thursday. The government House leader earlier allocated Friday as an allotted day, and it is his intention, I understand, to carry the budget debate through to its completion next Thursday. Would he tell us now, well in advance, his legislative priorities. I am interested in knowing whereabouts in the scale of priorities the freedom of information bill stands. If he could tell me that, I would be grateful.

Mr. Pinard: Madam Speaker, my hon. colleague is correct. Friday will be an allotted day, and on Monday we will continue with the budget debate. The freedom of information bill would have been introduced last Tuesday if the post office bill had been sent to committee on time. Since it was not, it is difficult for me to say at this time when we will be in a position to deal with the freedom of information bill.

Following the budget debate, high priority will be given to the Bank Act since it must be adopted and receive royal assent before November 30, as my colleague well knows. So following the budget debate, we will deal with the Bank Act. I understand that at the time we table the proclamations an hon. member for the NDP would like to have a special debate on the matter. This will also take up some time of the House. Excluding Fridays, there are seven allotted days before December 10. Generally speaking, this is the House business we will have to deal with before December 10.

[*Later:*]

Also, with regard to the discussion among House leaders about Remembrance Day, which falls on a Tuesday this year, as to whether or not the House would sit on the previous Monday, November 10, I think I can say now that we on this side agree not to sit on the Monday preceding Remembrance Day. However, I would like to have further consultations with

my colleagues as to when we will recoup the four hours of government time which will be lost if we do not sit on Monday. We would like to recoup those four hours in the following week or weeks. Hopefully, we will be in a position sometime next week to agree to a House order.

Mr. Baker (Nepean-Carleton): Madam Speaker, there has been this discussion, and it is my understanding that there are four hours of government time to be recouped. We can certainly agree with respect to that.

Mr. Paproski: What about December 25?

Mr. Knowles: Madam Speaker, may I also indicate our agreement so that hon. members will know that the House will not be sitting on November 10. That includes an agreement later on to decide when to recover the four hours of government time that will be lost.

ROUTINE PROCEEDINGS

[*English*]

SPECIAL COMMITTEE ON DISABLED AND HANDICAPPED

First Report of Special Committee on the Disabled and Handicapped—Mr. Smith.

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

* * *

[*Translation*]

ALTERNATIVE ENERGY AND OIL SUBSTITUTION

Mr. Thomas H. Lefebvre (Pontiac-Gatineau-Labelle): Madam Speaker, I have the honour to table the first report of the Special Committee on Alternative Energy and Oil Substitution.

With the consent of the House, I move that the report be concurred in later today.

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

* * *

[*English*]

PETITION

MR. MANLY—WEST COAST OIL TANKER TRAFFIC

Mr. Jim Manly (Cowichan-Malahat-The Islands): Madam Speaker, on behalf of my constituents in Cowichan-Malahat-The Islands and other concerned residents of British Columbia, I wish to present a petition to this House. The petition expresses our great concern about the growing threat of oil tanker traffic on Canada's Pacific coast. It calls upon Parliament to oppose this threat to the Canadian environment and to ask the National Energy Board to hold local hearings in communities directly threatened by any oil port or oil route proposals.

* * *

[*Translation*]

ALTERNATIVE ENERGY AND OIL SUBSTITUTION

CONCURRENCE IN FIRST REPORT OF SPECIAL COMMITTEE

Mr. Thomas H. Lefebvre (Pontiac-Gatineau-Labelle): Madam Speaker, following an arrangement between parties, I move that the first report of the Special Committee on Alternative Energy and Oil Substitution be concurred in.

Motion agreed to.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 306, 1,212, 1,484, 1,485, 1,488 and 1,502.

I ask, Madam Speaker, that the remaining questions be allowed to stand.

[*Text*]

ORGANIZATION OF AMERICAN STATES

Question No. 306—**Mr. Herbert:**

1. During the past five years, what amount was contributed by Canada to the Organization of American States and for what purpose?

2. Is the government considering a membership in the OAS?

Hon. Mark MacGuigan (Secretary of State for External Affairs): 1. As Canada is not a member of the OAS, Canada has not contributed to the budget of the OAS. Through CIDA, Canada has contributed $778,000 toward a rural co-operative development project managed by the OAS. Canada is a full member of, and does contribute to, some specialized inter-american agencies, such as the Pan-American Health Organization, the Inter-American Development Bank, Pan American Institute of Geography and History and the Inter-American Indian Institute. However, these organizations are independent of the OAS.

2. The government has considered the question of becoming a full member of the OAS and has decided at this time not to apply for full membership. However, Canada maintains a permanent observer mission to the Organization of American States.

STATISTICS—CENSUS COMMISSIONERS

Question No. 1,212—**Mr. MacKay:**

How many of the enumerators and commissioners to be employed pursuant to subsection 5(1) of the Statistics Act, for the taking of the 1981 census, will be selected through the process commonly referred to as the Political or Ministerial Referral System in the constituency of (a) Blainville-Deux-Montagnes (b) Windsor West (c) Egmont (d) Saint-Henri-Westmount (e) Beauharnois-Salaberry (f) Westmorland-Kent (g) Stormont-Dundas (h) Cape Breton Highlands-Canso (*i*) Ottawa West (j) Restigouche (k) Mercier (l) Rosemont (m) Charlevoix (n) Verchères (o) Cardigan?

Hon. J.-J. Blais (Minister of Supply and Services): Statistics Canada reports: Only candidates for census commissioner positions are identified through the ministerial referral system. Selection is based on an interview and test administered by Statistics Canada. The numbers of census commissioners to be employed under subsection 5(1) of the Statistics Act, for the constituencies named, are as follows:

	Census Commissioners
(a) Blainville-Deux Montagnes	6
(b) Windsor West	6
(c) Egmont	3
(d) Saint-Henri-Westmount	14
(e) Beauharnois-Salaberry	6
(f) Westmorland-Kent	6
(g) Stormont-Dundas	6
(h) Cape Breton Highlands-Canso	7
(i) Ottawa West	6
(j) Restigouche	5
(k) Mercier	4
(l) Rosemount	5
(m) Charlevoix	6
(n) Verchères	8
(o) Cardigan	4

CANADIAN BROADCASTING CORPORATION—TELEVISION NEWS AND PUBLIC AFFAIRS

Question No. 1,484—**Mr. Cossitt:**

What are the names and job designations of all persons employed, directly or indirectly or under contract, with CBC television news and public affairs (English) and, in each case, what are the names of the television programs which they broadcast, produce, direct, etc?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): I am informed by the Canadian Broadcasting Corporation as follows: It has not been customary to require the Canadian Broadcasting Corporation to provide such details of its internal management and administration as the names and job designations of people involved in its programming, whether staff or on contract. The background to this custom is explained in detail in the reply to question No. 2,530, May 22, 1975.

CBC—RADIO NEWS AND PUBLIC AFFAIRS

Question No. 1,485—**Mr. Cossitt:**

What are the names and job designations of all persons employed, directly or indirectly or under contract, with CBC radio news and public affairs (English) and, in each case, what are the names of the radio programs which they broadcast, produce, direct, etc.?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): I am informed by the Canadian Broadcasting Corporation as follows: It has not been customary to require the Canadian Broadcasting Corporation to provide such details of its internal management and administration as the names and job designations of people involved in its programming, whether staff or on contract. The background to this custom is explained in detail in the reply to question No. 2,530, May 22, 1975.

CBC—RADIO OR TELEVISION NEWS—FREE-LANCE PERSONS

Question No. 1,488—**Mr. Cossitt:**

What were the names of all persons used by the CBC radio or television news on a free-lance basis or hired under contract in the past three years prior to the date of this question and, in each case, what were their former news media affiliations through which they gathered experience?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): I am informed by the Canadian Broadcasting Corporation as follows: It has not been customary to require the Canadian Broadcasting Corporation to provide such details of its internal management and administration as the names, work history and use of people involved in its programming, whether staff, contract or free-lance. The background to this custom is explained in detail in the reply to question No. 2,530, May 22, 1975.

CBC—BRITISH COLUMBIA TURF BUILDING—VANCOUVER

Question No. 1,502—**Mr. Clarke:**

1. Does the CBC rent space in the British Columbia Turf Building at 475 West Georgia Street, Vancouver and, if so (a) how much (b) at what rate per square foot and per square metre (c) at what cost per month (d) at what cost per year (e) for what purposes does the corporation use the space?

2. Does the corporation have space available at its new $26 million headquarters at 700 Hamilton Street in Vancouver and, if so, for what reason is it renting the space at 475 West Georgia Street?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): I am informed by the Canadian Broadcasting Corporation as follows:

1. Yes.

   (a) 10,151 square feet

   (b), (c), (d) and (e) It has not been customary to require the Canadian Broadcasting Corporation to provide such details of its internal management and administration as business arrangements with outside companies. The background to this custom is explained in detail in the reply to question No. 2,530, May 22, 1975.

2. No.

[*Translation*]

Madam Speaker: The questions enumerated by the parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from Wednesday, October 29, 1980, consideration of the motion of Mr. MacEachen that this House approves in general the budgetary policy of the government; the amendment thereto of Mr. Crosbie (p. 4231) and the amendment to the amendment of Mr. Rae (p. 4235).

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, in the few minutes that I have left, I would like to deal with another aspect of our energy policy. I indicated yesterday that our policy would ensure energy self-sufficiency in Canada by 1990, that it would afford all Canadians the opportunity to share in the benefits of the oil industry and that this policy was fair to all provinces. I also want to emphasize that this policy is fair to all citizens of Canada.

Yesterday, I heard Mr. Parizeau, the Quebec minister of finance, claim that low-income families would have been better off with the Progressive Conservative government budget. Having heard that statement, I am not surprised he overlooked a $500 million hole, under the Department of Education, in his budget last year. Now, let us take the case of a Montreal family that uses oil heating and runs an ordinary car about 12,000 miles a year. That I think is a good average for the typical family in Montreal. Under the Progressive Conservative budget, oil heating would have cost $1,760 in 1984, and running the car, including the 18-cent tax, $1,260 a year, for a total of $3,020 in that year. Under our program, it will cost the same family $1,350 for heating and $940 for the car, that is, a total of $2,290; this means a difference of at least $730 between the budget tabled by the Minister of Finance (Mr. MacEachen) and the Progressive Conservative budget of last year. Moreover, if the family goes along with the energy conservation and substitution programs we are proposing, with the almost $3 billion subsidy program to that end, the same family, by insulating its house and using gas or electricity, can reduce the cost of its heating to about $740 instead of $940.

For this year that amounts to a total saving of $940.

The former Progressive Conservative finance minister (Mr. Crosbie) makes a lot of waves about his famous tax credits. Well, to bring our budget up to par with the Conservative budget, that family would have had to include not only the father and the mother but at least 16 children as well. And here I am not talking about the annual compensation of $420 which we have granted for each individual, that is the income supplement, thanks to the higher income supplement of $35 a month which we adopted early in this session. Indeed I must say that if we had been forced to adopt the PQ proposal, namely, bring prices up to international levels, well the poor Montreal family would have seen its bills jump to $3,000 in 1984, as advocated by the Tories, but the bills would probably have run closer to $4,000. So I think the facts are there to show that our budget is fair.

• (1530)

[*English*]

I have said that this budget is fair to citizens all over the country. I have just given the example of a family in Montreal. I could use the example of a family in Vancouver where, despite the ready availability of natural gas and electricity, fuel oil use is still quite high. Over the period 1980 to 1984 an oil-using household would have spent a total of $4,100 on home heat under the December, 1979, proposals. Under our program the total cost would be $3,450, some $650 less than under the Conservative budget. That is if the household stays on oil. If it were to use the conservation programs we have proposed, its heating costs to 1984 would be roughly $2,300. That is $1,150 less than if it continued to use oil.

Mr. Siddon: We burn natural gas.

Mr. Lalonde: I can give the same example for natural gas instead and, indeed, electricity. I could use the same example for any family across Canada. I could give the example of a family in Halifax where again the savings would be very substantial and would amount to several hundreds of dollars between now and 1984.

In closing, let me repeat my opening theme. We promised decisions and actions to respond to Canada's energy problems and opportunities and to achieve energy security, opportunity and fairness. This, I submit, we have done.

Some hon. Members: Hear, hear!

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I was interested to note that the Minister of Energy, Mines and Resources (Mr. Lalonde) responded with his usual Pavlovian reflex to a statement by Jacques Parizeau. This House will be interested in his response to the statements made by the Hon. John Turner on his budget and his energy policy which Mr. Turner believes are disasters not only in the economic sense but will, as we believe, drive energy investment out of this country and help OPEC much more than they help Canada.

One of the remarkable aspects of this budget is that the minister who presumably wrote it—at least the minister who read it—had less to do with this document than at least three other members of this House. One of those, of course, is my colleague, the hon. member for St. John's West (Mr. Crosbie), who is now in the Standing Committee on Finance, Trade and Economic Affairs, and whose budget last December included most of the positive measures which were subsequently adopted by this government. For example, I cite the small business development bond on which this Minister of Finance (Mr. MacEachen) has fiddled away an entire year, the tax deductibility for working spouses which was an innovation in our budget, ignored and resisted for literally decades by the Liberal government, and the tax incentives to spur new manufacturing investment in our less developed regions.

The second more important influence was the Minister of Energy, Mines and Resources, who has just left the House, because this is not a budget establishing economic policy. This is an energy polemic creating division in Canada and dependence on OPEC.

The other hon. member to whom this budget owes more than it owes the Minister of Finance is the hon. member for Broadview-Greenwood (Mr. Rae), the silver-spoon socialist who, having been nurtured all his life at the rich bosom of privilege, presumes to lecture the rest of us about equality and poverty. I think it is interesting to compare the two budget amendments that member introduced because they indicate the clear loyalties and purpose of what the New Democratic Party has now become. His amendment in December was drafted to seek Liberal support to defeat our budget. This amendment is drafted to prevent Progressive Conservative support and thus to protect the Liberals, as the NDP and his Ontario troika have sought to protect the Liberals in constitutional policy. The NDP posture now, as it has been a posture in election campaigns and in debate, is to stand sternly on principle but then to collapse in any crunch, going over to the Liberals.

To maintain their pose of independence their sub-amendment links our name with the Liberal name, but the NDP links its arm with the Liberals in any important vote, whether on the budget last year or the constitution this year.

Some of us remember the NDP when it was a party of principle which stood with its word and stood with its workers. Now the leadership of that party says to every NDP voter in western Canada that an NDP vote in February was a vote to give western provinces second-class constitutional status and to give Pierre Trudeau a blank cheque. I think it is well for the traditional supporters of the New Democratic Party to ask what the NDP represents today, apart from the Liberal party and the London School of Economics.

Speaking of reputations and other times brings one naturally to the Minister of Finance, the man who signed the minister of energy's budget. There was a time, I am told, when this minister was known for his compassion and for his conviction. Today he is celebrated only for his guile. He has a lot of that, but what the country needs rather more is a Minister of Finance with the courage and honesty to face and to try to solve Canada's economic problems, and not simply to be clever in avoiding those problems.

We may disagree about the details of those economic problems, but I think all in this House know their magnitude. We know—and the people who sent us here know—that we cannot wish our economic problems away, and we cannot continue to avoid dealing with them. Last year our government tried to deal directly with those problems, but we lacked the majority necessary to carry our program through the House. This government has a majority, but it lacks the courage to use that majority to deal with the economic problems of Canada.

Budgets demonstrate the heart and mind of a government. This document is mindless in economic policy and heartless in responding to the needs of the average Canadian. What is offered here as this government's clarion call to the 1980s is a message of despair. It says to Canadians first that even more Canadians will be out of work, 1,023,000 next year by the minister's own figures. The only response of the government is to slam the working people of Canada with $1 billion more in unemployment insurance taxes.

Second, living costs will continue to rise. The minister says the rate of inflation will be 10.2 per cent next year. We believe 12 per cent would be a more honest estimate. This government offers not a penny of support and not a dime of assistance to low and middle-income Canadians who will pay more for food, more for shelter and more for energy, thanks to this government.

Third, despite all the election promises of several months ago this government is socking it to Canadians on energy prices, the equivalent of a dollar a gallon more over the next four years, and what Canadians get for that is more confrontation, more uncertainty, and a virtual guarantee that Canada will continue to fritter away our energy potential and our opportunity to be energy self-sufficient within the decade.

Finally, the message of this document is that this Liberal government intends to grab more and more tax revenues, $4 billion more next year alone, and for those higher taxes Canadians will get less help from their national government to pay for basic social services. Those are the messages of this non-budget.

● (1540)

The minister said his purpose was to set a direction for the eighties. His direction is down—less growth, more unemployment, more inflation, more taxes and fewer services. Welcome indeed to the 1980s, Mr. Speaker.

[*Translation*]

Mr. Speaker, in my opinion this budget does absolutely nothing for the economic policy, but its impact on the Canadian population will be hard felt. It is a budget which punishes, a pitiless budget, a budget which is not sensitive to the average Canadians, a budget which makes their energy more expensive, a budget which adds to their tax burden, finally a budget which widens their chances of being unemployed and which

does not offer, even to the poorest Canadians, a single cent to counter the effects of this heavier load.

As a result of this budget, between now and 1983 the average Canadian will shell out $500 more annually to keep his house warm and $400 more annually to keep his car on the road. We all believe that energy prices must go up and that most Canadians should pay more to use energy. But what will happen to the hundreds of thousands of Canadians who just do not have $900 to spare to heat their homes and drive their cars? We offered them significant assistance through the energy tax credit. This budget does not offer them anything.

Because of this budget, if we base ourselves on the figures given by the minister himself, 1,023,000 Canadians will be out of work next year. We have offered incentives to create jobs in the home building and ship building industries and to promote regional expansion. And now this budget sets aside the ridiculous amount of $45 million a year to improve manpower training, and an 8.6 per cent increase in benefits paid to Canadians who are jobless and who have to cope with double-digit inflation.

[*English*]

For Canadians who still have jobs next year, this budget proposes a $1 billion increase in unemployment insurance taxes, a 33 per cent increase on a tax which charges the working poor the same rate as the working rich. For Canadians who want to own a home or who want to work in the housing industry, this budget offers nothing. When we proposed mortgage tax credits, the Liberals said that was not enough, we had to help renters too. This budget does not help anyone own or rent a home. Its only housing policy is to provide a haven for the rich, to bring back MURBs so that wealthy Canadians can avoid paying taxes. We tried to help ordinary Canadians own a home; this budget helps rich Canadians dodge taxes.

That is not all that this budget does to punish the average Canadian. Because this minister refuses to take restraint seriously, because he is adding, over four years, $12.7 billion to the cash requirements of last December's budget, he is guaranteeing that interest rates will remain high, that Canadians will continue to pay exorbitant rates for their home mortgages and their consumer loans.

Finally, the minister says that, despite millions of dollars in new federal taxes, he intends to pay less to supporting basic social services in Canada. Let me quote him. He wants "significant savings here", savings he will get either by forcing services to be cut or by forcing the poorer provinces to carry even more of the burden. This is one more trick in his budget. They promise that social services will be cut; they do not say by how much, they do not say where, they do not say which services, but the people of Canada who have grown dependent upon social services from this government know that it is the intention of the Liberal Government of Canada to cause a reduction in the standard and availability of social services across this country. But the government does not have the courage to spell out the details.

Some hon. Members: Hear, hear!

Mr. Clark: The minister faced two challenges in putting together this budget. The first was economic. Canadians desperately need a strong and purposeful statement of economic direction to break through the malaise which existed through a series of years in which, owing to various circumstances, there has not been an accepted statement of government economic policy. We need a statement of economic direction to restore confidence among our people that there can be jobs for them and their children and that the vicious inflationary cycle can be broken. That was the economic challenge facing the minister and he failed it completely. Indeed, he did not even try to meet it.

The second challenge was a political one. This budget was brought forth at a time when the Prime Minister's (Mr. Trudeau) personal determination to ram his constitutional package down the throats of Canadians has created serious tensions in this country, especially in western Canada. The minister had an opportunity to use this budget as a healing document, as a way to bring Canadians together in common economic cause, as a chance to show western Canadians in particular that at least someone in this government understood their frustrations and was sympathetic to their genuine aspirations.

That was the minister's political challenge, and again he failed. Instead of healing wounds he chose to deepen them with energy measures which can only be seen by western Canadians as a singular, deliberate assault on their region.

Mr. Speaker, the ultimate tragedy, the ultimate condemnation of this budget, is not just that the minister failed to meet those economic and political challenges. It is that a man who was elected here, presumably on the basis of principle, a man in the tradition of Father Coady, chose not even to try. There he was with a majority behind him, a majority that will shove through anything he wants. He had a mandate and he had a majority to act for Canada, but all he could produce was another federal revenue grab so the ministers opposite could indulge in the 1980s the spending appetites they whetted in the 1970s.

Some hon. Members: Hear, hear!

Mr. Clark: Since this is not an economic statement but an energy statement, I want to deal for a moment with energy matters. The Minister of Energy, Mines and Resources, who has now left the House, talked about the purpose of his energy program. He said the purpose of the energy program is fairness. Well, fairness is an unassailable principle and we all believe in it. Certainly it is a worthy goal of the economic policy. As my colleague, the hon. member for St. John's West, pointed out yesterday, the journal "Canadian Taxation" indicates that, while Liberal budgets of the 1970s served the comfortable, the Crosbie budget actually honoured the principle of fairness by helping Canadians at the bottom of the income scale. Fairness is also the purpose of the equalization program, which this Liberal government is apparently allowing

to lapse without any significant effort at renewal or modernization on the basis of agreement with the other partners in confederation.

Fairness is fine as a principle, unassailable as a principle, but surely the first purpose of an energy program should be energy. Surely before you focus on distributing energy, or distributing the proceeds of energy, you ensure there will be energy to distribute and energy proceeds to distribute. This policy, instead of ensuring energy, drives away the people who produce and find energy in Canada.

I am not talking here about the multinationals which have feasted for so long on Liberal tax policies. Ironically, they are the least likely to move out of Canada because their parent corporations already occupy the ground in the United States and elsewhere in the energy producing world. The companies, the investors, the energy entrepreneurs whom this budget will drive out of Canada are Canadians who already are comparing the higher returns and the more certain atmosphere south of the border and moving their dollars and their expertise out of this country to create jobs and growth somewhere else.

One of the ironies of this budget is that there is one region which this budget will undeniably help. This budget does a great deal to help the economies of Texas, Colorado, Oklahoma, and of other American states which will take advantage of the investment money we are driving out of Canada and which will welcome the technicians, the experts and the investors, who would be happier staying at home and staying at work in Canada if there were a Canadian energy policy whose purpose was to find energy.

This document represents the triumph of ideology over common sense. The Minister of Energy, Mines and Resources and his advisers live in a dream world—they believe if you talk fast and wave a flag, oil will miraculously appear. Well, the real world does not work that way. It does not always conform to economists' projections or intellectual theories. A similar approach nearly crippled the Canadian energy industry in 1974 when rigs and experts flooded out of Canada and, coincidentally, this nation began a slide into the arms of OPEC. We will see what happens now in this highly mobile industry, whether it stays in Canada or moves away, a rig at a time, an expert at a time, to make some other nation energy strong while Canada becomes more and more dependent upon foreign energy sources we cannot control.

● (1550)

One result out of this package is already evident. It has added to anger and to alienation in the west. It has struck another blow against Canadian unity. Already two of the energy producing provinces have announced their reactions. British Columbia is taking Ottawa to court, Saskatchewan is considering the same action. Alberta, the province against whose interest this package has been deliberately aimed, has not yet responded. But one can expect that province will respond. I think all of us recognize that it would be foolish to assume the province of Alberta would accept such deliberate federal provocation quietly.

Ten months ago we in this country had an energy policy to which the federal government and the provinces agreed, accepted by the industry, and designed to make Canada self-sufficient in energy by 1990. It was an agreement on which Canadians could plan with certainty and build with confidence. It would have produced more Canadian energy, more Canadian wealth, more Canadian jobs and more Canadian security. Today we have no energy agreement. Instead, we have a federal policy which has all the producing provinces angry and all of the industry upset. In place of certainty we have confrontation and potential chaos. Instead of building for the future we risk tearing down what we have and frittering away the unique energy potential of this country.

The government now has a clear choice to make. It can bull through the measures set forth in this budget. We all know from last week's closure that the silent majority over there will do anything their ministers tell them. The government can do that, but I stress that they will do it knowing these measures are seen by western Canadian as a direct attack on their resources and that they will be responded to in that way. Knowing all that, the government can persist on its course, realizing confrontation is inevitable, realizing serious disruption on the energy front and on questions relating to national unity. Serious disruption is a strong possibility. That is one choice before the government.

The other choice has been sitting on the desk of the Prime Minister for ten days now. It is an offer from the Premier of Alberta to sit down with him and try one last time to reach agreement. The Prime Minister has not met the premier on the subject since July 25. A lot has happened since then, including this budget. It is not asking too much of the Prime Minister of Canada to inconvenience himself, to use his word, and meet with the Premier of Alberta now. I do not know whether agreement is possible. Certainly attitudes are hardening by the hour and the atmosphere has soured dramatically since July. But the consequences of not even talking, not even trying to agree, are dangerously clear. They are conflict, confrontation, disruption, all caused by the federal government, and they are not good for Canada.

Some hon. Members: Hear, hear!

An hon. Member: Talk about Canadians.

Mr. Clark: I hear from the back benches of the Liberal party someone saying that I should start talking about Canadians. It is my view that Albertans are Canadians, British Columbians are Canadians, and the citizens of Saskatchewan

are Canadians. It is my view that there is an obligation upon the government to start treating them like Canadians and to stop building in policies which give advantages to Texans, Oklahomans and the citizens of OPEC countries, advantages which should be given to the citizens of this country so that we can get on with building Canada.

Some hon. Members: Hear, hear!

Mr. Clark: One of the matters which is most troubling to us here is that it would be absolutely unthinkable, as I have had occasion to say outside the House, for any government deliberately to fashion a policy against the basic interests of the province of Quebec. That would be unthinkable anywhere in this House by any party here, but it should be equally unthinkable for the Government of Canada to design a policy directly against the basic interests of any other province or region of this country. Yet, that is what this policy does. This is not a Canadian policy; this is an anti-Alberta policy, an anti-British Columbia policy, an anti-Saskatchewan policy. This is not a policy designed to build on the strengths of this country. This is a policy designed to cause division in the country, perhaps for political reasons, perhaps for constitutional reasons, but certainly not for reasons of accomplishing our economic goals or realizing our energy potential.

In the budget speech the Minister of Finance, reading what was written for him by the Minister of Energy, Mines and Resources, indicated that his government had the magnanimity to change positions on two questions of principle. One was indexing. He admitted that he listened to the protests against his plan to take indexing away from the poor of Canada, protests which came from this party. He said he listened to those, so he has delayed his plan for a year. He has amended his budget, he has amended his plan by leaving indexing in for at least one more year. The other is his claim that because of the protests of western provinces, particularly British Columbia, he has changed the export tax on natural gas. All he has changed is the name of the export tax on natural gas. The point is that if the Minister of Finance was prepared to change his position on indexing, if he was prepared to change at least the language which he used to describe an export tax on natural gas, why would he not now be prepared to sit down and seriously consider—and have his Prime Minister seriously consider—the offer by the Premier of Alberta before we proceed to the next stage in confrontation orchestrated by the federal government, to sit down premier-to-Prime Minister—"don't take Marc Lalonde"—

Some hon. Members: Hear, hear!

An hon. Member: Order.

Mr. Clark: —to sit down premier-to-Prime Minister to see if some new agreement could be worked out. That was the proposal put by the Premier of Alberta. One has to wonder, if it was put by another premier, whether it would have been more warmly responded to. In any event it was put by the Premier of Alberta, and the Prime Minister of Canada rejected it, saying it would be inconvenient for him to sit down with the premier to try to avoid a confrontation which could be deeply damaging to this country. The Prime Minister has put his personal convenience to the fore far too long. It would be convenient to Canada to get on with developing our energy potential. It would be convenient to Canada to stop these federally-orchestrated feuds with the provinces. It would be convenient to Canada to make this nation work, and I suggest that is the obligation of the present government.

Some hon. Members: Hear, hear!

Mr. Clark: Yesterday I told the Minister of Finance I would be pleased to show him and the people of Canada how the government had betrayed its election promise to keep energy prices to the consumers of Canada lower than we proposed last December. Let me start with the current year. We proposed an increase of $4 per barrel in wellhead prices. On Tuesday night the minister added 80 cents per barrel to the $3 per barrel increase already in place and to the 75-cent increase already made in the Syncrude levy. That means for the year 1980 the government is increasing the wellhead price of oil by $4.55 per barrel, more than 10 per cent higher than the $4 increase we proposed. I remember, as I am sure the people of Canada will, the promises of the Prime Minister that the price would not rise above $4 per barrel. At that time we said that that promise was worth as much as his earlier promise never to bring in wage and price controls. Now we have the proof that he is as trustworthy in 1980 as he was in 1974, because the Liberal government, having promised solemnly not to raise prices higher than $4 per barrel, has raised them $4.55 per barrel; another broken promise.

Some hon. Members: Shame!

● (1600)

Mr. Clark: In the next three years the minister is proposing $4.50 a barrel, the same rate that we set out ten months ago. And what is their ultimate ceiling on prices? It is 85 per cent of world or U.S. prices, which is precisely the same ceiling which we set ten months ago. In fact it is a full 10 per cent higher than the ceiling which the Premier of Alberta offered this government in July. That is a question for this government. In energy negotiations it is one area in which they succeeded more than we. They got the government of Alberta down to a 75 per cent level, but then they threw it away.

The province of Alberta was prepared to agree to a lower ceiling. This government insist on a higher ceiling. Why do they want to expose the industries of Ontario, Quebec and all of Canada to higher energy costs than those which could have been achieved? Why do they insist on a higher ceiling than the government of Alberta was prepared to agree to? What sense does it make? I hope the ministers and members opposite will respond to this question, particularly the Minister of Labour (Mr. Regan), who is here and who represents low-income constituents. He represents them at least for the time being.

I hope that they will indicate to this House why it was that this government insist upon a higher ceiling than the government of Alberta was prepared to accept. Why is there that

determination to add extra costs to the industries of Canada and the individual taxpayers? Why would they not settle for the lower cost of oil? Why did they insist on a higher price for oil and a higher ceiling than the province of Alberta was seeking?

In any event, that is what they have done. Alberta said 75 per cent and the Liberal government said, "Oh, no, Canadian industries and Canadian individuals can stand a higher price. Kick it up to 85 per cent." That is the comparison with wellhead prices. By 1983 under this budget those prices will be slightly higher than we proposed—55 cents a barrel. But that does not include the so-called Canadian ownership charge, the open-ended invitation to tax Canadians which this government is giving to a Crown corporation—Petro-Canada.

The minister's own officials talked in terms of a tax as high as $4 a barrel. If that tax is used to that level over the next four years—and I ask you, Mr. Speaker, if anyone in Canada has ever known this government not to use a tax to the legal maximum—then by 1983 MacEachen oil will cost $4.55 a barrel more than Crosbie oil would have cost.

If you applied that, plus the proposed natural gas tax increases, to the average Canadian consumer, here is what you will find. By 1983, under our budget, the average consumer would have been paying $983 more a year for heating oil and gasoline, with his or her net cost being $763, if he or she qualified for the full energy tax credit. We proposed this tax credit to help low-income Canadians, and this government, because of its disinterest in low income Canadians, has written it out of its budget. In contrast, under this budget, by 1983 the average Canadian consumer will be paying $1,100 more a year for heating oil and gasoline. That is $337 more than he or she would have paid with our energy tax credit, and $117 more than he or she would have paid even if he or she did not qualify for that tax credit.

Those are the facts, Mr. Speaker. That is what the Liberal promise of lower energy costs means to Canada. To the Liberal party "lower" means "higher", "no controls" means "more controls" and "below $4" means "above $4". This is the party of duplicity. This is the party which, instead of dealing directly with the economic problems of this country and instead of dealing directly even with the energy and economic potential of this country, has chosen here to avoid those problems and to undermine and erode that potential.

This budget could have given Canada direction—it did not. It could have contributed to Canadian unity—it did the opposite. This budget could have moved this country toward energy self-sufficiency. Instead it is moving this country away from energy self-sufficiency and toward more activity by Canadian money and experts in other countries, toward a greater reliance by the people of Nova Scotia, New Brunswick, Quebec, Ontario and the people of all of Canada upon the insecure sources of supply from OPEC nations. This budget could have helped low-income Canadians, as the Crosbie budget did. But this budget ignored low income Canadians. This budget could have been courageous and honest, because there is a majority government to back it up. Instead this budget is divisive and creates illusions for the people of Canada.

It is a budget which missed the opportunity to provide economic leadership for the country. It is a budget which will drive energy investment and energy expertise out of Canada and put Canadians back into the situation of relying more upon foreign sources of supply. These are foreign sources of petroleum which we cannot control. It is a budget which deserves rejection by this House of Commons.

Some hon. Members: Hear, hear!

Hon. Gerald Regan (Minister of Labour): Mr. Speaker, in rising to participate in this debate I do so with some distress at the inaccurate statements made by the right hon. gentleman with reference to the Minister of Finance (Mr. MacEachen). I will turn to those in just a moment.

I say once again, as I have said in the past, that I have a very considerable respect for the Right Hon. Leader of the Opposition (Mr. Clark). In honesty, I cannot say that my respect has been heightened as a consequence of his remarks in the last few minutes. Indeed, his speech can only be characterized as a sour grapes speech based on the fact that they could not do it and it pains him terribly to see that someone else was able to bring in a successful budget, one which can help the economy and the people of this country.

Some hon. Members: Hear, hear!

Mr. Regan: The Minister of Finance, to whom the right hon. gentleman referred, has a most distinguished career with respect to helping the people behind him. Over the years in this House he has been known always to follow the high road of helping those who need help. He has done this for many years, long before the Leader of the Opposition himself was here. The sadness of the position of the right hon. gentleman opposite is that even though, in his heart of hearts he knew better, he caved in to the Baron of Water Street last November when he went along with the 18-cent excise tax on top of the oil price increases. He now conveniently and totally forgets this and does not mention it at any point in his comments when he compares the two budgets. Of course, that is a very convenient lapse of memory.

What distresses me most is that one would have thought that the Leader of the Opposition would have learned a new trick since last year. He is still trying to fool the people with last year's trick, which did not work then. Does he now feel he has perfected it to the point at which he is now going to con them and get them to change their minds, after this passage of time, by defending last year's budget which was rejected by the people across the country?

If the right hon. gentleman, who says that the budget was an energy statement and not a budget, had a better understanding of the connection between energy and the economy, he might still be in office.

Some hon. Members: Hear, hear!

Mr. Regan: If he had had the strength to stand up to his minister of finance he might still be in office. If he had stopped to realize, when that 18-cent excise tax was proposed on a commodity which was going to rise in price tremendously anyhow, how punitive that was, he might still be in office. If he had stopped to realize that his minister of finance, the hon. member for St. John's West (Mr. Crosbie), came from a group of merchants in Water Street, St. John's, who are not noted for their compassion, which is something my ancestors in rural Newfoundland could well attest to, then he might have stood up to him. The cold hard fact is different. For him to say that the budget presented by the Minister of Finance was mindless and heartless, when he had supported and condoned a budget that put a special tax on a commodity that was rising in cost at any time shows that he takes a very unusual position.

● (1610)

I want to make two or three more remarks about his comments, Mr. Speaker. First of all, he makes an effort to link the NDP with the Liberals. He does this at a time when his friends in the Conservative party, like Mr. Buchanan, the Premier of Nova Scotia, have just appointed the leader of the New Democratic Party in Nova Scotia to one of the top civil service positions in the province—the sensitive position of director of intergovernmental affairs and deputy minister.

Mr. Baker (Nepean-Carleton): How could he have overlooked you?

Mr. McDermid: He took care of you, too.

Mr. Baker (Nepean-Carleton): That is one job you won't get.

Mr. Regan: Well, you win some and you lose some,—and some are rained out.

I was distressed by the essence of what the Right Hon. Leader of the Opposition said when he talked about the rigs probably going south as a result of the financing policies outlined in the budget. The stark statement he makes is that we should pay more to the multinationals—that we should bribe them with this nation's destiny in order to have them remain here rather than develop policies on the basis that we are using at the present time.

An hon. Member: That is not what he said.

Mr. Regan: Oh, there were other things too. No wonder they are squealing over there, Mr. Speaker, because that hurts. When they start squealing, you know it hurts.

An hon. Member: That is not what he said.

Mr. Regan: Let them continue to squeal, but preferably not so loud.

The other thing he talks about is prices. The two biggest distortions that they have practised over the past ten months with great energy are, first, that there was something in their budget that was going to contribute to self-sufficiency which does not exist in the Liberal platform. They are unable to say what it is. The distinction is that they were going to pay vast rewards to the multinational companies to take the money out of this country for oil that has already been discovered and is already being produced. There are still incentives for new oil—just as good and even better incentives for Canadians, but they turn their backs on that.

The other distortion is that prices are comparable. Every time he tries to compare prices, he compares apples and oranges. He does not add the 18-cent excise tax nor does he say anything at all about the fact that under the previous minister of finance who came from St. John's West, at the end of the third year they would move to 75 per cent of world price—a $10 hike or in all probability more by that time—and by 1984 they would move to 85 per cent of world price. He seems to forget those footnotes.

On this general subject, Mr. Speaker, I want to say that I thought the Right Hon. Leader of the Opposition might have something new to say. Instead, he spoke—and it was not a question of speaking as an Albertan or a Canadian but more like a man who was speaking as an Albertan first rather than as a Canadian first.

Some hon. Members: Oh, oh!

Mr. Paproski: Come on now; that is awful.

Mr. Baker (Nepean-Carleton): You are going to need help from Buchanan.

Mr. Regan: Mr. Speaker, I want to say something about the Liberal budget and then I will have something more to say that may be of interest to my squealing friends.

This budget signifies our commitment to fiscal responsibility, and it calls upon those who have reaped the most from the Canadian economic society to make the greatest contribution.

It indicates our determination to make the most of our energy opportunities, and it fulfils the promises the Liberal party made in the election campaign.

The next point is that energy questions are integral to the economic performance and industrial development of this country. To ignore this fact is to be out of touch with reality.

Budget making is the most difficult part of the art of governing. The pleasure of governing is spending on worthwhile programs for the benefit of our people and the improvement of our country. The pain of governing is the difficult chore of collecting the money to carry out the programs; the arbitrary task of deciding who pays and how much. The necessity of government is doing this. The responsibility of government is doing it as equitably as possible with recognition of the burdens of individuals and industries; of protecting those who must be protected and, at the same time, of maintaining employment and incentive.

None of these goals is absolute; none can be achieved to the extent that all representatives of the people would wish. In our imperfect society, the art of governing is that of reaching those goals to the greatest degree that the resources of a country will

allow. The wisest minister of finance who ever lived cannot provide the benefits that Swedes receive, from the limited resources of a country like Bangladesh. In meeting these goals as well as this budget does, the Minister of Finance has performed an admirable feat and he has done incredibly better than his predecessor.

The opposition parties say the budget is not good. They say it is bad, for very different reasons. If you discount a certain amount of what each says, you end up in the middle of the budget, and the provisions it makes. It is a heck of a good budget.

This budget must be regarded with the recognition that the western world is in an ever-deepening energy crisis, a crisis that has aborted the normal economic cycles. This crisis has brought inevitable burdens to people in many countries of the western world in vastly increased energy costs—and beyond the western world. It poses special problems to those who live, as we do, in northern climes and who have the added cost of energy for heating. It has affected trade and comparative standards of living. It is a crisis that requires extraordinary response.

This is not just a budget to deal with the country's financial affairs for a year. It is a new direction, bold undertaking to plot a secure Canadian future in an uncertain world.

For countries without resources, this international crisis is bringing disaster and comparative declining standards of living—hence the need for the provision in the budget for greater Third World aid. Some Third World countries are the hardest hit by the increased energy costs. That is what it brings for countries that do not have natural resources. For countries with resources, like Canada, it brings a difficult challenge but exciting opportunities.

Canada has resources, undeveloped resources. We have opportunities, and to fail to seize the emerging options would be an abandonment of the responsibility of government and would carry long term penalties for our people.

To seize those opportunities comprehensively is to reach for an attainable far horizon where Canadians, almost alone in the western world, can enjoy energy self-sufficiency at the minimum price that will bring the maximum development and therefore a dominant economic position for this country to carry into the twenty-first century.

The budget outlined by the Minister of Finance for the first time presents us with more than a one-year goal. It provides a comprehensive reaction to today's realities. The opportunity that exists for Canada is being seized by this budget. What does it provide? It provides an opportunity to combat a lagging economy by spurring industrial growth and job creation. The energy package in the budget is a vast industrial strategy made possible by the crisis that affects the world today.

Some people say that there is not an industrial strategy. We are not only increasing the economic development envelope, Mr. Speaker, and we are not only undertaking new industrial strategies not related to energy, but the energy related industrial strategy is perhaps the most exciting thing that has happened in this country for a long time.

A review of the budget shows vast assistance to the development of the Lower Churchill in Labrador. It shows the construction of the Q and M Pipe Lines all the way to Halifax. You find incentives, placing money and jobs in every region of the country, for conversion from oil furnaces to gas furnaces. That alone will have a profound effect on employment.

• (1620)

What about the $4 billion western initiatives package? Will that not create jobs? I come now to the frontier development. What about the steel that will be needed, the roads, the equipment as a result of the energy development? With something like $11.8 billion to be spent on projects of an energy-related nature, in the next several years, I suggest that that activity will bring about economic activity far beyond the direct projects themselves and will help employment tremendously.

When this government announced the pre-build of the pipeline in southern Alberta, Stuart Cook, Ontario regional director of the United Steelworkers of America gave his full support and the support of the steelworkers to this project. These people knew that it meant jobs and economic activity. If it did, think of how much greater this is in relation to all of the vast projects involved in this job-oriented budget.

Let me move on and tell hon. members what else this budget provides. It provides an opportunity to halt and reverse the growing dominance of our economy by several multinational foreign-owned oil corporations. The increase in the value of oil, at the stroke of a pen each time the price of oil goes up, vastly increases the value of foreign holdings in this country. It increases the value on their books, the value to them of American holdings in this country of the vast reservoirs of oil which they have already discovered and are producing.

Our current deficit is affected to a very adverse degree by a flight of interest and dividend payments from this country to shareholders of those multinational companies in the United States. There is also the enhancement of the foreign equity holdings. As the value of their holdings and reservoirs goes up, their stock values go up. Similarly the cost to Canada of ever buying out those shares from American owners becomes more and more remote.

Even if you were to prevent the foreign oil corporations in this country from taking the money out of Canada, then they could not possibly invest the vast earnings they are getting with the higher prices from oil production alone. What they will do, as some of them already have been doing with buy-outs, is to move to other aspects of the economy. Therefore over the next few years as their cash flow vastly increases, their holdings will be increased an incredible amount. Our answer is greater Canadian ownership through acquisitions and special incentives to Canadian owned oil and gas corporations, as well as the intervention by PetroCan. That is the direction in which Canada must move if we are ever to repatriate our economy.

I must remind hon. members that Petro-Canada is the corporation which the hon. member for St. John's West and the Right Hon. Leader of the Opposition just last year were determined to destroy, and judging from their statements a week or two ago they still take that position. I am sure they will not be heartened by the Gallup poll which showed in yesterday's *Toronto Star* that today 82 per cent of Canadians—up some 8 per cent since last year—recognize the value of Petro-Canada and want PetroCan to continue to do the sorts of things it is doing which are so vital to the Canadian economy.

Petro-Canada is the company which made Hibernia and Sable Island possible by participating in the cost of those drilling programs when the multinationals had backed off. These projects would not have gone ahead if Petro-Canada had not participated. PetroCan also helped in the Beaufort Sea. Petro-Canada is the company the Conservatives would have done away with. We have to decide in this House, in considering this budget, whether we want to salvage our destiny or become hewers of wood and drawers of water as the Conservative pattern of playing into the hands of those multinationals would have us do.

My time is short, and I want to move on. The budget also offers a plan to shelter our people, to an extent possible, from higher prices. We recognize that there must be higher prices, but only those necessary higher prices that contribute to the well-being of our people.

The budget of a former minister of finance, the hon. member for St. John's West, had three defects. First, it raised the price on old as well as on new oil, thus unnecessarily enriching foreigners, and it placed those foreign oil companies ahead of the Canadian working people. Instead, we provide the incentive for new oil while keeping some sense in the escalation of the price of the old, and guaranteeing greater Canadian ownership in the new production. I say to hon. members, decide which you prefer of the two budgets in that regard.

The second defect is that it proposed to raise prices, which we recognize must go up, but the proposed rate of increase would have placed impossible burdens on our consumers. The Tories pursued one goal, that of raising the prices to move toward sufficiency, but they forgot the other one, that of sheltering our people—a Tory tendency, I might say. I think when you consider that the Tory budget contributed no more to self-sufficiency than does ours, then the error of their ways can readily be seen. Our budget is less burdensome to the consumers. Before bringing down the budget we recognized the problems of our senior citizens and increased the guaranteed income supplement.

The third defect in the Tory budget placed an excise tax on gasoline. Heaven knows why. This 18-cent excise tax was on top of all the other increases which, in themselves, are larger than ours for oil and gas.

I want to recommend that Conservative members study the table published in yesterday's *Toronto Star* on gasoline prices, entitled Crosbie versus MacEachen. I tell hon. members to take a look at the comparisons. It shows for 1981 under the MacEachen budget $1.36 per gallon; under the Crosbie budget $1.56. In 1984 under the Liberal budget the cost is $1.95 per gallon, yet under the Conservative budget the cost would be $2.63 per gallon.

Some hon. Members: Shame!

Mr. Paproski: That is how much the *Toronto Star* knows.

Mr. Regan: That is how much the hon. member knows.

Mr. Kempling: It is the "Trudeau Star".

Mr. Regan: No one in Canada, perhaps other than the Leader of the Opposition, is more sensitive to the success of the Minister of Finance's budget then the member for St. John's West. I notice that he used the word in his remarks yesterday or the day before, of "lemmings"—that little animal. I thought that that was an unfortunate example when you consider their suicidal trek to the sea caused by their budget last year.

Some hon. Members: Hear, hear!

Mr. Regan: Unfortunately the hon. member is unrepentant in his desire to solve energy prices on the backs of working people. Let me say this: some people say that our program is unfair to the west. Let us return to basics. Does the existence of an international cartel to multiply oil prices artificially justify to Canadians that we automatically impose the same havoc on our own people? Only if the answer is yes, only if our producers join in the looting of society can it be said that the producers are being punished by this budget.

If you regard the vast increase in the Canadian price of oil and gas products, you recognize no hardship in the national necessity of taking a very small part of the current price enhancement for the noble national purpose of repatriating our economy, meeting the costs of sheltering our consumers from unreasonable cost burdens.

To do that, if more funds are required for such purposes for government, do you tax industries with expanding revenue and profits, or do you expand those that are in trouble? Remember, this is a crisis situation. We have in this country a tradition of sharing. In the past, when its relative wealth to the rest of Canada was small compared to Alberta today, Ontario had to assume that burden. In my own province, and in other provinces, great benefits were received as a result of taxes paid in Ontario and the equalization which followed from that. I am sure the majority of the people of Alberta recognize that with their sudden increased wealth they have some role in Canadian sharing today.

• (1630)

We have in Canada an economic and fiscal crisis. This crisis is contemporaneously warping the fiscal and economic fibre of our country. The imbalance of revenue, if unredressed, will mean serious consequences for minimum national standards which must be maintained. I am sure hon. members will agree that they cannot picture Ethiopia and Switzerland as both

being states in one federation without some cash transfers. There must be some relationships between the standards of living and the level of public service in different parts of the country.

Those provinces which from time to time happen to have great wealth have to help provide that sharing in the country. Some say, however, that we are depressing the price of Alberta's depleting resource. I love that province very much. It is a blessed province. However, after oil they have gas, after gas they have coal, after coal, far on into the twenty-second century, they have tar sands. With their incisive entrepreneurship you can be sure that Albertans will play a key role in the development of the north and northern resources, and bring back further wealth from that.

The most important thing we can do is repatriate our economy. The hon. member for St. John's West said that in buying out the American multinational corporations we use up our resources for nothing, that we do not bring about the production of one extra barrel of oil. I say no. I want the people of Canada to know that what we will be doing as oil companies are purchased is that we will replace American equity capital by foreign debt capital. It would have been much better if our country had been developed in that way in the first place. The United States development was financed by debt financing from Europe rather than equity financing.

Mr. Baker (Nepean-Carleton): Who was in power when that happened?

Mr. Regan: I recognize the flat earthers will have difficulty seeing that, but I believe, and I think most Canadians believe, that it is extremely vital that we patriate our constitution and our economy.

This budget clearly shows that this government is as determined to restore our economic sovereignty as it is to assure our political sovereignty. In our constitutional package there is provision to make our constitution Canadian, and now, in our budget, there is provision to make the oil industry Canadian. On both counts, the Tories stand opposed to the Liberal government. Both issues show clearly the differences between the Liberal and Conservative parties. It is the Liberal party that wants to move ahead, to seize the moment, and it is the Tory party that is determined to hold back the clock. I believe they stopped the one on the Tower. I believe with regard to that comparison, the position of the Liberal and Conservative parties, that the people and history will be kind to the Liberal party.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Blaker): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Waterloo (Mr. McLean)—Industry—Application to FIRA by Finnish Tire Company—Reason for government approval; the hon. member for Cowichan-Malahat-The Islands (Mr. Manly)—Indian Affairs—Consultation on proposed financing agreements; the hon. member for Notre-Dame-de-Grâce (Mr. Allmand)—The constitution—Consultations with Indian groups.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the motion of Mr. MacEachen that this House approves in general the budgetary policy of the government and the amendment thereto of Mr. Crosbie (p. 4231) and the amendment to the amendment of Mr. Rae (p. 4235).

Hon. Erik Nielsen (Yukon): Mr. Speaker, I rise to say a few words today about probably the highest cost area in the entire country, that of my riding. It is an area where fuel costs constitute one of the major components of the average householder's budget. Fuel costs in the city of Whitehorse for stove oil are $1.61 a gallon. Regular gasoline sells for $1.32 a gallon, plus 14 cents tax, and unleaded gasoline costs $1.49, plus the 14 cents tax. These costs become even more astronomical as we move north.

In Dawson city we find that furnace oil costs $1.49 a gallon, whereas in Mayo furnace oil is $1.74 a gallon. At Beaver Creek, furnace oil costs $1.26 a gallon. In other communities it goes as high as $2.30 a gallon. Gasoline, essential for native trapping in that part of Canada, costs $2.50 a gallon in some communities. Indeed, a cord of cheap wood costs $115. Fuel costs in these areas are even higher when one gets into the Northwest Territories and the more northerly portions of that jurisdiction.

During the last election campaign the Prime Minister (Mr. Trudeau) made a few speeches, not too many, in the south. He was kept a little too closely wrapped up by his handlers. He made one speech in Halifax setting forth several promises, promises which have been broken in the short time these rascals have been back.

Mr. Knowles: Honourable rascals.

Mr. Nielsen: He made a promise in Toronto, a five-point platform, that was shattered. He also made some very interesting speeches in the north during that campaign. One was made in Whitehorse and the other in Yellowknife. By coincidence, I just happen to have a transcript of the speech he made in Whitehorse on January 21, 1980, at a rally being held for the Yukon Liberal candidate.

Hon. members will recall that in the Crosbie budget of last December the taxation which was being suggested on fuels was confined to transportation fuels. There was no tax suggested in the Crosbie budget to be imposed on home heating fuels. Quite apart from the offsets in the form of energy tax credits which were contained in the budget, the defeat of which was engineered by our friends to the left, the Prime Minister on January 21, 1980, said in Whitehorse, and I quote his words:

> The climate, more extreme than southern Canada, your communications, your transportation, are more difficult, and your costs are considerably higher than they are in the south, but what you need is a national government which is practical and which is sensible, that's consistent—and what you had with the Joe Clark government is a giant double-cross.

● (1640)

Those are strong words. And he goes on to say on what he bases his opinion:

> The last thing you need in the north is an 18-cent per gallon tax on gasoline and on diesel and which I repeat will serve entirely to pay for that mortgage plan, and nowhere will that Joe Clark tax hurt more than here in the north, because under the energy plan every household here in Whitehorse—every household will be paying nearly five hundred dollars . . . more for home heating oil by 1982.

Those are the words of the Prime Minister. When he uttered them he knew full well that there was no tax on home heating fuel. So much for the integrity of the man who now occupies the highest office in this country. He deliberately, in public on a public platform, told a deliberate falsehood to the people of Yukon. It was reported in the press. And he has the gall, and I do not intend a pun on that word, to refer to the Leader of the Opposition (Mr. Clark), the then prime minister, as being guilty of a double-cross.

We have the $500 increase in Whitehorse now, and it is no thanks to the Crosbie budget, but thanks to a Prime Minister who deliberately lied to the people at that meeting in Whitehorse. The hon. member for Ottawa Centre (Mr. Evans) was not here when I quoted from the speech of the Prime Minister. I am prepared to stand by those words because they are there in black and white.

A tax has been levied by this government which will double the heating bills of every household in Yukon. Indeed, it will double heating bills throughout this country. As the Prime Minister himself said in the speech from which I just quoted, it is more costly to live in the north. I have given out some of the costs of fuel oil in that part of the country.

There was another benefit to which the then minister of finance, the hon. member for St. John's West (Mr. Crosbie), agreed before the budget was defeated and before the necessary resolution could be brought in, and that was the introduction of further benefits to ease the burden of fuel consumers in the more remote parts of the north. I believe it was yesterday that the Minister of Finance (Mr. MacEachen) challenged the Leader of the Opposition to prove that the new taxes on gas, oil and heating fuel will prove more costly to the consumer than those of the Clark budget. The issue has now become one of the credibility of the minister and the government.

I just alluded to the crumbling of the credibility of a Prime Minister who went into a public meeting and stated the things that he did, knowing full well that they were absolutely false. During the election campaign, the Liberal party promised not to raise the price of oil and gas to the consumer. That was the promise.

Mr. Evans: That is not true.

Mr. Nielsen: The hon. member for Ottawa Centre says that that is not true. It is true. The Liberals promised not to raise the price of gasoline in this country. That was their election promise. That was their whole campaign. The election promise was that prices would not rise.

Mr. Evans: That is not true.

Mr. Nielsen: They were just as deceitful then as they are in the wording of this budget which is just as craftily put together and just as full of guile. I repeat, the election promise was that gas and oil prices would not rise. Now enters the question of credibility. Beginning in January Canadian motorists and tourists will be paying 15 cents more for a gallon of gasoline. In 1981 Canadian householders will face fuel costs that are double those of last year. That is just a beginning. There is no question, in spite of the way the minister juggled the figures, that in 1982 and in 1983 across-the-board fuel costs will have surpassed those projected in the Crosbie budget. Let the hon. member for Ottawa Centre tell me that the very least that is true is that his party promised to hold prices below the price increases in the Crosbie budget. I see that he is nodding his head in the affirmative.

Mr. Evans: And the facts prove that that is correct.

Mr. Nielsen: The government went well beyond the Crosbie price proposals. The Minister of Finance indulged in what I believe is fiscal legerdemain to try to prove a point. In spite of his word and wonderful permutations and computations, the facts are there. The figures of the Crosbie budget are available. The hon. member for St. John's West went into them to some extent yesterday. Clearly, the Liberal government of today has not in any way adhered to its promise of holding prices down. The hon. member for St. John's West also reminded us yesterday of the famous promise made by the Prime Minister in Toronto, that spending would be held down.

Today, the government is following the same tortuous course it followed in wage and price controls by ramming down the throats of Canadians arbitrary constitutional provisions in spite of provincial resistance. The credibility of this government is in rags and tatters once again. It is no wonder. It is the same old bunch with no imagination, the same tired old bunch that has been over there for 12 years. They have no

new ideas except a Machiavellian approach to expressing the same things that were in the Crosbie budget, but adding to the burdens of the very people whom we tried to shelter in the Crosbie budget.

For the Minister of Finance to come before this House at this stage of the proceedings and talk about credibility, is the final absurdity. The minister's budget performance was one of the most impressive in recent history. His suiting was as impeccable as was his phraseology, as he carefully explained why, beginning in the new year, Canadians will be paying more for gasoline and oil than they would have paid in the budget which we brought down a few months ago. He has managed to postpone the day of reckoning by a few short months, but when it comes it will hit harder than the budgetary changes which we had contemplated.

This budget doubles the heating bill of every Canadian family. This is from a government which campaigned on the promise not to raise the price of gas and oil and which campaigned in 1974 against wage and price controls but then turned around and brought them in. Credibility? Hon. members must not forget that this takes place in the context of the enormous subsidies paid by the Liberal government to keep down the price of gas and oil. Now those prices will go up, as I have said, well beyond those predicted in the Crosbie budget of last year. The enormous subsidies which the government has paid out over these years have been wasted on the desert air.

● (1650)

The most insidious feature of the budget is the creeping control that the federal government plans to assert over the extractive industries. We are now embarking—and this is just the tip of the iceberg, as I assess their antics over there—on the same course down which the Labour government took British industry in its nationalization program. I reject that, even though my friends to the left will be happy with it but perhaps not with its speed. This government, which has run the country into the hole to the tune of $14 billion, now attempts to compound this malfeasance by taking for its own purposes some 24 per cent of the oil income. There is no question here of cutting back. They have done nothing.

An hon. Member: You didn't learn.

Mr. Nielsen: There is an interjection from over there, sir, that we did not learn. We do not want to learn to function in that deceitful, underhanded and wily way. If that is what it has come to in this country, that in order to find ourselves across the way once again we must learn to be as deceitful as that government over there, then we have come to a sorry pass indeed in this country.

I do not blame the general voting population of this country for having as low an opinion of politicians as they do. I point out to them, though, that it is those people over there who have been in office the major portion of the last half century.

For members of this government to come to the House and demand the right to tax the oil industry up to a quarter of that industry's revenues as a cure for the economic malaise they themselves have created, is exactly like a drunk demanding to be cured of his habit by being handed a quart bottle of whiskey. That is exactly the parallel of the cure they are trying to find. There is no question of any repentance on their part, nor even is there any question of an acknowledgment that they are the authors of the greatest spending spree in the country's history, a debt which has ballooned some eight to eight and a half times in the short 12 years they have been over there, and a deficit which was $1 billion when they took office and is now—it will be before this fiscal year is ended—approaching $16 billion, in my estimation, and not $14 billion. They are the biggest spenders in the country's history.

We have the highest rate of unemployment in the country's history, the highest interest rates in the country's history, and now the highest fuel costs in the country's history, and that after a campaign in which they said that they would not allow fuel costs to rise. You do not cure the kind of extravaganzas on which this government has embarked by handing those irresponsible people over there billions of dollars to play around with. That is what they are asking for here, billions of dollars more. They are asking for a billion here and a billion there. It is of little moment to the present Minister of Finance. A few hundred thousand unemployed here, a few hundred thousand there, perhaps a million—what does he care? Put on another shift at the mint. That is the answer from this Disneyland government.

Technically Canada has been bankrupt for something like three years. What else can we call it when a country is in the hole for an amount representing some 20 per cent of its annual revenues. That is why the Canadian dollar has been in difficulty and is down again. I hear one of those economic pundits over there. That is why it is in difficulty. That is why our U.S. reserves have dropped below salutary levels. That is why our export picture and our balance of trade have been unhealthy. A spendthrift and prolifigate government has been running hog wild with the patrimony of the Canadian people, passing on the accumulation of their created debts to as yet unborn generations. It is robbing Peter, not to pay Paul but simply in order to carry on with its spendthrift policies.

We saw the present Minister of Finance prior to the election running around Cape Breton—if it is possible to conceive of that spectacle—promising $50 million to SYSCO in order to buy votes. That is ethics for you. What a sad and degrading spectacle. A man apparently of high principles was reduced to buying votes in a blatant and extravagant fashion. None of this appears in the budget because they were running scared then. Now they expect to remain in power for a few years.

So, the iron fist of Liberalism and the iron fist of the Prime Minister once again appear. His answer is to crush. This budget does not represent the cost of running this country. It represents the cost of keeping the Liberals in power, and that is the real meaning of this situation. It is an example of political inflation of the worst kind.

The minister rose on budget night looking like a man who had pulled a rabbit out of a hat. What came out of it was not a rabbit. It was more like a boa constrictor!

Tom Gould, a commentator noted for sincerity and honesty, said this morning that the minister had avoided antagonizing the oil companies and avoided a head-on confrontation with Alberta and at the same time had added billions to federal revenues while asserting the federal government's intention to get into the marketplace, or words to that effect. Presumably the minister would agree with that favourable analysis, but let us have a look at the cost. He has staked out a claim to 24 per cent of national oil revenues, a claim to which it is extremely doubtful that the federal government has any clear entitlement. It is a claim which will be disputed by the provinces by every means at their command, further worsening relations between the federal government and all levels of government. The fact that these huge revenues are being sought, not in pursuance of a policy of economizing and cutting out waste, renders the situation even more subject to criticism.

There is no sign in this budget that the government intends to follow a policy of sensible and stable reduction of costs. Quite the contrary, every indication is to the contrary. Expenditures are up, not down. Programs are increased, not being cut back. We hear the empty words of the Minister of Finance saying he will embark on no new programs, yet that is precisely what he is doing. Hon. members opposite are even talking about more Crown agencies to move into oil field to compete with private industry to try to wrest control of resources from the provinces by this device. Why does this government proliferate Crown corporations in the manner that the walnut tree grows new walnuts? One reason is simply that the expenditures of Crown corporations are not subject to the same direct scrutiny which affects government departments. That is another thing we lost here. We have lost the ability to scrutinize any of these expenditures in a meaningful way. Through the device of spawning Crown corporations the Liberal party has removed from parliamentary control or scrutiny vast areas of activity in a number of vital domains including petroleum, transportation, and others.

In each case we have witnessed the burgeoning of fiefdoms of Liberal patronage growing and swelling at the taxpayers' expense, and now this budget proposes another such entity to conceal from the gaze of the Canadian taxpayer—if he is still breathing when that time comes—the application of Liberal policies in the field of petroleum.

On top of all this we must advert to the manipulation engaged in by the minister prior to the release of his budget when, for a period of ten days, he let fall little tidbits from his table about the way he was going to crack down on registered pension plans, the way he was going to raise individual income taxes, and so forth. He was deliberately manipulating the slavish media to create a climate of despair so that, when this make-shift budget finally appeared, it would grow and sparkle by comparison with the advance warnings. If it was a plot, it succeeded admirably as the media fell in line with the carefully calculated leaks administered by Liberal party flacks—

● (1700)

An hon. Member: Sucked in.

Mr. Nielsen: Yes, sucked in, in spades.

Perhaps it is this kind of unprincipled manipulation by a minister who is a past master at the game which represents the most sordid aspect of the whole sleazy, deceitful performance.

As Canadians pay an additional 18 cents a gallon for gasoline in the new year, with more and steeper rises to come, and as householders find their fuel costs doubling through the winter months, Mr. Speaker, I hope they will pause and reflect on the duplicity of a political party which won an election on the promise made over and over again that they would not do precisely what they have now done in this budget. As hundreds of small businesses in the trucking industry and in transportation of all kinds, as well as those which depend on transportation, find themselves with their backs to the wall—because there are no compensating factors in this budget—they too may reflect on the morality of a party which has broken its solemn engagements, solemn commitments.

Our budget raised fuel prices as a modest and realistic way of coping with the problem. Anyone is free to examine our proposals and compare them with the Draconian measures brought down last night.

An hon. Member: Read the *Toronto Star*.

Mr. Nielsen: The *Toronto Star*? That bastion of impartial, unbiased journalism, compared them last night.

An hon. Member: How about *The Toronto Sun*?

Mr. Nielsen: I invite hon. members opposite to do the comparing for themselves. I do not have the time in my remarks.

An hon. Member: Ask Blakeney or Turner.

Mr. Nielsen: See your Prime Minister about the statement he made on January 21, 1980, and compare.

Our budget provided compensatory provisions. We tempered the wind, quite literally, for householders and small businesses. The minister has kept the negative aspects and thrown out the positive approach which we recommended and which alone made the others feasible and palatable.

It is, of course, traditional for the Liberal party, to decry what an opposing party does and then to adopt it holus-bolus—the NDP is familiar with that kind of conduct, they have been living with it for years—but with no understanding of the philosophy behind the recommendations.

Our budget presented balanced and reasonable proposals. The budget before us now presents many of the same proposals but without the other proposals required to compensate and counterbalance the measures which we suggested. In other words, it is a picture of fiscal imbalance and fiscal bias being perpetrated for political advantage. This is what Canadians are being asked to accept and, like the constitutional proposals, it shows the true face of Liberalism.

In the constitutional proposals they placed the provinces in a strait-jacket. With the budget they have placed small business

and the householder in that strait-jacket. All that remains is for the voters, at the next election—and it cannot come too soon—to place the Liberal party in a strait-jacket from which it will not wriggle free for a long time to come.

I want to close by quoting, for the benefit of the hon. member for Ottawa Centre, the words that he missed because he was taking umbrage, in a very agitated way, because they are strong words. To accuse any hon. member of deliberately lying is to use strong words. But I am doing that tonight with respect to the Prime Minister and I am doing it on the basis of a speech that he made in Whitehorse on January 21, 1980. I have a transcript of the words he used on that occasion. Here it is in black and white. The hon. member will recall that the Crosbie budget did not tax home heating fuels, only transportation fuels. I see him nodding his assent to that.

An hon. Member: The excise tax only.

Mr. Nielsen: It did not apply to home heating fuels.

An hon. Member: That is correct.

Mr. Nielsen: That is my point. He agrees it is correct. The Prime Minister was speaking about the north, and he said:

> The climate, more extreme than southern Canada, your communications, your transportation, are more difficult, and your costs are considerably higher than they are in the south, but what you need is a national government which is practical and which is sensible, that's consistent—and what you had with the Joe Clark government is a giant doublecross. The last thing you need in the north—

Pay attention to that.

> —is an eighteen cent per gallon tax on gasoline and on diesel and I repeat will serve entirely to pay for that mortgage plan, and nowhere will that Joe Clark tax hurt more than here in the north, because under that energy plan, every household here in Whitehorse—every household will be paying nearly five hundred dollars a year more for home heating oil by 1982.

Nothing could be clearer than this outright, deliberate falsehood by the Prime Minister. He directly stated there what he would not say in Toronto or Halifax for the sake of gaining a seat which he has been after for a good many years. If the hon. member for Ottawa Centre wants to try to explain to me—

Mr. Evans: I can.

Mr. Nielsen: —and to the people of the Yukon, that that did not mean a promise by the Prime Minister that the Clark budget would mean an additional $500 fuel cost to them as a result of those taxes, if he can turn that around, he would be even more of a magician than the Minister of Finance. It is very clear.

I am sorry, Mr. Speaker, I ran out of time, but I am glad I had the opportunity to put that on the record for the hon. member for Ottawa Centre.

Some hon. Members: Hear, hear!

Hon. Bud Cullen (Sarnia): Mr. Speaker, the hon. member for Edmonton North (Mr. Paproski), in endeavouring to introduce Leslie Nielsen as one of Canada's outstanding actors, by a slip of the tongue said "Erik Nielsen, one of Canada's most outstanding actors".

Some hon. Members: Oh, oh!

An hon. Member: That is right.

Mr. Cullen: I think we have had a demonstration of that today because it is hard to believe that the hon. member for Yukon believed everything he was reading. He had his lines down pretty well, but I do not really think he felt that what he was saying was in accord with what the policies and what the promises of this party were during the last election campaign. I have to give the hon. member the benefit of the doubt. Possibly he was not listening when the Minister of Energy, Mines and Resources (Mr. Lalonde), in concluding his remarks, stated quite clearly what our promises were during that election campaign, namely, that we will keep price increases to less than $4 a barrel in 1980 and $4.50 a barrel in 1981, 1982 and 1983, and thereafter prices will rise more steeply. Then he illustrated his point by reference to the December 11 budget proposals. He said that under those proposals the wellhead price of conventional oil would have been $52 a barrel on January 1, 1984, but under the national energy program, it will be $25 a barrel, enough to get the oil supply job done but also fair to the consumer.

That is what the Liberal party was talking about during the election campaign, and we heard about the made-in-Canada price and the blended price. No Liberal during that campaign ever suggested that the prices would not go up. What we did indicate is that we would not put the 18-cent excise tax on and that our increases on the per barrel level would be lower than those provided for in the ill-fated budget of 1979.

It is a particular pleasure for me, Mr. Speaker, to be here today to participate in this debate. It is somewhat ironic that, because of the last budget which was introduced in the House, I am now back in the House of Commons and able to participate in a budget debate, on a budget which, I guarantee, will help me to stay in this party on this side of the House.

• (1710)

Some hon. Members: Hear, hear!

Mr. Cullen: It was my privilege to serve as parliamentary secretary to a former minister of finance when the indexing element was introduced. When I hear members opposite say that there is nothing in this budget for the ordinary Canadian, I wonder if they are trying once again to underestimate, or if they are underestimating the intelligence of the Canadian public. The Canadian public knew what indexing was all about, and they have been reading that it represents a saving of $1.6 billion in one year alone. That is revenue the government is forgoing so that it will be in the hands of ordinary taxpayers. At that time the opposition indicated how wonderful the indexing system was, how great it was, and that it had a most beneficial impact on the ordinary Canadian taxpayer. So, the indexing program was left in, it was not taken out, and the ordinary consumer and taxpayer of Canada has received a

magnificent bonus as a result of the indexing system being introduced and continued by this party.

I think it is significant to point out as well that, since the inception of this particular program, $11 billion has gone into the pockets of taxpayers which otherwise would have been government revenues if we did not have the indexing system. The deficit at the present time would have been somewhere in the neighbourhood of $3 billion or $4 billion if we had seen fit not to introduce the indexing system. But we felt it was necessary "to help the ordinary taxpayer".

They suggest that there is nothing here for the ordinary Canadian. I suggest that people living in areas of high unemployment, those areas designated under DREE, will be very happy to know about the 50 per cent investment tax credit which will be available to manufacturers who locate their operations in those areas of the country and create jobs there. The fact that people will be given an incentive to switch from oil to cheaper priced gas can be laid as a benefit to the ordinary Canadian, the ordinary taxpayer.

When the opposition does not have too much to attack, it tries to make something out of it. It reminds me of the story of the lawyer who indicated when he had the facts on his side that he pounded them into the jury, and when he had the law on his side he pounded it into the judge. When asked what he did when he had neither facts nor law on his side, he said, "I pound the table". That is what we are hearing. With all this rhetoric from opposition members and western premiers, we are hearing a lot of noise and a lot of pounding of desks because they cannot, in all conscience, fault what has made Canada the strong country it is today, that is, sharing the assets and benefits of one part of the country with another when help is needed.

Of course there is a tendency on the opposite side to say that everything should be covered in the budget, and a tendency to ignore what is already in place, such as the fact that we have increased the guaranteed income supplement and the old age security and Canada Pension Plan are in place. The fact that UIC premiums have been increased seems to bother members opposite, but the point of fact they do not look at is that also the benefits have been increased. Self-employed fishermen, a unique group under the unemployment insurance program, are the only self-employed people who will be allowed to benefit from unemployment insurance. Their benefits will cost the program something like $100 million to $125 million a year. The ordinary fisherman is benefiting from programs already in place—family allowance, medicare, and a myriad of programs already in place to help the average Canadian. As I said earlier the tradition which has helped this country become the great country it is, is that one region of the country helps another when help is needed.

The minister of finance for the province of Manitoba stated that the budget will have a stabilizing effect on the economy and reduce the national debt. Later on he had some less complimentary remarks to make about the budget. Of course, that is the nature of the beast, but he grudgingly conceded that that in fact will be the impact of this particular budget—helping areas that need it.

I doubt whether there is anyone in Ontario over a particular age who does not remember the time when Alberta needed help when it was endeavouring to establish its oil economy and Canadians had to pay higher than the world price to help in that particular area. We did that without complaint, we did that without rhetoric, and we did that without crying foul because we recognized it was a necessity in order to help the oil industry of Alberta. Then we hear the counter-argument, "Yes, but you put that higher-priced oil into your manufactured products and ship them back to Alberta and, in the final analysis, we pay that increased cost anyway." In so far as manufacturing and businesses operating with this higher-priced oil are concerned, we have to concede that they might very well have passed on that particular cost. But the average Canadian living in the eastern part of the country could not pass on that additional cost, the person heating his home or driving his automobile. They were prepared to do it because it was their contribution to help the province of Alberta develop its oil industry.

What do we hear when we look to Alberta and the producing provinces for some help? We hear rhetoric and hysteria. "It is like a declaration of war", said one of the premiers out there. Another minister said, "We feel as though we have been abandoned by the federal government". The comments of Mr. Hyndman from Alberta were "swift", "harsh" and "a massive discrimination against Alberta". What is to be gained with that kind of rhetoric? We are trying to work out a system of sharing, of fairness. Various overtures were made to western Canada, particularly the one to help with the tar sands. We were prepared to say, "You will get the $38 per barrel for the oil produced in this particular operation, plus a built-in indexing system in order to enable this particular operation to develop." That was rejected because they wanted the whole package. They did not want this in sawdust piecemeal. To suggest that the government was out there and not preparing to negotiate, or "not giving any indication of negotiation" as Mr. Leitch of Alberta apparently said, is just not in accordance with the facts.

I should like to get back for a moment to basics. Quebec and the Atlantic provinces would have had to pay the world price for their oil. The government said that it was unfair, came up with the one-price oil system right across Canada and endeavoured to find a means by which to bring it about. I do not think anyone seriously objected to it, nothwithstanding the fact that it would cost a considerable amount of money, a massive amount of dollars. We found one way, through the export tax on oil, to give some of that money to the project, and, of course, the ordinary taxpayer had to pay his proportionate share out of income taxes. Given the fact that in developing the oil industry in Alberta Canadians had to pay more than the world price, that we allowed depletion allowances so that these operations could develop, is it fair that the federal government's share of the production of a barrel of oil should only be 10 per cent? Is it a massive infusion or a

massive intervention with Alberta to say that rather than getting 45 per cent they will get 43 per cent? Is it fair for oil companies that were making 45 per cent of $3, $4 and $5 per barrel for oil, thus enabling them to operate, work in the north, build islands in lakes and rivers and do exploratory work, to tell me now that they cannot get enough cash to explore, develop and produce at 43 per cent of the price which will be paid for oil? This, to me, stretches credibility a little too far.

There was a suggestion that federal government policies led to the fact that the Atlantic provinces had to rely on offshore. It is rather interesting to have the genius of hindsight. I know when I first came here, Mr. Speaker, and we were talking about exporting to the United States something like 350,000 to 400,000 barrels of oil a day and the pressure was on every day to do everything we could to increase that from 350,000, we looked upon it as a victory if we were able to do that. Had we possessed the value of foresight we would not have taken that action.

• (1720)

I heard the former minister of finance yesterday castigating this government for its Canadianizing procedures, and knocking Petro-Canada. I must say that when I first came here I was not all that sold on the idea of Petro-Canada or a Canadian national oil corporation. But when I found out that we had been misled by the oil companies back in 1971 and 1972, when they told us we had all the oil we would require for the next hundred years, and then almost overnight there was a shortage, it was then I knew, and became convinced, that we needed a national oil company—and so did the majority of Canadians.

Thank heaven for the former minister of energy, mines and resources, the Hon. Alastair Gillespie. I think he left us a tremendous legacy. Petro-Canada is going to evolve into Canada's national oil company and it is to his credit that he stood fast and saw to it that this operation was very much involved and had the kind of funding it needed so that it could be successful. What did we hear from the Conservatives? The government was going to dismantle Petro-Canada despite the obvious need for this particular Crown corporation. I understand that as recently as two years ago they were still talking about that, that Petro-Canada should be dismantled. I wonder if they will really ever learn that Canadians want a national oil company.

I listened very carefully to the former minister of finance yesterday. He is always entertaining but he is not always very accurate. He suggested that eventually they might very well erect a couple of statues, the Clark-Crosbie statues. It seemed to me that if they were going to construct statues they would have to put them on a much firmer base than the Conservative party has for the particular platforms they are advocating. I think after a while you would find the two statues leaning on one another and the only ones appreciating the statues would be the pigeons.

I was really concerned with the position taken by the New Democratic Party, who were talking about spending more money in the interest of creating jobs—a stimulative deficit, is what they called it. That has a nice ring to it. The only problem is that it probably would not work. If it did not work we would have an even bigger deficit than at the present time. The one we have now is too high and barely manageable, but it is manageable. The constant pressure from the NDP to spend more money to increase the deficit is a counter-productive idea, in so far as it relates to average Canadians.

I listened to their criticism when I was the minister of employment and immigration and they told me to stop using band-aid solutions, to stop the Canada Works program and to get into something which would be more permanent. That is exactly what we endeavoured to do with the economic growth component of Canada Works. We worked with the provinces and we created longer-term jobs. Today the emphasis is on more permanent job creation and not on Canada Works projects. I think that at a time of high unemployment there is a place for Canada Works and Young Canada Works programs. It gives people an opportunity to do a bit of work, earn some money and make a contribution to the economy. Obviously the impact is short term, but it does give people a sense of accomplishment, of making a contribution. And most assuredly they were getting experience which was required. To suggest there is no job creation at the present time is just ridiculous, Mr. Speaker. We know the investment which has to be made.

The new energy program which has been introduced by the Minister of Energy, Mines and Resources screams out with the promise of jobs which will be made for Canadians. The fact is that funding will be made available for apprenticeship training for the young people who are looking for and who need the jobs. They should be the ones to fill them as a result of training received in Canada. These jobs should not be filled as a result of immigration.

Examining the unemployment figures we see that for the adult male over 25 the unemployment rate is 4.8 per cent. The rate for unemployed females over 25 is 6.2 per cent. This is definitely too high, but the Leader of the New Democratic Party himself has used a figure that full employment in Canada means about 3 per cent unemployment. We heard the Hon. Darcy McKeough suggesting that something like 5.5 per cent unemployment was full employment because of the benefits which accrue, whether they are negotiated through union contracts or benefits which accrue as a result of government action. This is an area where we have high unemployment but where there are means available to help people in particularly difficult circumstances.

Where the emphasis must be is where the unemployment is tragically high—among our young people between the ages of 14 and 25. And that is why I welcome the large amount of money which will be spent on energy projects, on counselling and guidance work, hopefully. We will say to the provinces, "Please honour and respect and give more training to your guidance counsellors at your high schools because they will have a bigger and more important role to play in the future."

At the present time the government has the Adult Occupational Training Act and we do not wish to move into the educational field, but the creation of jobs is everyone's responsibility. Here is an area where the federal government co-operates with the provinces and negotiates three-year agreements so that training programs can take place right across Canada. So, Mr. Speaker, the training opportunities are there. We know that the jobs will be available and I think that what must take place is more meetings between the federal minister and the provincial ministers to see to it that we dovetail this work in order that the young people are trained for the jobs which will obviously be available in the future.

One of the difficulties we have in this party and in this part of the country is getting the message across to Alberta. The Alberta Chamber of Commerce seem to think that Canadians in this part of the country do not appreciate that when Alberta is successful and pipelines are built there are spin-off benefits for Ontario. We do understand that and we do appreciate it. We also appreciate the contribution which Alberta has made with the export tax on oil helping toward the one-price oil system. That is a significant contribution, and nobody denies it. But when the message is spread out west that we do not have that appreciation and that we expect all of the manufacturing and development should take place in Ontario, it is just not in accordance with the facts.

Some years ago, in approximately 1968 or 1969, the petrochemical industry was in some difficulty. The then minister of industry, trade and commerce, the present Minister of Transport (Mr. Pepin), brought together a group of government and business people and, without recrimination, asked what was wrong with the petrochemical industry and what could be done to make it work. There was a whole series of suggestions made by industry and by government. But the main thing that emerged was that we did not have the economies of scale here and we did not have the needed access to American markets. We needed to build world-scale plants. But if every company got involved in building a world-scale plant that would be counter-productive and, down the road, we would have to rationalize. So the determination was made, as early as 1968, 1969 and 1970, to build three world-scale plants. This was not a government decision, it was an economic, business decision that the first one be built in Ontario. The intention at that time was to build the second one in Alberta and the third one in the Montreal area. That prediction has proven to be true.

But the feeling is that Ontario got the Petrosar plant and that this has worked to the detriment of the Alberta petrochemical industry. In fact nothing could be further from the truth because, with a strong petrochemical industry, be it in Ontario, Alberta or Quebec, it will be beneficial to all of Canada. It will help with the balance of payments. Just as one indicator, I believe the Petrosar balance of payments picture represents a difference of about $1.5 billion and Alberta is now embarked upon the construction of a world-scale plant and other petrochemical operations in that great province. So, Mr. Speaker, it is not that we are unaware.

I see the hon. member from Calgary is here. I must tell him the story that was going around when we were endeavouring to get our message out there to *The Calgary Herald,* the *Edmonton Journal* or to our good friend Ron Collister who, we understand, has an open line show. There was a suggestion made that if an earthquake struck Calgary the headline would be: "Harvie Andre's House Slightly Damaged in Earthquake". It is very difficult for us to get our message across in face of that kind of rhetoric in Alberta.

I want to make the point again, Mr. Speaker; we appreciate that the Albertan people are generous. We appreciate what has been done, not only in Ontario with the tremendous benefit it has derived from the petrochemical industry, but also in Quebec and the Atlantic regions which have the benefit of the export tax which keeps the price of oil down to at least a manageable level.

• (1730)

There is room for all in Canada, Mr. Speaker, and there is money enough for everyone. All we are asking is for a proper sharing. I do not think the production from a barrel of oil divided on a 45-33-24 basis is out of line. It is appropriate, given the involvement and investment that all Canadians have contributed to make the oil industry the success it is today. I think it is appropriate to set the price of $38 per barrel to help with Syncrude and the heavy oil operations.

There is an opportunity for us to develop, but we have to work things out together in the traditional Canadian way of sharing the benefits, of helping one another, so that when we are down, other provinces and the federal government will come to our aid. They will help us over the hurdle and then go on to help whatever other area of the country needs assistance.

I can support this budget without qualm or concern. It does not cover all subjects and it was not meant to, but many of the areas the opposition would like to see covered are already taken care of.

The energy package is the most dynamic energy policy ever introduced in this country. The companies asked for ground rules and now we have ground rules as suggested by the federal government. On a radio or television program I heard Mr. Daniels asked if he was going to sell out and get out in view of the budget and its detrimental effect on the industry. He said he was not and that he could operate within this regime. It would certainly be nicer to have 45 per cent than 33 per cent but we should not forget that the 33 per cent will be based on a much higher price per barrel of oil.

We can make this country work, Mr. Speaker, if we stop the rhetoric and the use of words like "declaration of war", "rape of resources", "unconscionable", "not thinking", "not caring" or "not appreciating". That is what is going to kill it, Mr. Speaker, not a budget like this or an energy policy like this. They are good for Canada. If there is more negotiating to be done, then let us do it. At least we now have good ground work.

Some hon. Members: Hear, hear!

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, the people of Canada have been waiting for the Government of Canada to show leadership with an energy policy for a long time. On Tuesday night we watched the Minister of Finance (Mr. MacEachen) closely as we did the Minister of Energy, Mines and Resources (Mr. Lalonde) in this House yesterday and today. I think people did so feeling that the energy policy would be a blueprint for the future, at least to the year 2000—that this was to be the financial and energy policy of our generation. As a Vancouver musician friend of mine would say, "This is it, baby, and it had better be good."

Pericles who is not a Vancouverite but an Athenian, once said that only a few people may originate a policy, but we are all able to judge it. This afternoon I want to judge the government's policy, not so much from the point of view of a member of Parliament but from that of a typical family in my constituency. I do so in reply to the last speaker for the Liberal party. I will call these people the family from Renfrew Street because that is a street which runs through the middle of my riding. Similar families live in all the regions of Canada. They care little for the constitutional debate which has so preoccupied this House. They are insecure about their jobs, about the price of a litre of milk and, now, about the price of a litre of gasoline. They want the federal government to show leadership and to help them. In short, they are concerned about the bread and butter issues. Who can blame them?

Let me discuss the budget in terms of these headings or concerns, Mr. Speaker—prices, taxes, jobs, western development, off-oil policy, Canada's north, Canadianization and further public control of the oil industry.

Let me deal with prices. Yesterday in this House the Minister of Energy, Mines and Resources made a rather remarkable statement. He said that in energy the essence of good government is to make good promises to the people. You will note he did not say good actions, but good promises. Mr. Speaker, I suspect this Liberal government was elected on the promise of cheap energy, after the Conservative party had proposed to devastate the average family in this country with high energy prices.

I was shocked to hear the former prime minister, the Leader of the Opposition (Mr. Clark) and the hon. member for St. John's West (Mr. Crosbie) attack my party for opposing their Conservative budget, that maggoty fish of a budget they brought in last December. The people promptly decided it was not good and promptly threw both the rogues out. Now they have the nerve to stand up and attack us. I noticed that the hon. member also attacked the London School of Economics. I can at least say, Mr. Speaker, that I did not flunk out of law school twice, as he did.

I want to go back to the family on Renfrew Street. Look what they get as a result of the new Conservative budget, this time called the Liberal budget. The government's own estimates show that the cost of home heating will double in three years. On page 106 of "The National Energy Program," figures show that the cost will go from $640 per year to $1280 per year. If the families on Renfrew Street heat their homes with natural gas they can expect a 30 cent per thousand cubic feet tax on their December bill. By 1984 the price of gasoline for the average family will double to $1248 per year. Those are the government's figures—$100 per month for gasoline for an average family. By 1989 it will cost $50 to fill the tank. So much for the Liberals' cheap energy prices.

[*Translation*]

Mr. Speaker, the cost of heating oil for that family will double in 1984. The price of gasoline will be nearly double in 1984. In 1989 Canadians will have to pay $50 for a full tank of gas. It will cost $100 to drive from Ottawa to Quebec City and back.

[*English*]

In 1989 it will cost $100 to go to Quebec and back. You can bet that wages and pensions are not going to increase so fast. I say to my friends opposite that in a short time the family on Renfrew Street, when they feel the full impact of these prices are not going to want to put a tiger in their tank—they are going to want to put Trudeau in their tank. I use that as a general term, Mr. Speaker; I was not referring to the member from his particular riding.

We in the New Democratic Party have resisted the rise in oil prices. This is not because we do not believe in conservation, as there will be some conservation with these high prices, and not because we believe that the provinces should not get a proper rent from the resources. We do believe they are entitled to those rents. What we wanted, if the government brought in higher prices, was that they would bring in measures to protect the ordinary family, that it would act to cushion the impact of these higher oil prices on jobs, on prices, on people on low and fixed incomes.

The Minister of Finance has claimed there are no general tax increases in the budget. In fact, there are seven indirect tax increases. Just count them. Many of my constituents—the elderly, those on government assistance, the unemployed—do not earn enough to pay income tax, but they will certainly have to pay the increased energy costs.

I am sorry the Minister of Energy, Mines and Resources is not in the House but I see his parliamentary secretary is. I wanted to suggest to the minister of energy—I am sorry he is not in the House tonight, although his parliamentary secretary is here—that the essence of good government is honesty, and this is not an honest energy policy.

• (1740)

For example, let us look at the tax on natural gas. We are told that the government has saved us from a natural gas export tax. In British Columbia we are very happy about that—at least we are supposed to be. But the truth is there will be an export tax, and the fact is there is also a domestic tax. It is easy for the minister to say that British Columbia and Alberta will get all future price increases. But I say to the government and to its members that of the last seven National Energy Board approvals last year for increased gas exports, only two have been approved by the U.S. government. So the minister knows, and he knew before the budget, that prices are

not going to rise in American markets. The only realistic future gas price increases will be the tax of 30 cents per 1,000 cubic feet which the federal government has now put on. British Columbia will lose $35 million in export revenues because the 30 cents per thousand cubic feet would have gone to B.C.

In British Columbia natural gas is subsidized. Yes, it is available at a low price and I do not apologize for that. The low prices should help the very people which this budget is not helping. What does this government do? It simply taxes the gas making the price higher. I have to go back to Vancouver and tell that family on Renfrew Street that social services will likely be cut in British Columbia as a result, that their gas bills will increase and that the government is not giving them a cost of living tax credit. They are not going to be entirely thrilled with this budget.

I said I would talk about jobs. Failure in this area is the second big objection we have against this budget and against this energy policy. There is no industrial strategy in place in this country. We continue to export jobs with our raw resources. Very simply, what I mean by an industrial strategy is this: we want Canadians making the finished product from our resources for Canadian markets and for export. That family on Renfrew Street knows instinctively, as we all know, that this country is the most blessed country in the world in terms of resources. We also know that we are letting the Japanese, the Europeans and just about every other country in the world beat us in manufacturing. That is where the jobs are. Jobs are not in pipelines, though I hate to say that. There are a few jobs in pipelines, such as welding, digging and so on, but the real jobs are in a new manufacturing industry in Canada. But that is not the direction in which the Liberal party is moving and that is the second objection we have.

Let me give hon. members an example about which some members opposite know. The committee on natural resources held three hearings last week on the Arctic pilot project. This is an incredible project which will take gas from Melville Island, in the north of Canada, right across the northwest passage down to either Gros Cacouna in Quebec or in the Strait of Canso. What is equally incredible is that we are going to take the gas in foreign ships and export it when it is brought down. There is the whole problem of Canada; we have no industrial strategy, and it is evidenced right there.

In the budget there is mention of a regional strategy, a western development fund. Remember, this budget is taking $20 billion out of the west. That is fine. The west should be sharing resources, but the west should be getting something back as well. What is the west getting back? We are getting a $4 billion development fund.

Mr. Andre: It is $2 billion.

Mr. Waddell: It says $4 billion but my friend points out that it is $2 billion. As a matter of fact, Senator Perrault announced this program in Vancouver a few months ago and everybody yawned. Then he went to Toronto and announced it again. Next it appeared on the front page of *The Globe and Mail*, that oracle of wisdom in Canada. Apparently it was read by the government, taken up and put in the budget. The problem is, and I say this sincerely to my friends opposite who might wish to understand some of our concern in western Canada, that to us in the west it seems as though this is another example of Ottawa knowing best what is good for us, because it will be administered by one cabinet minister, the hon. member for Winnipeg-Fort Garry (Mr. Axworthy), and eastern Canadians. I ask the government: would it not be better to involve western Canadians in the development? Would it not be better to do what Premier Blakeney said, by making it a joint federal-provincial program? I suggest that to the government.

Mr. Andre: They are too stupid.

Mr. Waddell: I wrote a letter to the Prime Minister shortly after the election suggesting the government should set up a committee of the House of Commons and call it the western development committee. Why cannot opposition members be brought into such a committee and an opposition member be made the chairman of it? By this method the government could get some impact from western Canada. But the government has to listen.

I made a suggestion about a gas bank. I know the Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. MacLaren) took up the proposal and now a gas bank has been proposed in the budget. I congratulate the government for that. I might also suggest to the government that it try to get Ontario and Quebec to consider the concept of gas banking. These provinces will need the gas in the future for their citizens. Action on these lines now will help national unity by making an investment in Alberta, and that makes a lot of sense. I have asked the government to pursue that idea. I also asked the government to look at—I think it is called Enertech—the new Crown corporation for alternate energy mentioned in the budget. I ask the government to consider putting the head office of that corporation in Vancouver. There is no province or region more interested in alternatives than the people of British Columbia. That would be a good move toward national unity. I urge the government not to do it in the old patronage style. They should put the head office in Vancouver where there will be a real response to it.

I want to address a couple of remarks to the government's off-oil policy. It is a simple policy and it seems to make sense at first, that is to move from oil to natural gas. I bring to the attention of members opposite, the minister's words when he discussed this policy:

We would resolve the nation's energy problem in all its dimension.

I see the Minister of Finance has just entered the chamber. The words of the minister of energy I have just quoted remind me of the old Tommy Douglas story. I do not know whether the minister will recall when Mr. Douglas was first elected as premier of Saskatchewan. I think he visited a mental hospital in Weyburn. He went up to a man and said, "Hello". The fellow asked him who he was. He answered by saying, "I am the Premier of Saskatchewan". The fellow replied, "Oh, you

will get over that. When I was here for the first year, I thought I was Napoleon".

It seems to me that when we hear the minister say "We would resolve the nation's energy problem in all its dimension," he has somewhat of a Napoleonic complex, especially since he is so inconsistent and hypocritical on gas policy. I have to say that. Look at the evidence. This is the government which agreed to sell out huge quantities of Canadian gas on the pre-build of the Alaska pipeline. This is the government which is negotiating with New York now about sales to the eastern states, including New Hampshire. This is the government which is prepared to encourage Dome Petroleum—and I asked a question about this in the House the other day—to sell more Canadian natural gas to Japan. Even the minister's own statement in "The National Energy Program" document talks about more and more gas exports. Yet this is the same government that says in the next breath we have to move off oil to natural gas. Is there not a fallacy there, Mr. Speaker? Is it not likely that all the good cheap gas will be gone by the time provinces such as Ontario and Quebec are ready to use Canadian gas and at that time these provinces will have to pay more? The government is inconsistent in its policy.

There is nothing in the budget about the north, not one word about it. One can see that the industrial system will ultimately require the gas of the Arctic, but we must protect the northern environment. Above all else, we must honour the legitimate claims and aspirations of the native people. There is not one word about this side of the coin, we only hear of Arctic development.

● (1750)

I come to Canadianization. The minister, in a remarkable statement at his press conference, said, "I wish we had done this ten years ago." But who welcomed American capital with open arms? Who established those policies? This is where one can really describe the budget as basically a fake to the left and a hard punch to the right. If you look at it, you will see it right here.

What do we get under Canadianization? We get grants and incentives for Canadian companies. Let me give an example. Under the new system, if you wish to drill an oil well in the north, and it cost $10 million, the Canadian people will pay $9 million of it and they get nothing back. Here is how it works. Eighty per cent of the $10 million will be given as a grant, which is $8 million. Then there will be 100 per cent write-off for exploration. At the nominal corporate tax rate of 10 per cent, that is an additional $1 million. So, the Canadian people are paying $9 million and Bob Blair, Jack Gallagher or Conrad Black, the Canadian capitalists, are getting the benefits. What kind of progressive system is that?

There is a new book which I am sure all members have read called "The Northern Magus" by Richard Gwyn. On page 57 he quotes the Prime Minister (Mr. Trudeau) as saying, some time ago:

> A sound economic policy must never be based on the assumption, for example, that workers would be ready to accept a drastic lowering of standards of living for the mere pleasure of seeing a national middle class replacing a foreign one at the helm of various enterprises.

What has the minister done? He has replaced one economic elite, a foreign one, with a domestic one. That will not help the ordinary family on Renfrew Street, not at all.

This Canadianization idea is not new. Here is what the Prime Minister said in Sault Ste. Marie on June 29, 1974:

> A re-elected Liberal government would set a priority objective requiring that all new major investments in resource industries have at least 50 per cent—and preferably 60 per cent—Canadian equity ownership.

That is a wonderful statement. I salute the Prime Minister of 1974. The only problem is this is 1980. What has happened is this: since 1974 we have experienced a 4 per cent increase in Canadian ownership. That is one per cent a year. At this rate, it will take until 2001 to patriate Canadian ownership. The message that comes to me and which I pass on to the government is: we simply do not believe you; you are really not going to do anything about Canadianizing the industry.

The other issue I wish to address is public ownership. There is no greater challenge in Canada to my generation and to the whole country, than the matter of taking the oil industry under public ownership. The people support this. The *Toronto Star* certainly does. I know the people of this country support it. That is the challenge.

What is the response from this budget? This is the fake to the left. Look at the response. There is no definition of the way in which companies are to be taken over. There are no specifics concerning which companies. And who is going to end up paying for it? The Canadian consumer. In short, there is nothing there. Maybe we will be pleasantly surprised—I leave that open to the government. However, a government that really wanted to be honest and straightforward would come right out and give a plan, as we have, to take over public ownership of the three largest companies, Imperial, Shell and Texaco.

In conclusion, there is a conventional wisdom which says the trend in North America is to the right. I think conventional wisdom is wrong in this case. The trend is toward social democracy and reindustrialization which will create jobs, stimulate exports, modernize aging industrial plants in the east and create new ones in the west besides nurturing new ideas which private enterprise is too timid to pursue.

I put this to the Minister of Finance who is sitting right across from me in the House of Commons; why couldn't the government show some real leadership and say to the people, to this family on Renfrew Street and to all similar families in Canada, yes, the price of energy will go but we will give you a cost of living tax credit or a grant to those retired or on government assistance. Why did they not say yes, we will guarantee your son or daughter a job. Also, to reassure those living in the west, why did they not say: we are prepared to see western development carried out with the active involvement of westerners. Or, to those in the east; we are prepared to ensure you will not get thrown out of a job at the next plant

closure because of higher energy prices or continued difficulties with the economy. They could say to the people: yes, we are prepared to ensure that you will have relatively cheap supplies of natural gas in the future and we will not sell them all out to the Americans. That is what they should say.

They should say one more thing, and I leave this with the minister. They should say; no ads, no polls, no hype, we are just going to level with you.

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of State, Small Businesses): Mr. Speaker, it is with a sense of relief and pride that I rise to speak in this budget debate today. My sense of relief is perhaps a reflection of what the Minister of Finance (Mr. MacEachen) said in his opening remarks during his budget presentation. I quote:

—the first budget of this new decade . . . is a budget which sets new directions for the economy—directions which will ensure both energy security and economic security for Canadians in the years ahead.

With those words, the Minister of Finance launched this nation on its long-term national energy policy. May I call it six o'clock, Mr. Speaker?

The Acting Speaker (Mr. Blaker): It being six o'clock I do now leave the chair until eight o'clock this evening.

At six o'clock the House took recess.

[*Translation*]

AFTER RECESS

The House resumed at 8 p.m.

The Acting Speaker (Mr. Ethier): Order, please. When debate was interrupted at 6 p.m., the hon. Parliamentary Secretary to the Minister of State for Small Businesses (Mr. Ferguson) had the floor.

● (2010)

[*English*]

Mr. Ferguson: Mr. Speaker, at six o'clock I had mentioned the sense of relief I felt last Tuesday evening when the Parliament of Canada was presented with a long-term national energy policy. I referred to a sense of pride, and my sense of pride is that this budget and the national energy policy contained in it will lead to greater Canadian control over our resources and economy and fulfil the commitments made by our party during the election campaign.

It is with a further sense of pride that I serve with this government when the Minister of Finance (Mr. MacEachen) and the Minister of Energy, Mines and Resources (Mr. Lalonde) bring out such a long-term policy spelling out our objectives and identifying our goals and the methodology of attainment. This budget is designed for all of Canada and to serve the long-term interests of all Canadians. It takes into consideration the need to reduce the budgetary deficit without adding undue hardships to the people of this nation, and in the long term it will provide incentives to encourage industrial expansion in designated regions.

The 50 per cent investment credit is a massive incentive for industrial expansion, and this benefit alone will provide a climate which will lead to more jobs for more Canadians.

The energy program, founded on those three basic principles—first, security of supply and ultimate independence from the world oil markets; second, the opportunity for all Canadians to participate in the energy industry and to share in the accrued benefits; and third, the fairness of the pricing and revenue-sharing regime which recognizes the needs and rights of all Canadians—is a sound program with far-reaching effects.

But perhaps the most important aspect of this policy is the gradual implementation of price increases which will not send shock waves across our economy and trigger another inflationary spiral. Another important aspect of this policy is that it will conserve oil in the precise manner in which the gas conversion process will proceed—the Montreal-Quebec pipeline, the conversion incentives to home owners to use natural gas rather than oil and the incentives to convert to other renewable fuels.

As technology advances I believe we have the potential to make both energy and food renewable Canadian resources. The stage has been set, as responsible Canadian citizens respond to the incentives provided by converting their homes to gas and wood or biomass, and as this process proceeds, the use of oil for heating purposes will diminish, thus bringing production of oil into balance with our consumption. As this transition takes place, the need for imported oil is reduced and our balance of trade position will therefore be improved.

Rather than dismantle Petro-Canada as proposed by the previous government, we intend to strengthen and expand this company, which was established in 1975 and which is 100 per cent owned by Canadians. I was proud to hear the minister say that we will be purchasing other oil companies to ensure that at least 50 per cent of our resources are owned and controlled by Canadians by 1990. Just last week I noted that oil company profits are up by 65 per cent over last year. We want to ensure that those profits stay in Canada and benefit Canadians. In addition to strengthening this Canadian company we will be establishing a new Canadian alternative energy corporation, to be called Enertech Canada, the mandate of which will be restricted to renewable energy and conservation technology.

Mr. Blenkarn: Do you really believe that?

Mr. Ferguson: I am extremely interested in renewable energy and believe that new technology will bring about an ever-increasing use of forest and biomass products which are now going to waste. For example, two young farmers in my constituency have each developed a new and highly efficient type of furnace designed to burn garbage, crop refuse or wood. These young men have risen to accept the energy challenge of the eighties, and while these furnaces were developed to provide heat for crop-drying purposes they can be used for heating institutions, schools or small factories and shops.

There are two other groups looking into the feasibility of producing ethanol. One group has access to natural gas which is being flared off from producing oil wells, but that gas is not in sufficient quantities to be of commercial value. But this gas is available in amounts sufficient to provide heat for the distillation process extracting ethanol from corn. These two farmers own beef feedlots and will be feeding the residue to their cattle. There is no waste, and this corn will be recycled to produce both food and fuel. I am delighted that the budget papers and notices of ways and means motions contain provisions to lower the bonding and licencing requirements, allowing such entrepreneurs to do their part to relieve the energy problems of this nation.

The other group to which I referred is made up of members of a co-operative which processes vegetables and potatoes. They too realize the potential fuel contained in that 20 per cent of a potato crop which normally ends up as culls and is left to rot, and are looking forward to utilizing this energy by converting it to ethanol.

I read just last night in the Ottawa *Citizen* that the National Alcohol Fuels Commission in the United States issued a report showing that a gallon of ethanol can actually save .83 gallons of crude oil under certain conditions. This fuel is widely used in the midwest United States and some countries in South America.

This forward-looking budget is responsible in its pricing formula. It is responsible because it does not begin with a harsh excise tax on fuels, and it is responsible because it recognizes the needs of our citizens and the generation to come by not only ensuring our energy supplies but by also providing the incentives for industry to become established in regions not ordinarily recognized as regions of potential. I would further stress that this budget ensures our industrial competitiveness across Canada yet maintains our enviable standard of living, which is among the best in the world.

I refer specifically to the made-in-Canada price which will never be allowed to exceed 85 per cent of the imported oil price or the U.S. oil price, whichever is the lower. This budget will cost the consumer $40 billion less than the budget of December, 1979, yet we are maintaining our competitive edge, ensuring our supplies for the future, bringing our industry under Canadian control and encouraging the use of alternative energy and renewable energy. Above all, this budget and energy policy will not trigger another inflationary spiral, which we all fear, because the increases will be implemented in a planned and responsible manner over a six-year period.

In comparison with the budget of December, 1979, the impact of this budget will be far less inflationary. Perhaps I should place on record the differences in relation to gasoline and diesel fuel costs to consumers. To the commuter the 1979 budget would have meant a gasoline price of about $1.56 per gallon in 1981 compared with $1.50 per gallon in our budget. By 1984 the December budget would have resulted in a price of $2.63 per gallon, while this budget will provide a price of $2.10 per gallon, or 53 cents per gallon less. This is important to a commuter, for example, if he is driving 12,000 miles per year. Our budget would result in savings of over $200 per year in 1984 based on an automobile operating at about 30 miles to the gallon.

But there is a more important comparison to be made, and that comparison is in the area of food production. In this instance we will use the differences in the costs of diesel fuel. For the purpose of comparison we will assume that a particular farm uses about 6,000 gallons of diesel fuel per year, or about 27,300 litres. In 1981, under the December budget this would cost $7,140 for the year. The cost in the budget under debate here today would be about $6,360 for that same year. By 1984 under the previous December budget, the price would amount to an annual cost of $13,620. In our budget here today the cost would be $9,780, a saving to that particular farmer of $3,840. In that four-year span the budget we are discussing tonight would result in a saving of over $8,220 over the December, 1979, budget. Just imagine the impact of this on farmers and food producers; just imagine the impact of this comparison on a small family-owned trucking firm in my own constituency which uses over 100,000 gallons of diesel fuel per year.

● (2020)

Even more significant is the difference in natural gas prices as they will impact upon the fertilizer industry. Natural gas is one of the main ingredients in the formulation of some nitrogen fertilizers. In this context, when we compare these two budgets, natural gas prices in the Crosbie budget would have been about 71 per cent higher in 1984 than those under the government budget we are discussing tonight. Such a drastic increase would be reflected in food prices, and this item alone would have meant a devastating increase in food production costs. I submit that the impact of our budget, as it relates to farm input costs across this nation, is far more realistic than those cruel, harsh measures presented in the House last December.

The reduction of excise tax from $3 per gallon to $1.25 per gallon on fortified wines is welcome news to the grape industry of Canada and will allow the wine industry to continue to upgrade their vineyards and products which in recent years have been recognized as among the best in the world.

This budget not only provides for Canadians to invest in their own future, but also allows a tax reduction of $248 for a family of four earning $15,000 per year, or a reduction of nearly 20 per cent. This tax saving is a result of the continuation of indexing for 1981. We can be proud that Canada is one of the few countries in the world which provides such automatic indexing adjustments.

While they may place a small additional burden on workers and employers, the changes to the unemployment insurance fund contributions are necessary if the present trend continues of increasing numbers of men and women entering the labour force. While the increase in these contributions may seem to be large, the combined contributions amount to 4.32 per cent of the insurable earnings. We must remember that only those who are working and their employers make the contributions,

and ultimately it is only those workers who are laid off, either seasonally or otherwise, who are the benefactors.

As well there are provisions for exemptions related to metric conversion in the retail sector. Under these provisions kits and parts to convert retail scales to metric are exempt from federal sales tax and duty. Sales tax on purchases of new metric scales is reduced by one-half, and a 100 per cent immediate write-off for income tax purposes is provided for metric scales used in small businesses. Also, small businesses will benefit from the extension of the small business development bond issue to March 31, 1981. Technical amendments are proposed to better define the scope of the small business deduction, that special low rate applicable to the Canadian active business income of small corporations.

As I have indicated thus far, this budget is bold and responsible, securing our energy supplies and ensuring that those non-renewable resources will be controlled by Canadians. Also it recognizes the needs of the taxpayer, the home owner, the need for conservation, the need for renewable sources of energy, the needs of small business and the need for ensuring adequate unemployment benefits.

One other aspect I want to emphasize is the recognition of the needs of the handicapped and their requirement for special equipment. On last Sunday afternoon I was approached by a mother in my constituency who was asking about the possibility of removing the duty on television captioning devices for the deaf. Her son was deaf and the captioning device was not manufactured in Canada. Naturally I was very pleased to phone her last night and advise her the customs tariff on such items had been removed in this budget and that her son would be able to enjoy another of the pleasures which so many of us take for granted.

This budget is a responsive one. It is responsive to the voice of the people. The government was listening to the provinces when they said they could not accept an export tax on natural gas. We were listening when the people of this nation said they wanted a continuation of indexing. We were proven right when a poll indicated that 82 per cent of our people wanted Petro-Canada to continue as a vital and integral part of our energy system. This budget is a wide-ranging one. The implication of the industrial strategy, the provisions for railroads to upgrade their tracking systems and the provisions for extended pipelines will have spin-off effects on our economy. All these measures will provide us with a solid economic base and give us the confidence to proceed into the decade of the eighties.

Some hon. Members: Hear, hear!

Mr. McKenzie: Mr. Speaker, the figures of the hon. member were most informative. Would he entertain a brief question at this time?

Mr. Ferguson: Yes, Mr. Speaker.

Mr. McKenzie: I was very interested in the hon. member's figures concerning the price of gas, what they would have been under the December budget and what they will be under the new budget. Has he allowed for the increase in gas prices in his figures? In less than a year they have increased by 40 cents per gallon. We were told in the February election that under the Liberals the price of gas would be increasing only by a very small amount, but in certain parts of Canada it has increased 40 cents a gallon. The Minister of Finance (Mr. MacEachen) stated in the question period this afternoon that they would not be putting on an 18-cent a gallon tax. Is the 40-cent increase in less than one year included in the figures the hon. member related to the House this evening?

Mr. Ferguson: Yes, they are 1981 projected figures. Perhaps I should point out that I was very much involved in this issue during the campaign. As a matter of fact, I should give credit to my opponent in the campaign who was a previous member of the House. He realized the harshness of the excise tax being proposed. He realized the impact it would have on the rural economy across Canada. Because of those facts, in the last week of the campaign he stated publicly that he could not support the 18-cent excise tax.

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, I compliment the hon. member for Lambton-Middlesex (Mr. Ferguson) on how well he read his speech, but I have never heard a speech read so well which contained so many inaccuracies, distortions and downright mistruths. The pathetic thing—and I say this sincerely—is that he does not recognize the impact; he believes what he read. I do not recall a time during my eight years in Parliament—and as a matter of fact it is eight years today—when I was more distressed, alarmed or concerned about the future of my country.

Since the Liberal party was re-elected last February the country has been subjected to more abuse, wrong-headed, stubborn, insane and immoral government actions than at any time in this country's history. The culmination was reached in this budget.

• (2030)

I want to say this as dispassionately as I can because it is not political rhetoric but rather a genuine fear on my part for the continuing integrity of our country and for our democracy as the result of the events in these few months. We have seen from this government in the last few months the most cynical, manipulative and dishonest approach to governing of which I am aware in any democratic country. Witness their advertising campaigns designed for mind management of the type I read about as a school kid in George Orwell's "1984", the cynical, Machiavellian manoeuvres of the type described in the Kirby document to pit one province against the other, one region against the other, and to accomplish goals for which no mandate was sought or received from the people of Canada, and all this in the name of national unity.

The pathetic thing about this, Mr. Speaker, is that there are sincere Canadians over there, I believe—people who genuinely do not understand what they are doing to this country. That is what is so sad. It is sad that such intelligent, dedicated people—they ran for office, so obviously they have an interest

in this country, they are obviously Canadians and believe in our motto "from sea to sea"—would sit in such a sheep-like fashion and accept the drivel which comes forward under the guise of truth, and not question it one bit. For the sake of this country I beg of you, every one of you who is twinned with a western riding, to spend this weekend on the telephone and talk to the defeated Liberal candidate out there, talk to an NDP member out there, talk to anybody you can get on the telephone and try to understand what you are doing to Canada. I beg of you to learn a little bit. Go to your next caucus and when the government House leader says, "Here is our strategy for closure", or when the Minister of Finance (Mr. MacEachen) says, "Here is how we are going to sock it to the west," or when the Minister of Energy, Mines and Resources (Mr. Lalonde) says, "We are going to get those multinationals," understand a little about what they are really saying in terms of this country.

I was one of these who was cut off in the constitutional debate and I do not intend to bootleg a constitutional speech into this budget debate, but I wonder how the NDP feels. Their ranks in the House are empty tonight.

An hon. Member: Not quite.

Mr. Andre: I wonder how the Leader of the NDP feels tonight.

An hon. Member: We have a higher percentage of members in the House than do the Conservatives.

Mr. Andre: I wonder how they feel after that press conference where their leader said, "I have negotiated with the Prime Minister and I have secured resources for the west. I have secured a guarantee under this constitution." How do they feel now after seeing this budget and seeing what it does to Saskatchewan, Alberta and British Columbia? I wonder when the NDP will seize control from that Ontario troika, Eddie, Bobbie and Ian, and represent the constituents who elected them here.

It is really sad to see that party deteriorate in such a way. It was a party which stood for its principles, a party with a conscience. They had a philosophy which I could not accept, but when they articulated their views, one could believe that they were set on the basis of principles and of their fundamental beliefs. It was a party which felt for the common man. That mantle does not fit them any longer. Bobbie and Eddie have taken over, they are playing these games. I suggest that members of the NDP who would like to see the party return to the days when it had principles should seize control or else have the decency to merge formally with the Liberal party instead of being the "little red rump", as the hon. member for St. John's West (Mr. Crosbie), described them last night.

The NDP, through their chicanery and political opportunism, have not only damaged themselves but have damaged the country severely. The budget they defeated last year would have provided for Canada lower energy costs than the budget we are seeing now. It was based on an agreement with the provinces—there was no constitutional conflict—which contained the same crude oil increases as in the budget last night. There was no conflict. It was a tough agreement which took a lot of commitment and energy. There were meetings between prime minister Clark and Premier Lougheed in Ottawa, Edmonton, Saskatoon and Montreal, but we were determined to show that confederation can work. They reached an oil agreement which was the same, in terms of the impact to the consumer, as the one reached by this government, but better when combined with the budget and its tax credits in terms of lower income families. That budget provided a lower deficit than the current budget. It would have resulted in lower unemployment and lower inflation than the current budget. It was described in the Canadian tax journal as the most progressive budget in the last ten years. The NDP have helped to bring about the defeat of that budget, and now they have this budget. I hope the three stooges, Eddie, Bobbie and Ian, are happy because they sure are not funny.

It is pathetic to see what happens to people of integrity when they are associated more and more with the Prime Minister (Mr. Trudeau). I remember the hon. member for Windsor West (Mr. Gray) when he was a man of integrity. I remember, when I was first elected, Herb Gray was dull, bland and grey, but he was honest—

The Acting Speaker (Mr. Ethier): Order, please. Members should refer to other members by their constituency, not by name.

Mr. Andre: Certainly, Mr. Speaker. What happened was that the hon. member for Windsor West was booted out of the cabinet for being honest, principled and hard working because those are not qualities which are much admired by the Prime Minister. He sat in purgatory for a few years, saw who was occupying the front benches of his party, and learned from it. Instead of a man whom the country respected—previously he held respect—he is now sneered at. He said he would quit if the interest rates went up higher than they were under the Conservatives. They are higher now, so why does he not quit? He said he had an industrial development policy. Has he? He has no such thing.

An even more pathetic figure than the Minister of Industry, Trade and Commerce is the minister from Alberta, the senator who is here to represent Liberal interests in Alberta in the federal cabinet. He is part of the "Bobbsey Twins" responsible for economic development, the economic minister, this great representative of the west. His twin is the Minister of Industry, Trade and Commerce. Where was the minister from Alberta when the constitution was being discussed? He was at the Liberal club at the university of Alberta saying he did not think section 42 in the proposed Canadian constitution was appropriate. One wonders where he was when the matter was discussed in cabinet, or whether he is allowed to attend cabinet meetings where important matters such as the constitution are discussed. We wonder where he was when the energy policy was discussed which will bring devastation to the area of the country which he purports to represent in cabinet. Where was he in terms of his responsibility as economic development

minister, and where was the Minister of Industry, Trade and Commerce?

An hon. Member: Out to lunch.

Mr. Andre: This budget will take, out of the funds available for exploration and development in Canada next year, $3 billion to help make this nation self-sufficient. It would be good for the people over there to learn that Canadian companies do the bulk of the exploration in Canada. Seventy per cent of the exploration and development is done by Canadian companies. Recognize who you are hurting. It is the Canadian companies you are hurting, not the multinationals. Next year we are planning to spend $8 billion. Because of the kinds of things the minister of energy was saying earlier on, $1 billion or $2 billion has already been chopped from that budget and is headed for the U.S., to Colorado, Oklahoma, Texas and Louisiana, and they are taking another $3 billion right here. So at best you have $1 billion left for exploring for the oil and gas which we are all going to need. That will be a sixth of what was planned in terms of exploration in this country.

● (2040)

A study conducted some years ago by a McGill economics professor showed that for every dollar spent on exploration in western Canada the spin-out from that, if you will, the multiplier effect, was at least three to one. A third of that money is spent in eastern Canada for pipes, valves, motors and all those things which cost money when you are exploring for oil and gas. So this little budget has taken out of central Canada, Ontario, at least $2 billion in economic activity. How many jobs is that? What do the Minister of Industry, Trade and Commerce and the Minister of State for Economic Development (Mr. Olson) in the other place, propose to use to replace that? How are you going to replace those jobs? Unemployment is already horrendous and with this little act you have already added to it very substantially. And I am talking about the indirect benefit.

You know, there is a common myth in this place that the multinationals are all from the west, so you can get them. I have news for you! The multinationals are headquartered in Toronto—Imperial, Shell, Gulf, Sun and Texaco—and they are the ones who are going to be out of work because they will not need geologists, accountants, secretaries and all those people who work in their offices. They are not big bogeymen from New York or Texas, they are just honest, working citizens. They will not be needed. They will not be needed after this little budget. They will be out in the street. At least those members who cannot be brought to express any concern for the western part of this nation can express some concern from a self-interest point of view. You are going to be hurt as well. You will be hurt by future shortages of oil and gas and more immediately by increased unemployment. As a result of what this energy package has done to the oil and gas industry, record growths in every other sector of our economy will be needed just in order to stay even. The minister projected unemployment at 8.7 per cent next year based on what his friend, the minister of energy, the man who actually wrote the document, sets out in his policy. Well, I do not think the minister of energy knows what he has done. He does not know what kind of unemployment he has caused by his action. It is pathetic, but he does not know what he has done.

The estimate of the Minister of Finance of 8.7 per cent for unemployment will be much less than the reality unless some corrections are made, and are made quickly.

The Minister of State for Economic Development tells the Liberals in Alberta that he is opposed to section 42. But apparently he was not at the cabinet meeting when it was discussed.

Mr. Baker (Nepean-Carleton): Who is that?

Mr. Andre: The man from the other place, the senator. He is out around the country giving speeches about the great things they are going to do for economic development. He must not have been allowed in the cabinet room when they were discussing the energy package, or the budget either. The minister of state could not possibly have had the gall to give the speech which he gave on October 20 about the great things the government is planning if he had an inkling of what was in this budget. He talks about the need for these eight new pushers in economic development who are to get the country going.

The second item on his list is capital investment. He speaks about the need to attract this money, telling us it will be vital to create a favourable investment climate, first by reducing the inflation rate and, second, by making sure investment is used as productively as possible. How could anybody who knew about this budget make a statement like that in public? It is pathetic.

His third point was energy and he talked about their main concern being security of supply everywhere in Canada. Yet they have killed exploration and development. He talked about energy conservation and substitution for oil. We will need substitution all right because there will not be any oil. He mentioned the use of energy resources to maximize employment. There is the dilly! That little statement the other night is going to maximize unemployment!

Then he went on to talk about the importance of technology. Mr. Speaker, when the Prime Minister was first elected, Canada spent 1.5 per cent of its gross national product on research and development. And that was deemed very low. A special Senate study concluded we had the worst record of any of the OECD nations. It was pathetic and something had to be done. Today our expenditure on research and development, expressed as a percentage of GNP, amounts to .8 per cent. Ten years ago 1.5 per cent was deemed to be atrocious and the Prime Minister agreed and created a ministry.

I do not know what the other ministers are doing, but the minister responsible for science and technology is off seeing the Queen. He is running around the country shepherding the other minister from Windsor, who cannot be trusted completely with external affairs. He bears the title but they do not let him out alone. If you do believe that science and technology is

important, as you must, when are we going to stop the rhetoric and see some action? In his speech on October 20, the Minister of State for Economic Development said this was a top priority. Yet the Minister of Supply and Services (Mr. Blais) said on September 22 that we do not have any money to spend on technology. He said that in Vancouver. And the budget talks about this new great era of high technology we are approaching. It can only be described as fraud on the part of this minister. If the senator from Alberta, who is now the Minister of State for Economic Development, had a modicum of decency and self-respect he would resign forthwith.

I said earlier to the Minister of Finance that he does not understand what the Minister of Energy, Mines and Resources has done to him. He has made a dishonest forecaster out of him. The minister of energy has no idea what makes the energy industry run in this country. He cannot understand and at the same time say in this House, as he did yesterday in response to a question by my hon. friend from Calgary South about the number of rigs which would be leaving Canada and the drop-off in exploration:

> Madam Speaker, I have not had the latest report on the stock market, but by eleven o'clock this morning I was told Canadian stocks were holding very well and that some decrease had taken place in the value of the shares of multinationals, although those decreases appeared at that time to be rather small. I think it shows that the business community has indeed examined this budget and found that it was a fair and good budget.

I assume the minister believes what he said, believes that it was a good and fair budget and that it would be so viewed by the industry. Obviously, the hon. member for Lambton-Middlesex believes it. But what did the stock market do? Yesterday, starting about an hour after the minister made his response, the market in oils took a drop and plunged 363 points. That was Wednesday. And today it dropped 420 points.

● (2050)

It lost 800 points in two days. To find a fall as disastrous as that we have to go back to October, 1929. What is it about Octobers, Mr. Speaker? In October, 1970, the government went berserk and brought out the army. In October, 1980, they went berserk and destroyed an industry. What happens? What happens in Octobers?

An hon. Member: The full moon.

An hon. Member: Hallowe'en madness.

An hon. Member: Get your Indian blankets.

Mr. Andre: As I pointed out at the beginning of my speech, and with sincerity because I believe it—unfortunately it worries me—I do not know if this country will survive, if the integrity of this country will remain, if our democracy will remain.

On the question of democracy, Mr. Speaker, I will give the reasons I have reached that conclusion. In the budget speech, the Minister of Finance said he had heeded the representations of the provinces and so there would be no export tax. A paragraph later he said there would be a tax on the sale of gas to the United States. The pathetic thing about this is that the guardians of the public's right to know put that across the nation. Millions of Canadians saw it on television. There would be no export tax. They believed it, of course.

When the hon. member for Sarnia (Mr. Cullen) spoke earlier, he said the reason the west does not understand the Liberal party is because they cannot get their message across. And the Liberal member who spoke ahead of me was spouting out these blatant, dishonest statements from the budget as if they are true. The public believes it, because they saw it on television. To their credit, some economic writers were not fooled and pointed out that in fact this was a blatant, dishonest deception. A lot of the political writers, however, said, "My, isn't the minister clever. Isn't he wily. He is so wily he is able to confuse the people."

How long can a democracy carry on when the public guardians, the fifth estate who write about politics, look at chicanery, mischief, deception, advertising, polling, mind manipulation, as examples of wiliness to be applauded and cheered? How long can a democracy last under these circumstances, Mr. Speaker? Not long. This budget was a most disgusting example of political—

An hon. Member: Don't be shy.

Mr. Andre: The hon. member opposite sits there grinning. If he behaves and applauds, he will get in the cabinet too. He knows that principle is not the way in which to advance one's political fortunes. Why should he be worried about Albertans? His attitude is, "For goodness sake, they are a bunch of crazies out there—Saskatchewanians and British Columbians too. They do not vote Liberal anyway, so they must be dumb. They do not vote Liberal so how can they be Canadians? Why should we care about them?"

The minister had a choice in his budget. He had to raise money but he could have raised it across the whole country and have made everybody mad at him. He said in the House, oh no. The sun was not going to set on that minister of finance. He is too wily for that. Applause, applause. "We are going to pick our enemies. We are going to get those westerners. They did not vote for us anyway. We can form a majority government without them, so why don't we?"

I will tell you why he should not have done it, Mr. Speaker. It is because the country may not survive, that is why.

An hon. Member: Come off it!

Mr. Andre: Phone somebody in the west. Do not just sit there listening to that nonsense. Phone people in the west and ask them, if you care about Canada. Can you imagine what would happen to a government that did this to Quebec? I ask you, what price would we pay for oil and gas if it were in Ontario and Quebec?

An hon. Member: You are using Lévesque's tactics.

Mr. de Corneille: Oh, oh!

Mr. Andre: There is the man with the collar. What a disgrace! I was talking to a backbench member of the Liberal party and in all sincerity he said he was worried. He had been talking to his "twin" and was worried about what his twin was telling him about the mood. He said he did not understand why they are so upset. He was honest; he does not understand. This body blow is not the first one. This has been happening virtually since—

An hon. Member: Oh, oh!

Mr. Andre: The hon. member from Quebec should read this little story about Louis Riel and what he was asking about resources and how Ottawa reacted to that. They stomped on him. Ottawa stomped on Riel.

An hon. Member: Soak your head!

Mr. Andre: You sheik! The hon. member for Sarnia did not understand why the west was so opposed when Petrosar went to Sarnia. He thought, "We can share all across the country". He thought that Albertans were being selfish to begrudge the Petrosar plant to Sarnia and I think he was sincere. The reason he could say that is because he did not know why Alberta was so upset. Well, it was because at the Western Economics Opportunities Conference in July, 1973, "We will try to build up your economy. Yes, we will try to secure more processing of raw materials close to the source." For Alberta, that meant the development of a petrochemical industry. But five months later the government announced, "Get back in line,—Petrosar is going to Sarnia." It was not that Albertans begrudged Sarnia the Petrosar plant, but the fact is Alberta just could not understand how the Prime Minister could make a solemn promise at a conference called by him to discuss western economic opportunities and break it five months later.

He did worse than that, Mr. Speaker. Two months later he promised the fullest discussion before acting unilaterally. I am sure the Minister of Finance will remember this because he was government House leader at the time. Part of that organic understanding with that group over there was when David Lewis said, "Do something about inflation or I will bring your government down." They put a price freeze on crude oil. At the time the price was to go up from $4 to $4.10. That was six weeks after they had promised, publicly, to the producing provinces that there would be the fullest discussion before any energy policy was announced. Right then and there, when David Lewis said, "Do something," they said "We will do it—we will stomp on the west." David Lewis got his just reward. He was tossed out for that chicanery. But central Canadians said "Good for you, Pierre" and gave him a majority.

Mr. Speaker, I see you rising. I did not talk about all the things I wanted to but I will make one more plea to those hon. members opposite who care about Canada: please question what you are so quickly approving because you do more damage than you know.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Marcel Dionne (Chicoutimi): Mr. Speaker, I am pleased to take part in this debate on the budget brought down by the Minister of Finance (Mr. MacEachen) on October 28 last. The member for Calgary Centre (Mr. Andre) has not even taken the trouble to read the budget and, in my opinion, if he could have been a little more specific, he would not have talked so much rubbish, just as his party could have brought down a more constructive document on December 13 last, since it was defeated as a result of its budget, if one is to believe the hon. member for Calgary Centre.

I cannot refrain from feeling sorry for the Progressive Conservatives, Mr. Speaker, who, after 17 years in the opposition, have been thrown back there, because the Canadian people rejected the budget they brought down last December. I said when I made my maiden speech in the House that the Conservatives had known some hard times for 17 years. If we compare the budget of the hon. member for St. John's West (Mr. Crosbie) with the budget of the Minister of Finance, we realize that the budget of the Clark government was devoid of ideas.

• (2100)

As for the new taxes contained in the Crosbie budget, they hurt as much as the spines of desert cactuses. The Crosbie budget was so bad that I suspect the Canadian people will remember it for at least another 17 years.

Some hon. Members: Right on!

Mr. Dionne (Chicoutimi): The Canadian people made no mistake in bringing back the Trudeau government to power. The Crosbie budget took from the poor to give to the rich. Let us talk about social laws, Mr. Speaker: the fact remains that it was this same Liberal government which, in this country, passed 90 per cent of all our social laws.

An hon. Member: That is true.

Mr. Dionne (Chicoutimi): People should be reminded here that, had the Progressive Conservative budget been passed, it would have cost every Canadian family $800 more a year because Mr. Crosbie increased the excise tax on oil by 18 cents a gallon. It would have cost us even more for food, clothing, housing, heating our homes and driving our cars. Heating and transportation alone would have cost every Canadian family an estimated $381 more a year, had the Crosbie budget been accepted.

The argument put forward by the Progressive Conservatives to justify that excise tax increase on gas was that it would encourage Canadians to save energy; but in that case, the government could have or should have exempted public transports, city buses and trains, if the people were to use their cars less. The Progressive Conservatives were forgetting that people have to travel to get to work.

Farmers have always been exempt from the excise tax because they are producers. The farmer who is driving his tractor out in the field is not out for a pleasure ride. That tax increase meant that the Progressive Conservative government was recommending to the farm producers that they go back to oxen or draught-horses. By refusing to bring the Clark government back to power, the people were suggesting it go and reflect until at least the year 2000. The MacEachen budget provides for increasing the price of gas by 13 cents a gallon in 1980, whereas it would have gone up by 32 cents a gallon had the Clark government budget been accepted.

On the evening of October 28, while the Minister of Finance was reading his budget, we could see that the opposition was ill at ease.

Mr. Speaker, it is difficult to find fault with a budget which provides for practically no increase in individual or corporate income taxes. Once again, hon. members of the Progressive Conservative Party, as birds of ill omen, had predicted that the Liberal government would do away with the indexation of income tax. I could see that the rank and file were desperate when the minister announced that the indexation program was maintained. Therefore, the indexation will reduce by as much as $1.6 billion the amount Canadian taxpayers will have to pay in income taxes next year. This represents anywhere between $200 and $300 for individual taxpayers.

Following the representations made by the hon. member for the Saguenay Lac-Saint-Jean area, fortified wines with an alcoholic content of over 14 per cent will be taxed on the same basis as table wines. The excise tax on fortified wines will be reduced from $3 to $1.25 par gallon. I am pleased with this decision, for it will benefit wine producers in our area, especially those who make wine out of blueberries, a regional product.

It is, in fact, a sharing budget. Hon. members will recall that the Crosbie budget granted a tax credit for mortgage interest. The measure benefited few Canadians. Renters, those who make no mortgage payments, people with too low income to take advantage of the program, paid more taxes to favour a small category of taxpayers. The Progressive Conservative government increased the excise tax on gas to pay the cost of the mortgage interest tax credit program. On the contrary, we see that the Liberal government announced a national energy program that does not penalize taxpayers. Thus, thanks to measures announced in the budget, increased oil prices in Canada will always be below world prices. They will never exceed 85 per cent of the foreign oil prices, or, if it is lower than the oil prices in the United States, the Canadian industry will remain competitive.

Mr. Speaker, the whole package of energy measures aims at Canadianizing our oil industry. It is a measure that is part of the Liberal philosophy. Thanks to this policy, we are counting on a 50 per cent Canadian participation at least in gas and oil production by 1990.

Our proudest asset, Petro-Canada, will be instructed to take over the shares of one or several oil multinationals. Mr. Speaker, this is a real government in action, a government that looks after the interests of the taxpayers thanks to a Canadian policy under which all citizens from coast to coast will enjoy the benefits derived from our natural riches and through a fair distribution, through this sharing formula, $40 billion more will be retrieved to be distributed to all Canadian taxpayers instead of being exported by multinationals to foreign countries. This is what I call a responsible government, a government that is not afraid to legislate according to the needs of taxpayers from all regions of the country.

Another aspect of the energy policy is the announced extension of the gas pipeline to Quebec and the maritimes and the guarantee that the gas will be delivered to Quebec and Halifax as well as to Montreal and Toronto. To help conserve energy, the federal government is going to give grants to assist homeowners in converting from oil to gas, electricity or other forms of energy which we have in abundance in Canada.

Since we are on the topic of energy, I would like to draw the attention of the House to a number of facts which are worthy of consideration. In a letter addressed to all members of the House, the president of Dome Petroleum reminds us that industrialized nations want to buy their energy supplies from politically stable countries. There is oil in the Arab states but during the Israel-Egypt conflict, it stopped flowing and prices climbed. There is oil in Iran and Iraq, but because of the war between those two countries, the oil tap was shut off. Therefore, the oil and gas under Canadian soil increases in value by the sheer fact that Canada is a peaceful country. The industrialized countries of Europe are following very closely our discussions on energy. All Canadians are going to benefit from the developments which the Minister of Finance announced in his budget. According to the predictions made by the president of Dome Petroleum, our recoverable oil reserves in the tar sands and in heavy oil could keep us going for 300 years.

• (2110)

Our crude oil supplies total about 100 billion barrels and could meet the needs of Canada for 125 years. In view of such plentiful supplies and the strong demand from foreign countries, I wonder by what right and how long Mr. Lougheed can refuse to develop the energy potential of his province. Fortunately, there is a Parliament for all Canadians, because it is not normal for a premier to condemn thousands of Canadians to unemployment through his stubbornness. If we developed our energy potential, we would create immediately 150,000 jobs, according to the president of Dome Petroleum. This is the objective of this government, to stimulate employment while developing new energy sources, Mr. Speaker.

An article in the publication *Commerce* of the Department of Industry, Trade and Commerce states that for each job

created in the primary extraction of oil and natural gas, 100 more jobs are created in the manufacturing and finished product sales sectors. Are we not right to develop policies which promote further development in the energy sector?

I believe that it is wise to conserve oil because $24 of crude oil corresponds to $35 of gasoline and $3,500 of plastic goods. I believe that our industrialists should get into plastics, Mr. Speaker. What concerns me is that not enough of our young people are aware of the potential in that field. Indeed, according to a press release of the Minister of Supply and Services (Mr. Blais), Canada is an important producer of petroleum products, which are the main raw material of the plastics industry. Canadians do not take enough advantage of this competitive edge, otherwise, how can we explain the fact that Canada is the largest importer of plastics in the world and still has a trade deficit of $700 million in this sector? I am happy that the Minister of Supply and Services has undertaken to rectify this situation.

On the other hand, according to the article in *Commerce,* there is a plastics technology institute in Edmonton. There might be others elsewhere, but if not, more should be created. The graduates of the Plastic Technology Institute of Edmonton are being offered six jobs each. So, every graduate turns down six jobs and the starting salary is $1,300 to $1,400 a month. What saddens me, Mr. Speaker, is that the Plastic Technology Institute of Edmonton can accept only 25 students every semester. Yet, how many students registered to that course for the 1980 summer session? Six, Mr. Speaker, and then you hear people complain that we admit too many immigrants.

If Canadians refuse to make an effort, if our educational system is not interested in the employment opportunities available to the students when they graduate from CEGEPs and universities, I think some individual and collective soul-searching is in order. When provincial governments are more interested in the constitution than in creating jobs for the unemployed, we say that we are fortunate to have a national government and a prime minister with both feet firmly planted on the ground and who look after the real interests of the people. And I am glad that the Minister of Finance has announced that the government intends to promote exports. Mr. Speaker, the export potential of my area is well known. We have aluminum and newsprint plants whose production is exported to other countries. However, Canada does not develop its full export potential.

In fact, according to the committee which reviewed the services to promote exports and which published a report called the Hatch report, we find that only 178 companies across Canada, are responsible for two-thirds of all Canadian exports. Canadian companies must necessarily take an interest in exports. I shall give another example, Mr. Speaker. Canada produces extraordinary farm products, renowned throughout the world. Let us take beef for instance; pork, which now enjoys a high rating, has the reputation of being the best in the world. The same goes for our grain. However, the Americans, our competitors, are travelling throughout the world visiting dynamic missions selling millions of metric tons of grain while Canadian businessmen are waiting for buyers who do not come to call. I would like to see the Export Development Corporation be a lot more dynamic and on their toes which, I think would greatly contribute to improve our balance of payments.

Furthermore, according to the Hatch report, Canada lost a share of the market for finished products in the competition for world markets. Comparison between 1967 and 1977 reveals that Canada's share of the finished products market went from 5.9 per cent down to 4.6 per cent in 1977. However, in that year it was estimated that the total export markets for finished products amounted to $650 billion. Therefore, a decrease of one percentage point in our share of the market means that we exported about $6.5 billion less than we should have.

In other words, if Canada had just kept its share of the 1970 market, which was 6 per cent, and not let it go down to 4.6 per cent, and if our imports had remained at their present level, the $7 billion deficit anticipated in our current account for the year 1979 would have been translated into a hefty surplus. On the matter of exports still, I think that we could make a better use of the aid we provide to developing countries. I do not share the view expressed by the vice-president of the CNTU, Mr. Christian Auger, who feels that Canada should increase its aid to the Third World but in a more unselfish way than we are doing at the moment.

To that statement I would like to add the following comment quoted from the Hatch report (Page 40, par. 1): "Business contends that the Canadian International Development Agency (CIDA) bas been far too philanthropic, as far as aid is concerned, especially since 1970.

Further on, the committee discovered the irony of Canada, one of the main benefactors to the multilateral agencies, having one of the worst records when it comes to getting contracts through those agencies. The report emphasizes that the Germans and the Japanese and others are better than we are at devising the right procedure to obtain contracts. They get far more from the contracts than they give away.

Mr. Speaker, I reject the view of the CNTU. Why should underdeveloped countries be allowed to use our Canadian dollars to purchase German or Japanese products, thereby creating jobs for their workers? I believe that the aid which is provided to the developing nations should be tied to a buy-Canadian policy, which would help the production of Canadian goods manufactured by Canadians.

Another sector which is particularly neglected is tourism. Canada should be going through an unprecedented tourist boom if only because of the lower value of our dollar. But such is not the case, and the result is that our deficit in current accounts stands at over $1 billion. We see lots of ads depicting

the merits of European ski resorts. Why do we fail to exploit the potential of the Rockies? The French spend their winter vacations in their ski resorts. They enjoy winter. Why should we run away from our Canadian winters? I hope a ministry of state for tourism will be created to remedy that problem.

In concluding, Mr. Speaker, I would say that in my opinion the Minister of Finance introduced a realistic budget on October 28. I believe it will enable us to reach the three objectives we have set for ourselves: first, security of supply and ultimate independence from the world oil market; second, opportunity for all Canadians to participate in the energy industry, particularly oil and gas, and to share in the benefits of its expansion; finally, fairness, with a pricing and revenue-sharing regime which recognizes the needs and rights of all Canadians.

In conclusion, Mr. Speaker, I hope that all Canadians from coast to coast will stop nurturing sterile divisions so that all our energies may be used to develop and reinforce our economy. Living as I do in the most beautiful, the richest and the freest country in the world, I urge all people and all politicians as well to seek more harmony in our discussions for the benefit of our descendants.

● (2120)

[*English*]

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I was most interested in the remarks of the hon. member for Chicoutimi (Mr. Dionne) who has just spoken. He spent a great deal of time in his speech talking about Dome Petroleum. I hope he realizes that today the stock of Dome Petroleum fell $8.50 a share as a result of this budget which he praises.

Mr. Darling: It fell $7 yesterday.

Mr. Blenkarn: Yes, and trading was halted at mid-day. The trading on every single oil and gas stock in this country fell right out of bed. Is that the way to establish oil self-sufficiency? The hon. member for Chicoutimi said we should also do something for the plastics industry, the aluminum industry and the pulp and paper industry. He said that we are losing our market. What government has been in office for the last 12 years, except for a short period last year? What government? And where in this budget is there anything to satisfy the concerns of his constituents?

The hon. member also said we should not give as much help to the Third World. He said we should use our aid for ourselves because there is a lot to be done in this country. Has the hon. member read the budget at all? There is a promise by the Minister of Finance (Mr. MacEachen) in that budget to significantly increase foreign aid. Should I read the budget to the hon. member now? Does he not even understand the contents of the budget?

The hon. member ended his speech by saying we have a great land, a land with opportunities unparalleled in the world. He is right, but those opportunities are being destroyed. They were hampered and hurt by this budget. This budget must be described as follows: first, it is the most squirmy, deceitful and dishonest budget presented to a country for a long period of time.

Mr. Baker (Nepean-Carleton): Don't be so mild.

Mr. Blenkarn: Second, it is the most regressive budget presented at any time in our history and, third, it is perhaps the most incompetent budget.

In the few minutes I have tonight, I would like to analyse those remarks. Dealing with the allegation that it is the most squirmy, deceitful and dishonest budget presented, I will call on Mr. Parizeau, whose comments were reported in *The Globe and Mail* this morning as my first witness.

Mr. Parizeau, who holds a doctorate from the London School of Economics, said it took a morning's work with a computer to figure out the two budgets' similarities since this one is 25 times more complicated and enveloped in an extraordinary cloud—

He went on to say that it will raise

—consumer gasoline prices two cents a litre less and heating oil 1.2 cents a litre more—

—than under the Crosbie budget. So much for the householder. We can decide not to drive our cars, but this is a cold country and we cannot decide not to heat our homes.

Let us take a look at the budget itself with respect to incentives. When I said it was squirmy and deceitful, one merely needs to look at the kind of incentives it offers to the oil industry—"A petroleum incentives program will be established to provide grants up to 80 per cent of exploration expenditures in the north, offshore up to 35 per cent and in other areas grants of up to 25 per cent will also be provided for development expenditures." Grants, grants, grants, grants and loans. A FIRA study will be held.

The government wants to find out to which party the people who run the oil companies belong. If they are the right type of people it will give them a grant with public money. It is the greatest patronage government this country has ever seen. It is squirmy and deceitful, and this is the kind of thing it is talking about in terms of money for development. It is a squirmy, deceitful budget because it is a budget for Liberal carpetbaggers. It is a budget for the bureaucrats to hand out money to their favourite friends.

We know how these grants operate in the Department of Industry, Trade and Commerce. One puts in a brief and if it is the right brief, then maybe a grant will be given out, not to everybody but to some, and more to some and less to others. It depends on who you know, who writes your bief, who is your lobbyist and who is behind your case. The government says "you will drill where we want you to drill". I can imagine a drilling operation run by a bureaucrat in an ivory tower here in Ottawa with a Liberal carpetbagger as a friend handing out grants. That is how the government will work the grant system. The Minister of Agriculture (Mr. Whelan) smiles because he knows how it works.

Mr. Whelan: You bet I do, but it doesn't work that way.

Mr. Blenkarn: Let us talk about indexing. The Minister of Finance says we will not have indexing, that the government will not abolish the indexing of income tax. But then, of course, down further he says that maybe we will have some indexing anyway. Why can we not get a clean statement? The reason is that this is a squirmy, deceitful, dishonest budget.

On the topic of inflation, the minister forecasts a rate of 10.2 per cent. But then we look at the energy package and find that the cost of energy will go up 21.9 per cent. We find that the cost of food will go up 12 per cent. I looked everywhere to see what was likely to go down. What is going to go down so that the figures will balance at 10 per cent? I could not find anything.

● (2130)

Mr. Darling: The stock market will.

Mr. Blenkarn: My friend says "the stock market." It surely went down. I could not find anything. I find that wages are likely to go up 10.5 per cent. I wonder what is coming down to bring the averages into line.

At the finance committee this afternoon the hon. member for St. John's West (Mr. Crosbie) asked the governor of the Bank of Canada what was going to come down. He did not know. How do we arrive at this 10.2 per cent inflation rate? We get it because the Minister of Finance wants us to get 10.2 per cent, but there is not a single fact in this squirmy, deceitful and dishonest budget which indicates that inflation will be anything less than 12 per cent, 14 per cent or 15 per cent. There is not a single fact which indicates anything less. The Canadian people cannot believe this budget. It is squirmy, deceitful and dishonest.

Mr. Kaplan: What is your next point?

Mr. Blenkarn: I mentioned that the governor of the Bank of Canada came before the finance committee this afternoon. The governor presented a paper at that committee meeting. I want to read a portion of page 7 of that paper, which discusses inflation. He says this:

> That is why it is so important that public policy, including monetary policy, be firmly committed, and be seen to be firmly committed, to reducing the rate of inflation.

The governor was asked what he meant by public policy. Did public policy, in the main, mean the fiscal stance of the government? He said yes. He was asked whether the fiscal stance of the government did anything to help his battle to reduce inflation. He could not comment further. However, the governor did comment by saying that today the Government of Canada had to buy up almost all the 90-day treasury bills which were offered, and even at that we wound up with a Bank of Canada rate of 12.16 per cent based on the 90-day rate. Not as many 180-day bills were bought, so the 180-day rate was 12.4 per cent.

The bond market went up as of yesterday. It did not go up as of today, but as of yesterday, by at least .5 per cent across the board. So the Government of Canada is now borrowing at in excess of 13 per cent with its bills and bonds. We do not have to be surprised that this slimy, squirmy, deceitful and dishonest budget will result in interest factors to the ordinary people of this country at 14 per cent or maybe 14.5 per cent prime before a week and a half is over with mortgage rates at 15 per cent or 16 per cent before that time. That is the kind of thing this budget gives us.

We asked the governor today how much money the Government of Canada can afford to borrow. He said he supposed it could borrow any amount it wanted provided it was prepared to pay a high enough rate. We asked what could be borrowed at reasonable rates while still leaving some money for the private market. He said that if the rate is raised high enough all investors would be driven out of the market. Later tonight I want to talk about what the government has done to the private market in this squirmy, deceitful and dishonest budget.

More important, though, I think this budget is probably the most regressive budget we have seen for a long time. I refer hon. members to page 27 of the budget where there is a table of alleged taxes which are being imposed on people. That table is reasonably accurate except that it leaves some things out. The total on that table shows $2.965 billion, but then we look around. Where did the oil compensation fund go as a form of taxes? That fund is $3.47 billion. When we look around further we wonder what happened to the payroll tax increase in the unemployment insurance fund, and we find that that tax increase of $1.1 billion is not included. When we look around to find where the new postal rates are to come from, it becomes clear that a sum estimated at half a billion dollars is not included. After we add it all up, we find that this budget increases taxes on Canadians by over $8 billion.

Mr. Kaplan: Including multinationals.

Mr. Blenkarn: I want to tell my friend that this tax budget is almost entirely on the backs of ordinary working Canadians, and that, of course, is exactly the problem.

Let us deal with the unemployment insurance fund for a moment. This is clearly a payroll tax. The hon. member for Broadview-Greenwood (Mr. Rae) mentioned as much in his speech the other day. It is a payroll tax. It does not matter whether it is charged to an employer or an employee; it comes out of the gross compensation paid to people for work, and that payroll tax has been raised by 33⅓ per cent, to $4.32 for every $100 remuneration paid up to $290 per week.

Working people of this country earning $15,000 or so a year will pay to this government, in addition to all the other taxes they pay, an amount of money which would give them two full weeks' holidays, and then some, every year. That is an additional tax, and that is the kind of regressive taxation the Minister of Finance has imposed. If we were to ask the working person whether he would rather have unemployment insurance or two weeks' extra holidays with pay, I wonder what he would say in a referendum. I wonder if that type of thing could be put into the referendum of the Prime Minister (Mr. Trudeau). The Prime Minister will put capital punishment and other things into a referendum—not just constitu-

tional changes, presumably—and I wonder what the people would say. I suggest the people of Canada have had enough of the unemployment insurance schemes run by this government as another form of taxation. They would boot the Prime Minister out.

The next regressive form of taxation has to do with the Post Office. We asked the Postmaster General (Mr. Ouellet) what the increase in the stamp cost would be. He refused to say. Undoubtedly he has the figures, but he refused to say. It has been suggested by the hon. member for St. John's West that it will be 35 cents. The minister had plenty of opportunity to say he would not double postal rates, but he said nothing. Clearly he accepts the view of the hon. member for St. John's West, the former minister of finance, and that is probably what he will do. But does the Minister of Finance in this budget come clean with the people of Canada? Not at all. Does the Postmaster General come clean with the people of Canada? Not at all. The truth of the matter is that the Post Office change contemplated in this budget is a further tax burden of half a billion dollars to the people of Canada.

● (2140)

We talk about regressive taxation. The ordinary person pays the same for a gallon of gasoline as the millionaire. The ordinary person, the pensioner, the Indian on the reserve, pays the same for the oil that is put in his space heater or for gas to the gas company as the person who drives around in a BMW or a Rolls Royce. Yet this budget makes no difference in how these people are treated. When asked about that matter, the Minister of Finance said yes, but they gave the people $35 more in the guaranteed income supplement. Well, he gave to some people who have to qualify for the GIS $35 more, but, as was pointed out by my other colleague from St. John's, the hon. member for St. John's East (Mr. McGrath), most of that $35, if it were applied to heating, would be used up just on heating. But what about the people who do not qualify for GIS, people who are too young to qualify or the working poor of this country? What about the income earners trying to support a family on $21,500 a year who, under the budget of last year, would have received a grant, a tax credit, toward their energy costs? Does the minister do anything for them? Not on your life because this budget is a grab it, take it, grasp it, squeeze it budget out of the poor people, the ordinary people. This is a consumption tax, it is not a tax which taxes people on their ability to pay. It taxes people regardless. It is the most regressive form of taxation you can get.

The Solicitor General (Mr. Kaplan) said it goes after the oil companies. I will be damned if it does, sir, because the oil companies and the large corporations in this country have long since figured out how to pass a tax on in the price of the product. Do not think they will get stuck with the tax, they will pass it on. If the revenue tax suggested in the budget happens to be constitutional, they will pass it on, you can be sure. It will be passed on to consumers, so this is a tax on the ordinary people of the country, it is not a tax that is in any way progressive or in any way aimed at collecting from those who are able to pay.

Let us go on to what is happening in terms of expenditure. On page 29 of the budget the government states that its budgetary expenditures this coming year will amount to $66.6 billion. But the budget is dishonest in that representation because it fails to take into account as a principal item the oil compensation fund, that $2.50 a barrel—

Mr. Deputy Speaker: Order, please. It being 9.45 p.m., it is my duty, pursuant to section 6 of Standing Order 60—

Mr. Baker (Nepean-Carleton): Mr. Speaker, I rise on a point of order. I think it would be appropriate if the debate were allowed to continue until ten o'clock because an arrangement has been made among the parties that the ordinary question would not be put tonight but would be put at 9.45 p.m. next Tuesday. So I think it would be appropriate if the debate were allowed to continue.

Mr. Knowles: I think, Mr. Speaker, you will find it was agreed a few days ago—in view of the fact that there is no vote to be taken tonight but that the vote will be taken on Tuesday—that the debate should continue until ten o'clock tonight.

Mr. Turner: It was agreed that there will be two votes on Tuesday and, if necessary, the following Thursday.

Mr. Deputy Speaker: Is that agreed?

Some hon. Members: Agreed.

Mr. Deputy Speaker: The hon. member for Mississauga South (Mr. Blenkarn).

Mr. Blenkarn: Mr. Speaker, as I was saying, the expenditures are shown as being $66.6 billion, but the expenditure item fails to take into account the receipt in the oil compensation fund which will be a net $3.470 billion next year. In reality, that, together with the Post Office and other matters, should be added to the true government expense. The true government expense next year will be $73.65 billion, not $66.6 billion, and that, sir, represents a rise in government expense, calculated on the same basis, of $10.15 billion in one year. In other words, this government is going to tax more and spend more than any other government in the history of the country, and its rise in expenditures this year alone is in excess of expenditures of this government when the present Prime Minister took over in 1968.

The tax impact on Canadians is simply horrendous. It is a situation where we increase the take from Canadians by $8 billion; we turn that take over to the civil service, the bureaucracy, the mandarins of this government, and we let them do what they will with it. I say to you, sir, they will not use it to reduce the deficit. They have no intention of doing that. What they will do is to spend it. So even having taken $8 billion in additional revenue, this government has decided that it will continue to run an unbelievable deficit which, right through to the foreseeable future in this budget, is in excess of $11.5 billion a year.

The Minister of Finance said in his address that he will try to reduce the budget deficit over time. The fact of the matter is that right through to the end of the projections, the budgetary deficit of the government is forecast to be nearly $12 billion.

Consider the situation had this government not been in office. The budgetary deficit next year would have been $9.7 billion, reduced to $9.2 billion, reduced to $9 billion. In other words, the effect of the activity of this government is to increase the deficit astronomically and, what is even more important, increase the amount of money which must be borrowed, printed or in some other way obtained from the people of Canada. This year alone we will pay $10.4 billion in interest. Assuming interest rates stay the same, we would pay $12.3 billion next year. But they will not stay the same, they will go up. So it will be more than that. Assuming they will stay the same, even though they will not, it will be $14.375 billion in 1982-83 and $16.2 billion the following year. But the interest rates will not stay the same, so we will pay more than that. The interest alone is forecast to continue at 4 per cent of the gross national product. Approximately one-fifth of what the government takes goes to interest. The government's share of the GNP remains, throughout the entire forecasted period, in excess of 20 per cent for the GNP.

● (2150)

This is a government which says that inflation is a problem. This is a government which has an adviser, the governor of the Bank of Canada, who says there must be sound fiscal policies. This is a government which does not give a darn about fiscal policies or fiscal responsibility. This is a government organized to grab more and more of the resources of the country to feed its mandarins, to feed its appetite. This is a government which does not really care about cutting back programs which have spent themselves out and are no longer required. It carries on; there is no thought of sunset in the mind of this government. It takes more and more and more. It takes more of the economy, more of the wages and incomes of Canadians, and passes them through the ivory tower.

Before the end of 1983 the net debt of the country will be in excess of $100 billion. By that time the percentage of debt will be very close to 30 per cent of the gross national product. We are getting ourselves into a debt which our children, our grandchildren and our great grandchildren will never be able to pay. Indeed, as one person commenting to me said, "They will not have to pay it because the economy will not work. It will not be there; we will have a new money system and it will be all over."

This is the most incompetent budget ever presented. I call as my first witness the governor of the Bank of Canada. Today we asked the governor about the problem concerning borrowing money. The governor has done a fine job this year. As the fiscal agent of the Government of Canada, he has managed to borrow, about $13 billion, netting out about $11 billion, in the last 12-month period. But even this week he had to finance, print or whatever, $683 million extra just to finance the government along. How he can continue to borrow and finance the government without undue "monetism", I do not know. He has managed to do it, but he cannot do it much longer. He will not be able to do it much longer unless he has some help from the Minister of Finance and this budget gives him no help.

I call as my second witness Frank Miller, the treasurer of the province of Ontario. Today in the provincial legislature he called this budget "no answer to inflation, no assistance to manufacturing industries, no assistance to tourism, no assistance for anything responsible at all", and immediately indicated he would require a new provincial budget within two weeks.

I call as my last witness the people of Canada who responding in the stock-market today drove stock prices in Canada down $3 billion. They drove the indices down so far that we had one of the worst days on the market in history. Compare that to the "Crosbie" budget of a year ago.

Mr. Deputy Speaker: I regret to interrupt the hon. member but his allotted time has expired. He may continue only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

An hon. Member: No.

Mr. George Henderson (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, it is a pleasure to stand here tonight and make some comments in reference to the budget presented by the Deputy Prime Minister and Minister of Finance (Mr. MacEachen). Regardless of what has been said by hon. members opposite, I believe this budget recognizes and indeed attempts very positively to deal with the economic and social realities facing Canada in the 1980s.

If this budget had been presented by my hon. colleague's predecessor with the same feeling of compassion for the little person and concern for disadvantaged areas of the country, the seating arrangement in the House today might have been different, but that is not the case. Very simply the budget before us is one which demonstrates the government's feeling of compassion and concern for the everyday Canadian. It is a budget which will improve the economic well-being of areas of the country which have been at a considerable disadvantage for far too long.

The predictions of doom and gloom of members opposite are obviously ill-founded. As evidenced either by their own budget of December, 1979, or the "boojit", as the hon. member for St. John's West (Mr. Crosbie) used to say, perhaps they were preconditioned to expect the worst. It is quite amazing that the hon. member for Calgary Centre (Mr. Andre) and the hon. member for Mississauga South (Mr. Blenkarn) should have claimed a distortion of the facts. I cannot find any distortion of the facts in this budget, but I submit members opposite have certainly distorted their famous budget of December, 1979.

I cannot understand how members opposite can rise in this debate and condemn the budget presented on Tuesday evening

when they went along with their budget of last year in which they predicted an increase of 32 cents per gallon for gasoline by January 1, 1981. In fact, their budget ensured this 32-cent increase by a date approximately two months from now. It is a far cry from the increase of 13.3 cents evidenced by the budget of last Tuesday night.

May I call it ten o'clock?

● (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

INDUSTRY—APPLICATION TO FIRA BY FINNISH TIRE COMPANY—REASON FOR GOVERNMENT APPROVAL

Mr. Walter McLean (Waterloo): Thank you, Mr. Speaker. This evening I am hoping to receive some assurance from the Minister of Industry, Trade and Commerce (Mr. Gray) or from the government that it is truly committed to the protection of jobs in the Canadian rubber industry. I asked the minister, on both June 25 and July 3, about the decision of the Foreign Investment Review Agency, announced on March 28, 1980, concerning OY Nokia AB of Finland, and its advisability at a time when the government had announced a $50 million DREE grant to the Michelin Tire Company. Since that time Uniroyal Limited has asked its Canadian employees to accept pay and benefit cutbacks as a result of market conditions.

Since then I have received from the minister one written outline of the circumstances surrounding the FIRA decision. As well, the minister has written to Stuart Smith, the leader of the opposition in the province of Ontario. The common strain in the two responses is that with the decision of FIRA the government was afforded a bargaining position that it had not previously enjoyed. I quote from the minister's letter to me dated August 29, in which he stated:

> You may not be aware that Nokia tires have been sold in Canada for several years through existing distributors and dealers and that ... had the Nokia application to establish a new enterprise in Canada been disallowed, it is virtually certain that the importation of Nokia tires would have continued, and also that no compensating benefits for Canadians would have been obtainable.

This assertion, repeated in the minister's response to his colleague at Queen's Park, opens a number of extremely serious avenues for interrogation. In my canvass of tire manufacturers, dealers and distributors, most of whom are doing business across the country, not one has seen more than one instance of a Nokia tire being sold in Canada. That instance was a ship container of Nokia radial tires that sat in a Montreal warehouse for two years until early in 1979 when it was bought and marketed by Treadway Exports Limited of Waterloo, Ontario. No new shipment is anticipated or will be sought. If this is what the minister is referring to as an instance of the distribution of Nokia products, then will he tell this House why this valuable container sat and gathered dust for two years.

In fact, this constitutes no mere matter of bureaucratic overkill. What is far more important, and the reason I am pursuing this matter here tonight, is that the terms of the FIRA decision are exactly those given by the minister's Liberal predecessor to the Michelin application. This same innocuous form of reference gave Michelin, in effect, a duty-free holiday, unrestrained by either time or amounts. Nokia seems to be just as free as Michelin to build up its share of the domestic market for years, before actually building a manufacturing plant in Canada.

This is the case, Mr. Speaker, despite the written assurances given by the minister to both Mr. Smith and myself that there is nothing in the FIRA decision which would lead Nokia to believe that the federal government would at any time offer some sort of abnormal tariff break. What, besides a unilateral tariff exemption would possibly induce Nokia to enter an extremely competitive and hungry industry, one which by any account is running well below manufacturing potential?

Furthermore, I cannot comprehend why the minister feels that Nokia does not qualify as a foreign multinational. The FIRA decision refers to Nokia's undertaking to seek a joint venture for tire manufacturing. It is instructed to offer equity participation to Canadians of not less than 50 per cent. However, if no joint venture with Canadian participation is possible, Nokia is permitted to construct a manufacturing facility for car and truck tires which would be 100 per cent Finnish-owned. How can this possibly be construed as anything but a foreign multinational?

● (2205)

In conclusion, Mr. Speaker, in his response to my questions on this matter in June and July, the minister hoped out loud that "the House will be supporting me before too long in legislation which, among other things, will enable the FIRA Act to operate with more openness." Should I presume that the minister was referring to the recently announced freedom of information legislation? Is this House to be presented with some proposed amendment to the Foreign Investment Review Act itself? In either case, I call upon the minister, through the parliamentary secretary, to take this well-documented opportunity to provide an example of openness. Will he shed a little light on a decision that seems to fly right in the face of the written purpose of the Foreign Investment Review Act? How, Mr. Speaker, is this decision concerning OY Nokia AB of Finland,—likely to be of significant benefit to Canada?"

How many jobs will it create for rubber workers across our land?

[*Translation*]

Mr. Gérald Laniel (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, I am pleased to

answer this question not only in my capacity as parliamentary secretary but also as a member who has in his riding a huge Goodyear factory which has known progress in recent years. The Michelin investment led me to ask questions as well, perhaps the same questions that the hon. member himself is asking.

Still I must point out to my colleague that I am replying to his question on behalf of the minister who unfortunately could not be in the House tonight. He is on an important mission in France with the France-Canada Economic Council where he will be discussing several questions related to automobiles, aeronautics, Michelin probably, state-of-the-art technology and, in any event, he is expected to sign certain agreements with the French minister of economy.

[*English*]

In any event, I welcome this opportunity to discuss this case and will try to provide an answer to the hon. member. I am told, and I feel, that this case is an excellent example of how a foreign investor may show significant benefit to Canada which is a basic requirement under the Foreign Investment Review Act.

The hon. member is a free enterprise politician and seems to be resisting free competition in Canada by others than those that are already in place. He has referred to some of the commitments of the Nokia AB parent company of Finland which has substantial undertakings in support of its proposals. Those proposals were contained in the press release. The hon. member has enumerated most of them. He can quarrel with them or put them in doubt but under the advice of FIRA the minister has decided that such a proposal was and could be for the benefit of the Canadian economy.

The hon. member referred to the reply of the minister. Of course, Mr. Speaker, there is a gamble but at the same time, there is the possibility of job creation, there is the possibility of investment and there is the possibility of involvement of Canadians in the United States market. All these things could be beneficial to the Canadian economy.

Although the hon. member is very much interested in protecting the Canadian rubber industry, I am sure this could become a very important rubber industry, one that could bring export benefit to Canada.

INDIAN AFFAIRS—CONSULTATION ON PROPOSED FINANCING AGREEMENTS

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, on April 23, I asked the Minister of Indian Affairs and Northern Development (Mr. Munro) about the failure of the department to consult with Indian bands regarding Treasury Board policy on funding those bands. I stated that this was completely unacceptable and asked how it squared with the government's announced policy of consultation.

Since then, the government has backed down somewhat and I understand that there is now an indefinite freeze on that particular funding policy. Bands continue to face problems with funding which make it impossible for them to do any long-term planning. I should like to briefly outline three areas where these problems are most serious.

First of all, there is a problem with funds arriving late. Credit ratings of Indian bands are adversely affected because they are not able to make their payments on time. It results in the bands having to go to banks and borrow money at very high interest rates. Then the department refuses to help them pick up the extra cost of paying that interest. It also results in loss of skilled personnel who are not willing to wait around for their pay cheques. In many areas of this country where winter arrives early, it means the funds arrive too late for necessary projects to go ahead.

● (2210)

As one specific example, but by no means an isolated one, I would like to point to the problems faced by the Liard River band. Their first quarter funding should have arrived by April 1 of this year. Instead, part of it arrived on May 2 and part of it did not arrive until June 9. Money for a home-school co-ordinator should have arrived by April 1 but did not arrive until June 13 at the end of the school term when they were ready to lay off the co-ordinator.

A group home faced the problem of having its hydro cut off because funds had not arrived to pay necessary bills and expenditures. This fall, money should have arrived to help students who are staying in boarding homes buy their necessary clothing and school supplies. That money should have been there by September 1. Instead, it arrived last week. This kind of late funding is a disgrace. It is a direct cause of many problems that Indian people face. The department is sloppy in getting promised funds out to Indian people.

Second, the Core funding has been frozen at the 1975 level. That means Indian bands are expected to function with 1975 levels of funding. We all know how much the costs of this government have gone up in the last five years, yet we expect Indian bands to operate with 1975 funding. We discriminate against those who work for Indian bands doing jobs that used to be done by federal officials. When federal civil servants received pay increases, those increases were retroactive. When Indian people and people working for Indian bands received pay increases, they were not retroactive. This is a clear case of discrimination against those who work for Indian people.

Third, and this is most serious because this has become a widespread practice, at the present time, funds which had been allocated for band projects are being diverted and used to cover deficits in other areas of the Department of Indian Affairs. In other words, local bands which had planned necessary projects are having to cancel those projects because of cost overruns in other areas of the department's responsibility. For example, in New Brunswick $131,000 has been allocated for a hot lunch program. By the end of June some $30,000 had been spent, yet that program was cancelled at that time. This fall there are no hot lunches for Indian students in New Brunswick because that money has had to be returned and dealt with elsewhere.

• (2215)

In conclusion, in spite of all the rhetoric about consultation, about giving Indian people more responsibility to administer their own affairs, the government continues to keep them on a very short string. The department is sloppy in getting funds to Indian bands in time. It expects Indian bands to operate in 1980 with 1975 funding. The department diverts funds that should be available to band projects. It uses these funds to cover deficits in other parts of the department. The plain fact is that Indian bands are being made the scapegoat for the inefficiency of the department and for the government's failure to secure adequate funds so that at least some of these funds will get through the gauntlet of the bureaucracy and reach the Indian people themselves. In conclusion, I would like to read a few words from a letter a band manager wrote to the minister. I quote:

> You see Mr. Minister it's like if you made home-made beer. You and your department will drink the top part of the bottle and give the remaining to the Indians. This is exactly what's happening with the funding too.

Mr. Ron Irwin (Parliamentary Secretary to Minister of Justice and Minister of State for Social Development): Mr. Speaker, I often think that if there is a scapegoat, it has to be the Department of Indian Affairs which quietly goes about its business, trying to do the best it can, not always to perfection but certainly not with the incompetence as suggested by the hon. member.

On April 15, 1980, the Minister of Indian Affairs and Northern Development (Mr. Munro) met with the National Indian Brotherhood concerning terms and conditions for funding to Indian bands. As a result of this meeting, the minister announced an extension to July 15 to allow time for further consultation with Indian people to work out mutually acceptable financial arrangements. During that three-month period, the minister met with the chairman of the Union of New Brunswick Indians and reached an agreement on May 26.

With the understanding that bands would, as they had in the past, continue to meet information and accounting requirements through provision of a band council resolution or other appropriate instrument, the following points were agreed upon in regard to contribution arrangements.

First, an annual audit will continue to be provided to the department by bands. Second, bands will set out in their expenditure plans and by program their budget requirements for the fiscal year, for example, housing, roads, education. Another point agreed upon is that bands must indicate their cash requirements on a quarterly basis against the aforementioned expenditure plan and, in advance, their cash requirements and expenditures for subsequent quarters. Bands also have the option of continuing to be financed on a quarterly basis, which is the maximum period allowable for cash advances.

It should be mentioned that these points were agreed upon between the department and Indian bands in Canada as general guidelines. This does not, however, preclude the option of individual bands negotiating a financial arrangement with the government which better suits their own needs.

Hon. members will be aware that the Department of Indian Affairs had in the past received complaints from Parliament, the Auditor General and the Indian people themselves, alleging inadequate accounting procedures and negligence over expenditure of federal funds. Prior to April, 1979, Treasury Board submissions specified the terms and conditions relating to each contribution activity, such as education, social assistance and so on. This practice resulted in several contribution agreements for any one band and each had to be controlled, monitored and accounted for individually. As of April, 1979, however, terms and conditions are now based on classes of activities. This means that a single contribution can be made by the department to a band which covers all activities managed by the band, thereby reducing the need for the control and accounting over separate contributions.

Under these new reporting procedures approved by Treasury Board, the bands must now submit financial reports to the department on at least a quarterly basis, specifying year-to-date expenditures and forecast total annual expenditures.

There is much more I would like to say, but this is only a three-minute period. The point I want to make is that we want to do a good job. At the same time, we have a fiscal responsibility, as do the bands. After all, it is the taxpayers' money. We have to answer for it, as do the bands.

• (2220)

THE CONSTITUTION—CONSULTATIONS WITH INDIAN GROUPS

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, on October 17 I asked the Prime Minister (Mr. Trudeau) when the Indian and other native groups in Canada would be consulted about their constitutional proposals and whether the constitutional proposals of October 6 would be amended to entrench Indian rights. While the Prime Minister said that Indians and other native people would be consulted on constitutional matters that concern them and that he was anxious to find ways to better protect their rights, regretfully he also said that this would be done only when the constitution is patriated to Canada.

This is not acceptable. If we can entrench certain rights regarding the French and English languages, fundamental freedoms, democratic rights, mobility rights, equalization and, now, the right to resources, then surely there is no reason why we cannot entrench at this time certain basic Indian and Inuit rights as well.

Some government spokesmen have argued that article 24 of the constitutional proposals protects native rights. But that section is extremely inadequate and is the barest minimum. Francophones of this country would never tolerate a similar proposal to protect their rights, and the Indians and Inuit have no reason to accept it either. The aboriginal people of this land want their basic collective rights entrenched in the present proposed charter. If they must wait until after patriation, they may have to wait for many years and then may never get the protection they want and need.

We must recognize that it will not be easy to pass amendments under the proposed amending formula. The Indian and

Inuit people are not a large minority in many parts of this country, and many provincial governments might oppose and defeat any later entrenchment. With the federal government's present unilateral action, the chances to entrench aboriginal rights are much greater, if only the federal government would agree to do what it knows must be right.

On October 23 the National Indian Brotherhood announced their opposition to any patriation and charter of rights which failed to recognize and entrench their rights. They asked for amendments to the charter which would constitutionally recognize and protect their aboriginal rights, their property rights, their treaty rights and their right within Canada's federation to Indian government. Unfortunately, many failed to understand these demands by our native people.

People often look at our Indians and Inuit as just other ethnic groups and consequently fail to acknowledge that they should have any specially entrenched rights. But this assessment results from a complete misreading of our history and a prejudiced negative perception of aboriginal civilizations. The Indians and Inuit were established in this land for thousands of years before the arrival of Europeans. They had their own governments, laws, languages and cultures.

When the Europeans came in the sixteenth and following centuries, they unilaterally took over most of these lands by larger numbers, force of arms and more advanced technologies, rarely with the consent of the aboriginal peoples. How, under any concept of a moral justice, can we justify this action? How can it be justified under our Judeo-Christian concept of justice? We think it wrong for Hitler to march into France and Holland or for the Russians to annex the Baltic states but rationalize that it was all right for the British and French to take, without legal or moral right, Indian and Inuit lands in America.

No one suggests that we completely undo 300 years of history, but we can go a long way to correct the injustices of the past. We can recognize and entrench aboriginal rights in the constitution, and we can do it now. First, aboriginal rights are all those rights that our "first nations", the aboriginal people, possessed and which they never voluntarily gave up when Europeans arrived. These are rights to certain lands, languages, cultures, and forms of government. Second, we must also entrench their treaty rights so they cannot be abrogated by ordinary federal and provincial legislation.

These treaties were agreements between nations and meant to be basic constitutional documents. Third, Indian and Inuit lands and resources should not be subject to federal and provincial expropriation without consent. And fourth, the Indian and Inuit people, the "first nations" of Canada, should have the right within confederation to determine their own form of government. They do not want separation, they want to be full partners in the new Canadian dream.

Unfortunately, I did not have an opportunity to speak in the constitutional debate which ended last week. My name was too far down the Speaker's list when closure was applied.

• (2225)

Unfortunately as well, I have not been chosen to serve on the constitutional committee. I am committed, however, to doing everything in my power to amend the constitutional proposals to entrench Indian and Inuit rights now, at the same time as patriation. As far as I am concerned, no cause is more clearly just than this one, and it will never be suppressed.

Mr. Ron Irwin (Parliamentary Secretary to Minister of Justice and Minister of State for Social Development): Mr. Speaker, I appreciate and share the concern for the Indian people expressed by the hon. member for Notre-Dame-de-Grâce (Mr. Allmand). He has indicated that the Minister of Indian Affairs and Northern Development (Mr. Munro) has said, first, that the Indians would be fully consulted on the constitutional proposals and, second, that there would be protection in a new constitution. I respectfully submit that it will take at least two decades more to settle the Indian claims of Canada and decide what their rights are.

Mr. Allmand: Why?

Mr. Irwin: I will give examples. For instance in British Columbia there is a Nishga Tribal Council in the Nass Valley. All these people have claims in the process of negotiation, claims which are being litigated or being denied. There are certain bands in northern British Columbia. There is the Musqueam band of Vancouver. In the Yukon there is the Council of Yukon Indians, and Mr. Dennis O'Connor is dealing with this. In the Northwest Territories there are four separate groups making claims. There is COPE involving the Inuit. There is the Inuit Tapirisat of Canada, the Indian Brotherhood of Northwest Territories and the Metis Association of Northwest Territories. In Quebec there are three bands making claims, the St. Regis Band—

Mr. Laniel: St. Regis is in my riding.

Mr. Irwin: —the Oka Band and the Caughnawaga Band. In Nova Scotia there is the Union of Nova Scotia Indians. In Newfoundland there are at least two I know of in Labrador. The Micmacs who came to Newfoundland about 150 years ago are claiming aboriginal rights. Then there is my area, northern Ontario. I do not even deal with non-status Indians, so I think it is oversimplifying the problem to think these can all be settled fairly and judiciously before a constitution can be passed. Section 24 is quite clear, and it does have a reverse declaration. I will read it:

> The guarantee in this charter of certain rights and freedoms shall not be construed as denying the existence of any other rights or freedoms that exist in Canada, including any rights or freedoms that pertain to the native peoples of Canada.

In other words, if they have rights, then they will not be extinguished through the constitution.

Over and above this, we are meeting with them. We have provided them with $1,360,000 of tax money to research and put forward their claims. The Prime Minister of Canada (Mr. Trudeau) has said—my hon. friend leaves—that native rights

as one of the first items on the agenda when the first ministers will meet again is a priority.

I think we have dealt fairly. We are as concerned as the hon. member for Notre-Dame-de-Grâce, and when he talks about Nazis and whatnot, it is only rhetoric.

Adjournment Debate

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m.

At 10.29 p.m. the House adjourned, without question put, pursuant to Standing Order 2(1).

HOUSE OF COMMONS

Friday, October 31, 1980

The House met at 11 a.m.

● (1105)

ROUTINE PROCEEDINGS

[*English*]

COMMUNICATIONS

NORTHWEST TELEPHONE—CALL TO MEET REQUIREMENTS OF LICENCE—MOTION UNDER S.O. 43

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, a company called Northwest Telephone operates as a subsidiary of CN Telecommunications. It is supplying telephone service for a large area of northeastern British Columbia adjacent to the Alaska highway. The company is charging individual Canadians a $680 fee for a simple hook-up and is not in a position even to provide such service. I therefore move, seconded by the hon. member for Fraser Valley East (Mr. Patterson):

That for reasons of total neglect and failure to provide even the most basic service dictated by the licence under which Northwest Telephone operates in northeastern British Columbia, the company be given six months from this day to implement a service which not only fulfils the requirement of the licence but is consistent with the company's widely advertised policy whereby their service to the public is not only a business but a responsibility; and that failing the company's compliance with this requirement, the licence will be revoked.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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NATIONAL UNITY

SPECULATION ON BREAK-UP OF CANADA—MOTION UNDER S.O. 43

Mr. Girve Fretz (Erie): Madam Speaker, given the fact that the Prime Minister (Mr. Trudeau) speculated the other evening in Regina that if Canada broke up under the strain of his budget and constitutional proposals, perhaps Canada deserved to die, I move, seconded by the hon. member for St. Catharines (Mr. Reid):

That this House urge the Prime Minister to put the shoe on the other foot and pass into that great MURB in the sky himself, thereby performing his greatest service ever to Canada.

Some hon. Members: Hear, hear!

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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IMMIGRATION

DELAY IN PROCESSING CARIBBEAN APPLICANTS—MOTION UNDER S.O. 43

Mr. Walter McLean (Waterloo): Madam Speaker, in light of many reports of embarrassing delays and inefficiencies in the Caribbean immigration office in Port-of-Spain, Trinidad, resulting in costly resubmissions of medical documents, since these complaints have increased dramatically since the government unilaterally introduced its foreign service consolidation program, and in light of the particular case of Mr. Seergobin of Waterloo who has waited one year and six months to have his wife join him from Guyana despite a guarantee by the Minister of Employment and Immigration (Mr. Axworthy) that she would join him by September, 1980, at the latest, I move, seconded by the hon. member for Fraser Valley West (Mr. Wenman):

That the Secretary of State for External Affairs report to this House regarding the inexcusable failure to deliver service in the Caribbean office.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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ENERGY

EFFECT OF INCREASED TAXES—MOTION UNDER S.O. 43

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, I rise to propose a motion of urgent importance under the provisions of Standing Order 43. On this Hallowe'en day and in view of this government's trick or treat budget which brings many tricks and no treats to all the people of Canada, I move, seconded by the hon. member for Vancouver Centre (Miss Carney):

That the government be directed to stop deceiving Canadians with charlatan trickery and to admit that the proposed natural gas tax is not only a tax on natural gas exports but is also a direct and discriminatory tax on every natural gas consumer in the four western provinces and Ontario; and to admit also that

this tax will increase the domestic heating costs of western Canadians by at least 16 per cent effective tomorrow, with the increase doubling to 33 per cent or more than $150 per home by next winter; and finally, to admit to the government's shame that there will be no program of compensation to the thousands of low-income Canadians who will be faced with these sharply increased energy costs.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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CANADA COUNCIL

CALL FOR INCREASED FUNDING FOR THE ARTS—MOTION UNDER S.O. 43

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. The recently released report of the Canada Council emphasises that in constant dollar terms the resources available to the arts through the Canada Council in 1979-80 were about the same as they were in 1975. Because of inflation and increasing operating costs, even our best publishing houses, theatres, orchestras and other basic arts institutions are in danger. I therefore move, seconded by the hon. member for Beaches (Mr. Young):

● (1110)

That during these times of culture building in Canada, this House instructs the Secretary of State to ensure that adequate funding is received by those individuals and organizations who have achieved stature in the arts community, and especially by new companies, younger artists and those working on the frontiers of arts and communications.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENERGY

CONVERSION FROM OIL PROGRAM—EARLY AVAILABILITY OF APPLICATION FORMS—MOTION UNDER S.O. 43

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, I rise under the provision of Standing Order 43 on a matter of particular urgency for those Canadian home owners who anticipate converting from oil to gas or electricity. In light of the fact that the office of the Minister of Energy, Mines and Resources (Mr. Lalonde) has reported that the application forms for the new grant program will not be available until March or April 1981, I move, seconded by the hon. member for Prince Edward-Hastings (Mr. Ellis):

That the minister make every effort to guarantee that the application forms for the new program will be available within the near future in order that persons who wish to take advantage of the program can receive payment within a reasonable period of time.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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ENVIRONMENTAL AFFAIRS

WEATHER STATION "PAPA"—SUPPORT TO CAPTAINS AND CREWS ON SPECIAL ANNIVERSARY—MOTION UNDER S.O. 43

Mr. Jim Fulton (Skeena): Madam Speaker, I have taken the time to speak to a wide number of members of this House and I am sure that if they listen carefully they will support this motion.

Under the provisions of Standing Order 43 I rise on a matter of urgent and pressing necessity. The weather station Papa composed of the vessels *Vancouver* and *Quadra* lies 1,500 kilometres northwest of Vancouver Island. In view of the important scientific, oceanographic and meteorological work performed by these vessels on behalf of all Canadians, and also in view of the vital search and rescue role played by the Papa weather ships, I move, seconded by the hon. member for Mission-Port Moody (Mr. Rose):

That this House convey its unanimous support to the captains and crews on this special anniversary occasion.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Madam Speaker: It is moved by Mr. Fulton and seconded by Mr. Rose:

That this House convey its unanimous support to the captains and crews on this special anniversary occasion, the captains and crews being those of the weather station Papa.

Motion agreed to.

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NORTHERN PIPELINES

FEDERAL ASSISTANCE FOR NATURAL GAS LINE TO VANCOUVER ISLAND—MOTION UNDER S.O. 43

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, in light of the equivocation on page 78 in the budget energy statement about the natural gas pipeline to Vancouver Island, I move, seconded by the hon. member for Prince George-Peace River (Mr. Oberle):

That this House requests the appropriate minister, whichever it may be, to make a statement on motions clarifying the extent to which federal assistance will be available to the province to build that pipeline, and to explain as well why

any resident of the island would want to convert to gas when the cost of heating his home with gas will double over the next three years.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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SHIPBUILDING

MEASURES TO MAINTAIN VIABILITY OF CANADIAN YARDS—MOTION UNDER S.O. 43

Mr. Gus Mitges (Grey-Simcoe): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the fact that the 11 per cent reduction in the shipbuilding subsidy from 20 per cent to 9 per cent has resulted in the loss of many direct and indirect jobs in the shipbuilding industry, cancelled contracts and the loss of millions of dollars to our economy because of the cutbacks in production, I move, seconded by the hon. member for Carleton-Charlotte (Mr. McCain):

That the government take immediate steps either to restore the 20 per cent subsidy or come up with other equally stimulating legislation to ensure and maintain the viability of all our shipbuilding yards in Canada.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

ENERGY

STATEMENT OF PREMIER LOUGHEED ON NATIONAL ENERGY PROGRAM—GOVERNMENT POSITION

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I have a question for the Prime Minister. Last night, in responding to the budget of the Minister of Finance, the Premier of Alberta indicated that Alberta will cut its oil production by 15 per cent, will challenge the federal tax on natural gas in the courts and put on hold the Alsands project, which is necessary if Canada is to achieve energy self-sufficiency, which all of us on all sides of the House seek.

● (1115)

Will the federal government, in the interests of all Canadians, take advantage of the three-month period before the first cutback and renew discussions with the province of Alberta?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, on the gas throughput tax we understand that Premier Lougheed does want to take the matter up in the courts. We think that is a very reasonable and rational approach, and we are anxious to see any differences as to the law on the constitution interpreted by the courts.

In so far as the tar sands are concerned, we are a bit disappointed because the budget did indicate a $38 per barrel price, which is about the world price now. It seemed to be reasonably acceptable on all sides. It did indicate that production could be financially viable, and we are disappointed that Premier Lougheed seems to have some reservations about that. But he did not indicate any precise response so, of course, we will have to wait to see what he has in mind, and we are anxious to discuss the matter further with him.

In so far as the cutbacks are concerned, as the hon. member says, they would not be effective until they begin three months from now, and we welcome this breathing space, perhaps to continue negotiations with the province of Alberta. We will see if any accommodation is possible. I hope it is and we will certainly bend every effort in that direction.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): Madam Speaker, I gather that the Prime Minister is moving in the direction of some discussion and conciliation. If he is saying that that is in the best interests of Canada, I just want him to know that we share that view.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): Can the Prime Minister indicate to the House if it is possible to say today or tomorrow, given the short period of time, when those discussions might begin and whether he will involve himself in these matters?

In order that the jurisdiction can be tested with respect to the gas tax, which I agree is a matter of law pure and simple, could the Prime Minister indicate whether he, in the course of early discussions, would use his offices or whatever his legal powers are to bring those matters to court quickly so that they can be settled?

Mr. Trudeau: Yes, Madam Speaker, as far as we are able we would be anxious to have the legal aspect of this matter decided as expeditiously as possible. I will be discussing with the Minister of Energy, Mines and Resources and the Minister of Justice the ways in which this can be done. It presumably will involve an early contact with Alberta to establish on what it wants to base its case and how it thinks it would want to proceed.

With regard to the tar sands, I hope that the Minister of Energy, Mines and Resources will be able to contact his opposite number reasonably soon because we are not clear what Alberta has in mind when it talks about increased royalties and so forth. If it is a regime which, in effect, prevents the private sector from exploiting the tar sands, we would think it a regrettable move because, as we know, all of

Canada is relying on the tar sands and the heavy oils to reach self-sufficiency by the end of the decade.

On the third point, I am afraid I cannot indicate any particular response at this time. On the matter of the interruption of oil supplies, many questions arise. The first is whether it is constitutional. Is it within the power of a province to interrupt the free flow of commodities across the country? I will want to study that at some length with the Minister of Justice and perhaps in cabinet before indicating any response.

Mr. Baker (Nepean-Carleton): Madam Speaker, with regard to the last matter discussed by the Prime Minister I think there are very few Canadians who would view the courtroom as the appropriate place to settle a difference within the family, and I am talking about the Canadian family. I am talking about the last matter. I hope the Prime Minister might take an initiative in this matter with respect to those discussions.

Having regard to the history of matters, I hope the Prime Minister will consider that with respect to the tar sands it is a matter he himself might raise in initiating any discussions. The purpose of my question is to ask the Prime Minister, in the best interests of the country, to take the initiative in these discussions and to take it rather quickly.

• (1120)

Mr. Trudeau: Well, Madam Speaker, I do not think I can add anything to the previous answer. I fail to see how the hon. member can argue that, in one case, Premier Lougheed is right in taking us to court, but in the other case we would not be right in taking him to court because it suddenly becomes a family matter.

Some hon. Members: Oh, oh!

Mr. Trudeau: I apologize if I misunderstood the hon. member. Perhaps he could repeat the question and the preface.

Mr. Baker (Nepean-Carleton): Just so it is absolutely clear, Madam Speaker, let me point out that there may be some areas where the courtroom would be the appropriate place. The thrust of my question is that in most areas the courtroom is not the appropriate place if one has a substitute, and that substitute, in my judgment and in my respectful submission, Madam Speaker, is the bargaining table. I am asking the Prime Minister whether he would assure the House that he will take steps immediately to take the initiative to go back to the bargaining table so that a settlement can be produced in the Canadian family with respect to a matter which must be vexing to every Canadian.

Mr. Trudeau: Well, I did understand the hon. member correctly, Madam Speaker, and he did suggest that, in the case of the gas tax, the court is the proper route, but that in the case of the curtailment of production, the court was not the proper route. I am suggesting that we are examining all routes and I do not exclude either an appeal to the courts by Alberta or an appeal to the courts by us.

However, I do repeat what I said at the outset, that further negotiations are certainly appropriate and they will be embarked upon as soon as cabinet has had a chance to examine the real substance of Premier Lougheed's answer. Some of it can be ascertained by initial discussions; some may have to be ascertained in other ways.

NATIONAL ENERGY PROGRAM—INQUIRY RESPECTING FEDERAL INITIATIVES WITH ALBERTA

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, I should like to pursue the line of questioning of the hon. member for Nepean-Carleton and I wish to direct my question to the Minister of Energy, Mines and Resources. It relates to the questions I was putting to him yesterday on the matter of security of supply.

In his document "The National Energy Program", the importance of non-conventional oils in the program is very clear. It will result in a greater degree of production than the conventional sources of supply, and that to me is the key area of concern and one on which we should be focussing our attention.

My question to the minister is, what initiatives is he proposing to take in the context of a broad energy negotiation with the province of Alberta which will result in those important projects in western Canada being brought forward, projects which will help security of supply in eastern and central Canada as well as create jobs, not just in the narrow context of the non-conventional projects but in the broad context of a total agreement?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, the hon. member is quite right that the non-conventional oil is our main source of growth of supply in the coming decade. Those projects have a long lead time. The next tar sands plant could not come into operation before 1987. This does not mean that we shall not attach a very high priority to those projects. In the last two weeks I have had meetings with representatives of both the Cold Lake project and the oil sands project and I am supposed to have further discussions with them before very long. Also, my officials are in contact with them.

As the Prime Minister has just indicated, as contained in our budget and as I indicated at the last meeting I had with the minister of energy of Alberta, we put forward an offer which we felt was not only fair but also high enough to ensure that the projects would be economically viable. There have been further representations from the industry. We are still in the course of discussions, but obviously these are major investments and, quite clearly, there is need for further discussions, not only with the industry but also with the government of Alberta, particularly in light of Premier Lougheed's statement last night about his plans for the oilsands.

Mr. Wilson: Madam Speaker, I have a supplementary question for the minister. In the proposal which the province of Alberta put forward toward the end of July, I believe they

allowed for a $7 billion investment in the next three oil sands projects, both in the debt and equity as well as the total commencement of the infrastructure. Since the province of Alberta is such a critical partner in bringing forward these projects, is it possible for the minister to broaden the sweep of these negotiations to include not just those projects themselves, but in the total concept of the energy policy to bring the province back as a willing partner in the very important developments we must have in the country?

• (1125)

Mr. Lalonde: Madam Speaker, certainly I would have no objection to that. As a matter of fact, we have talked about those two projects because they are the ones currently on the table on which tens of millions of dollars have already been spent. But as the hon. member knows, Nova and Petro-Canada have a joint proposal for a fourth plant. Certainly we would be very interested in discussing further proposals, if there are any, with the government of Alberta, or industry, or both.

As for possible investment by the government of Alberta, obviously this is a matter for the government of Alberta to decide. At the present time, on those projects the problem does not appear to be essentially a shortage of money for investment; it is the assurance that there will be a good enough rate of return on whatever they will invest, and that is what is still being discussed.

INQUIRY WHETHER PRIME MINISTER WILL MEET PREMIER LOUGHEED

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, my question is directed to the Prime Minister. Many Canadians find it unacceptable that we have a confrontation and deterioration in federal-provincial relations. I think last night was just a further stage in this process. I detect in the House today a feeling that what is needed is a calm and reasoned approach by both the federal government and Alberta because the people of Canada are caught in the middle of this dispute.

The Prime Minister appeared to indicate that he would keep the door open to negotiations, and then there was some talk from the Minister of Energy, Mines and Resources about officials meeting. Would he clarify for the House and for the country what specific plans he has in mind for further negotiations? More specifically, is he prepared to meet with Premier Lougheed personally, and when?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, it seems to me that that question is something of a repetition of the question asked by the opposition House leader.

Mr. Waddell: No, not quite.

Mr. Trudeau: He has my answers. They might be more enlightened if I knew the position of the hon. member on this. He seems puzzled by the whole situation, as indeed he should be. The take of the producing provinces is reduced from something like 45 per cent to 43 per cent, which is not major. The take of the federal government is considerably increased, but it is at the expense of the producing private sector. It would be interesting to know if the NDP will support our approach on this, if it thinks we are hitting the private sector and the oil companies too hard, if it thinks as a consequence that the federal government should be getting less money from them, or if it thinks we should be hitting them harder. I await some help from the hon. member who has a distinguished record of thought on this matter.

Some hon. Members: Hear, hear!

Mr. Waddell: Madam Speaker, I might say to the Prime Minister that we on this side of the House feel the provinces have legitimate concerns for their vast problems and costs. If one has been to Fort McMurray, as has the Prime Minister, one will know the cost of schools, housing, social services and so on. At the same time we recognize, as do most Canadians, that we must have a national energy policy.

The Prime Minister answered my question with a question, which I know is a favourite technique. But the point which I think the country wants to know is: will he personally continue negotiations with Premier Lougheed? Will he personally meet with Premier Lougheed and, if so, when?

• (1130)

Mr. Trudeau: Madam Speaker, I met with Premier Lougheed for a few days last summer and I was prepared to meet with him last Monday. I am prepared to meet with him again.

Miss MacDonald: When?

Mr. Trudeau: Any time which would be useful from his point of view and mine. He can come tomorrow if he wishes. The point is that the hon. member seems to be making suggestions which do not have any substance to them. The real question is: is the sharing fair or not? If the provincial share is going down from 45 to 43 per cent, it is not a big stroke against the provinces, or against the schools in Fort McMurray, which seem to concern the hon. member. But there is a rather big take from the oil companies which is to the benefit of the consumers of Canada.

Mr. Blenkarn: Oh, come on!

Mr. Trudeau: And to the federal government. I am prepared to meet Premier Lougheed. It would be of help to me if the hon. member himself—I know his party is divided on this—could tell me if he thinks we are taking too much from the oil companies or too much from the province when we are going down to 43 per cent. I am not asking a question; I am just suggesting that he might try to get his thoughts together and be helpful to the Canadian nation on this.

Mr. Waddell: Madam Speaker, the Prime Minister mentioned Canadian consumers, who appear to me to be the forgotten people in this dispute, if I can put my thoughts together.

I have a question for the Prime Minister. Canadian consumers are being hit by a $340 increase per family for energy costs, for the cost of heating their homes and being able to drive their cars next year as a result of the Prime Minister's budget. Would the Prime Minister consider introducing a cost of living tax credit to help these middle and low-income Canadian consumers?

Mr. Trudeau: The hon. member thinks the consumer is being asked to pay prices which are too high. Is he then siding with the federal government against the producing provinces and saying that, as Premier Lougheed is asking for even higher prices, I should meet him, as the hon. member suggests, and turn down his requests for higher prices? This is the kind of guidance I am asking for from the hon. member.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF MINISTER OF FISHERIES OF NOVA SCOTIA

Madam Speaker: I would like to draw the attention of the House to the presence in our gallery today of the Hon. Edmond Morris, Minister of Fisheries of Nova Scotia.

Some hon. Members: Hear, hear!

PRESENCE IN GALLERY OF PRESIDENT OF THE LEAGUE OF RED CROSS SOCIETIES

Madam Speaker: I would also like to draw the attention of the House to the presence in our gallery today of the President of the League of Red Cross Societies, Mr. Justice A. F. Adefarasin.

Some hon. Members: Hear, hear!

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THE CONSTITUTION

PATRIATION—REPORTED COMMUNICATIONS WITH UNITED KINGDOM GOVERNMENT

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, my question is addressed to the Prime Minister. I would like to ask him to confirm reports emanating from both London and from officials in Ottawa today that the government House leader has been in touch with his counterpart in the United Kingdom, Mr. Norman St. John-Stevas, concerning a scaling down of the Canadian government's proposals so that patriation could take place as quickly as possible, but that other constitutional amendments should be made in Canada. Would the Prime Minister comment on those reports?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, I should inform the House that it is not the usual custom to divulge private conversations which take place between individuals, but I can confirm that a call was received earlier this week from the Lord Privy Seal by the President of the Privy Council which arose as a result of somewhat alarmist reports in the British press in connection with the progress of the constitutional resolution in the House of Commons. The Lord Privy Seal wanted some clarification from the President of the Privy Council.

Miss MacDonald: It is interesting to note that in connection with a matter as important and as crucial as this to the country the Prime Minister would not take the opportunity to respond to my question.

Some hon. Members: Hear, hear!

PATRIATION—REPORTED VIEW OF UNITED KINGDOM GOVERNMENT

Hon. Flora MacDonald (Kingston and the Islands): I have a supplementary question for the Secretary of State for External Affairs. Since the exchange in the House yesterday *The Times* reporter has twice reiterated that two British cabinet ministers have informed him that the position of the United Kingdom government is that they would quickly pass a request for patriation but that other constitutional amendments should be straightened out here in Canada. In other words, there was a very clear indication that Canada is a grown up, mature and independent country and should be able to handle its problems on its own rather than asking another country to resolve them.

Some hon. Members: Hear, hear!

Miss MacDonald: I would like to ask the Secretary of State for External Affairs if he would confirm that this is the gist of the message which he was asked to convey to Canada's government, or if perhaps this was the message which he conveniently forgot on the aircraft coming home, as other Liberal cabinet ministers have been known to do in the past?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, the hon. member opposite has had the privilege of sitting in a cabinet and she knows that a variety of views are found around the cabinet table—and perhaps sometimes they are even carried out afterwards. There was a press report this morning in *The Globe and Mail* which quoted the official spokesman for the British government as saying:

> We will put legislation before Parliament when the Canadian government requests us to do so. There has been no change in our position for months.

That is the message we brought back and it was the message which we were given.

ENVIRONMENTAL AFFAIRS

POSSIBLE DAMAGE FROM CONVERSION FROM OIL TO COAL

Mr. Tom McMillan (Hillsborough): Madam Speaker, my question is directed to the Minister of Finance. He will know that his colleague, the Minister of the Environment, has been lobbying very strenuously in the United States against American legislation designed to convert thermal power plants in the United States from oil to coal because of serious environmental damage which that would inflict on our country. The minister's budget now proposes to spend $175 million to encourage the conversion of electricity plants in the Atlantic provinces from oil to coal.

Will the Minister of Finance tell the House how he reconciles the government support for coal conversions in the Atlantic provinces which do not contain environmental safeguards with the government's opposition to similar measures in the United States, which would inflict very serious environmental harm not only on the United States but on Canada as well?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, the Government of Canada in its budget has announced the spending of some $175 million, as the hon. member has indicated, for conversion of electricity generation utilities from oil to coal. I suggest that the hon. member also looks at the national energy program, where he will see that we are also allocating tens of millions of dollars for research and development on ways of improving coal combustion and reducing any pollution which may result. In particular, we have already started financing a system called fluidized bed combustion, which will result in a very substantial reduction of sulphurous content in coal burning.

Mr. McMillan: Madam Speaker, my question is directed to the minister of energy. As he will know, the technology is already there to include environmental safeguards in plants for the protection of the environment. So research and development is not the problem. Will the minister tell the House whether the government's funding of coal conversions in Canada is dependent upon the provinces meeting federal government environmental standards and, if so, what specific environmental conditions will be required?

[*Translation*]

Mr. Lalonde: Madam Speaker, it is quite obvious that if we are to assume the cost of those conversions, they will have to meet federal environmental standards. That seems obvious to me, and I am amazed at my colleague's question.

• (1140)

[*English*]

ENERGY

CONSERVATION AND DEVELOPMENT OF RENEWABLE RESOURCES

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources. While this party does not support the action taken by Alberta last evening, there can be no question that Premier Lougheed demonstrated to Canadians most dramatically and perhaps even for the first time that petroleum reserves are fast running out, proving the desperate need for conservation. Since we cannot do much about the supply side, certainly in the short run, will the minister tell the House when the government intends to attempt to affect more dramatically the supply side and assume greater leadership in conservation and the development of renewable energy in Canada?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, from the national energy program which the government tabled two days ago, my hon. friend will learn that the emphasis is on conservation and substitution. Of the many billions of dollars which the government has set aside in terms of direct programs in the area of energy, a very substantial portion of those dollars is allocated to conversion to and substitution for other forms of energy. Never in the history of this country has there been such a major program of conversion to and substitution for new forms of energy than is contained in this new energy program. I believe it compares favourably with any program I have seen in any industrialized country in the world, and I can vouch for that.

Mr. Rose: Madam Speaker, the minister knows full well that these are certain kinds of proposals and that they are not necessarily hard and budgeted facts. I have a report published by the minister's department through one of his own programs which indicates that out of $158 million to be spent this year on R and D and certain other support programs, $104 million will go for nuclear energy. Compare that to some other countries, notably Sweden which is one third the size of Canada and which is spending $1.2 billion on R and D and energy research. If the minister is satisfied, I would like him to know that some of us are not satisfied.

When does the government intend to get serious about things like rail electrification, energy-efficient housing and dozens of other things that Canada can and should do to lower oil demands? Or can Canadians expect a future either of rationing or, even worse, nuclear energy?

Mr. Lalonde: Madam Speaker, again if my hon. friend will look at the program which was released by this government, rather than at studies which are already out of date—because he is referring to studies which were published a while ago, not to the most recent document which was released this week at the time of the budget—he will find that with regard to research and development the national energy program allo-

cates an additional amount of $260 million to be used only for research and development.

Mr. Rose: Where?

Mr. Rae: You're dancing.

Mr. Lalonde: The majority of that money will be spent on non-nuclear research, new forms of energy and all kinds of research and development in alternative energy forms other than nuclear energy. This is in the national energy program. We have also announced programs in the area of conversion whereby, for instance, everybody who converts to something other than oil will be given a grant of up $800. Also, there are a number of initiatives in that program which will encourage citizens in the various regions of this country to get off oil.

I can only advise my colleague to look at the program which has been released., He will find that, indeed, at the end of this decade we foresee that Canada will be consuming less oil than it is consuming now under our proposals and programs.

FINANCIAL ASSISTANCE TO NATIONAL GAS PRODUCERS

Mr. Jim Peterson (Willowdale): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. In the spirit of the motion put earlier today by the hon. member for Parry Sound-Muskoka, I believe and I expect that most members of this House will support the national energy program in terms of aiding consumers to convert from the use of oil to natural gas. But as the minister realizes, there are many Canadian-owned firms that have shut-in or locked-in reserves and which are now experiencing problems. What does the minister propose to do to assist these Canadian-owned gas firms with their cash flow problems?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I thank the hon. member for his question which raises a very serious problem which was of great concern to us in the preparation of the national energy program. As the House knows, we intend to set up a national gas bank—

Mr. Nielsen: It is sitting on the front benches.

Mr. Lalonde: —whereby Canadian gas producers, particularly small producers, will be able to sell their gas to or become involved through joint participation with the gas bank—

Mr. Crosbie: It is a great thing for the Liberals because they have a surplus of gas.

Mr. Lalonde: —or to obtain loans from the bank to allow them to do further exploration. We will also extend the gas pipeline to the maritimes and to Vancouver Island, if British Columbia agrees, so there will be a substantial increase in gas consumption in this country. For that purpose, we have allocated about $500 million.

Also, I just referred to a very extensive conversion grant program which will encourage all Canadians who are now consuming oil for home heating to switch to other forms of energy, and to gas in particular.

* * *

HOUSING

INQUIRY RESPECTING EXTENSION OF HOME INSULATION PROGRAM

Mr. Doug Lewis (Simcoe North): Madam Speaker, my question is for the minister responsible for housing. The government, in the document to which the Minister of Energy, Mines and Resources referred earlier, refers to a vigorous conservation effort. On October 20, my colleague the hon. member for Mississauga South asked the Minister of Energy, Mines and Resources when the CHIP program would be extended to those Canadians who own homes built after 1961. The minister replied on that date that my colleague would have to wait for the budget and the announcement of the government's policy which was coming the following week for an answer. We have waited and we do not have an answer. Would the minister of housing tell the House when the three million Canadians who own homes built between 1961 and 1976 can expect to enter into the CHIP program?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, under the national energy program we have increased by about 300 per cent the sum of money allocated to the CHIP program. I believe it will go from an amount of $85 million to over $230 million. There has been a very large increase in the number of requests for the CHIP program over the last year and particularly over the last few months. We believe that with the new program there will be a further increase.

I would like to indicate to the hon. member that we are, indeed, concerned with extending the availability of this grant to more recent homes, but we first want obviously to concentrate our efforts on older homes which have worse insulation problems than more recent homes. We recognize that there are also many more recent homes which have inadequate insulation and that the matter should be reviewed. But in terms of priorities, we are trying to reach the larger share of older homes first. I would hope that later—and I do not know whether it will be in the course of next fiscal year or in the course of the next budget—we will be able to extend the program to more recent homes as soon as it is feasible. I can assure the hon. member that we have this problem very much in mind.

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THE BUDGET

OIL EXPORT TAX REBATE

Miss Pat Carney (Vancouver Centre): Madam Speaker, I would like to direct my question to the Minister of Finance. In his budget the minister says that he will rebate Alberta and

Saskatchewan 50 per cent of the revenues from the oil export tax and that he expects oil exports to be phased out by 1985. Since 50 per cent of zero is zero, could the minister please explain his arithmetic?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I would rather understand the question before I explain the arithmetic.

Miss Carney: Madam Speaker, I am quoting from the minister's own budget. May I direct him to page 37 of the national energy statement and to pages 23 and 27 of his budget, if he cares to review the matter and give me a written answer.

* * *

HOUSING

CHIP—ASSISTANCE TO OWNERS OF HOMES BUILT AFTER 1961

Mr. Don Blenkarn (Mississauga South): Madam Speaker, my supplementary question is directed to the Minister of Energy, Mines and Resources. The minister said that the homes built after 1961 will have to wait until there is money available, but he obliquely promised these home owners some help. What do these people do? Will the minister tell the House what these people should do if they go ahead and insulate now, and thus save us a lot of oil? Will these people be required to pay the bill out of their own pocket and retain their receipts? These people have no assurance as to when the minister will do something for them. The minister knows that the standards for houses built in 1960 and houses built in 1970 were the same. Could the minister explain?

[*Translation*]

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I would like to say very clearly that I have given no guarantee as to when we will be in a position to extend the insulation program to more recent homes. I said earlier to another member that we were trying at present to meet as quickly as possible all the requests for insulation of homes built before 1961.

In the meantime, those with more recent homes can do a number of things, the first being to give up oil heating for gas or any other kind of heating as soon as possible. By resorting to such conversion right now, those people could save a lot of money. As for the availability of the insulation scheme at a further date, I am not in a position to predict when it will become available. There is always a cut-off date in such schemes and it happens to be 1961 in this case.

• (1150)

[*English*]

Mr. Blenkarn: Madam Speaker, is the minister saying to those Canadians who own homes built since 1961 that they would be wise not to insulate right now, that they could wait for a while and then perhaps they will get in on the $500 bonus a little later, and that all they can do is take advantage of a retrofit program with respect to oil? Is that the minister's attitude? Or is the minister going to end this most discriminatory program which looks after one person on a street but not the other person next door who had a house built maybe a year later? Is it the minister's proposal that those people wait and not insulate until the minister makes a grant available?

[*Translation*]

Mr. Lalonde: Madam Speaker, the hon. member has the ability to distort the facts with the greatest ease. When it was first implemented, the program applied only to houses built up to 1946. Subsequently, it was extended to houses built up to 1961. Even at first, when the program applied only to houses built up to 1946, 10 per cent of the home owners who converted had houses built after 1946. They decided to assume these costs, because they realized that it was both advantageous and profitable for them to do so. Now, we have a program which will help people convert their home heating systems to alternate sources of energy, including gas. We are providing up to $800 to home owners who wish to convert to natural gas or wood. This extremely generous and new program is available to everybody. As to a possible extension of the deadline to apply for the grant under the home insulation program, we will wait until we have managed to process all the grant applications received for houses built before 1961.

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[*English*]

THE BUDGET

INQUIRY WHETHER REVENUE TAX APPLIES TO PROVINCIAL CROWN CORPORATIONS

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, my question is for the Minister of Finance. In his budget the other night, the minister referred to the imposition of a new tax of 8 per cent on net revenue from the production of oil and gas in Canada. My understanding is that this would apply to Crown corporations or Crown agencies in the production of gas and oil, companies such as Saskoil and the Saskatchewan Power Corporation, a practice in which the government has never involved itself in the past. I ask the minister whether or not he can confirm that this is a new tax that will be applied for the first time to Crown corporations owned by the people of the provinces?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I understand that the tax would apply in the way the hon. member has described. For example, the province of Saskatchewan taxes Petro-Canada, so it seems to me that there ought to be a certain reciprocity in their approach to these matters.

Mr. Nystrom: Madam Speaker, under section 125 of the British North America Act it is very clear that no lands or property belonging to Canada or any province should be liable

to taxation. That has been interpreted in the past to mean Crown corporations or Crown agencies owned by the provinces. I wonder whether the minister might reconsider the imposition of this tax as it applies to provincial Crown corporations, in light of some of the chaos which may result if provinces retaliate even further by trying to impose taxes on some of the federal Crown corporations, such as Air Canada, the CNR, or, indeed, Eldorado? Would the minister reconsider this in light of the possibility that some of the provinces may take this question to court, and in light of the growing concern in this country about the evolution of federalism being determined by judges and by the courts rather than by politicians?

Mr. MacEachen: Madam Speaker, the hon. member may want to make a similar plea to the government of Saskatchewan to stop taxing Petro-Canada. That seems to me to be a logical outcome from his representations regarding Saskoil.

* * *

[*Translation*]

ENERGY

INCENTIVES TO QUEBECKERS TO ABANDON OIL HEATING

Mr. André Bachand (Missisquoi): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. The Minister has often said in the past that users of heating oil must be encouraged to convert to gas. Since Quebec has an abundant supply of hydroelectric power, can the minister indicate whether there are provisions in the national energy program to give Quebeckers tax incentives or some other form of aid to encourage them to convert their heating systems to electricity?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, the national energy program clearly states that the government would subsidize, up to $800, home owners who would convert their existing oil heating system to an alternate source of energy. Those other forms of energy are especially natural gas and electricity.

We are quite willing to subsidize those two forms of energy and make them accessible to all. But we must do it in co-operation with the provincial authorities, and the provincial authority concerned must accept that its hydro company, Hydro-Québec in this instance, make the conversions involved. That does not depend on us; each provincial government is responsible for deciding whether or not it is willing to encourage the use of its hydroelectricity to heat homes.

As for us, and that I want to repeat, we are willing to pay the same subsidies in Quebec as in the other provinces, except the maritimes for the time being, because they are using oil to produce electricity; but as soon as they have switched to coal, the same will apply to them. So with regard to Quebec, as far as we are concerned the federal government is willing to make those funds available to home owners who convert their heating systems either to natural gas or electricity, wood or any other source of energy. Of course, the Quebec government has its say in the matter, especially where electric heating is concerned.

[*English*]

NATURAL GAS EXPORTS TAX—ASSISTANCE TO LOW-INCOME CANADIANS

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, my question is directed to the Minister of Finance. The hon. minister knows full well that his announced natural gas tax is in fact a tax on natural gas exports, but it is also a direct and discriminatory tax on every consumer of natural gas in the four western provinces and Ontario.

An hon. Member: And Quebec.

Mr. Siddon: Does the minister realize that his natural gas tax will increase the domestic heating costs of western Canadians, who must heat their homes with gas, by about 16 per cent effective tomorrow, and that this increase will amount to about 33 per cent on next winter's heating bill or at least $150 for every home in western Canada using gas? What assistance does the minister propose for those low-income Canadians in the west, in Ontario—and, yes, to some degree in Quebec—who can ill afford a $100 to $300 jump in their heating bill this winter and next?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I am fully aware of the impact of the tax which will apply to consumers in western Canada, in Ontario and in Quebec. It is not discriminatory in any way because it applies to all. Of course, I never thought anyone would argue in the House of Commons that we ought to tax a commodity which is used in Canada and not tax the commodity when it is used in the United States. That is what the intent of this tax is.

• (1200)

I should add for the hon. member's information that the increased tax is in lieu of an increase in price which is not to take place and that the increases in gas prices that will take place over the next several years will be lower than those projected in the December budget.

Mr. Crosbie: Nonsense. Try and be honest.

Mr. MacEachen: For example, next year the increase will be 45 cents per 1,000 cubic feet rather than 67½ cents per 1,000 cubic feet projected last December. So the hon. member ought to give me a little hand for that.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Siddon: Madam Speaker, I am not sure I can extract much sense out of that muddle. In fact, effective tomorrow the 30 cents per 1,000 cubic feet tax is being levied on the

residents who consume natural gas in their homes. To suggest a tax on exported natural gas is not a natural gas export tax is a childish form of deceit which insults the intelligence of every Canadian.

Will the Minister of Finance admit that this tax is clearly discriminatory to home owners using natural gas both in Ontario and in the western provinces? Has he calculated the tremendous inflationary impact which this tax will have on the production costs for many building materials, including concrete, wood products, plastics, paper and steel, all of which are manufactured in the provinces of Ontario and Quebec?

Mr. MacEachen: Madam Speaker, I have given consideration to all the questions the hon. member has raised and have gone ahead with this federal tax on gas in order to meet the wishes primarily of the producing provinces which objected to an exclusive tax on exports. If the hon. member will reflect on the difference in the potential and the application of these two taxes, he will know that there is a very considerable difference indeed. Anyway, I want him to reflect on that. I will not make any further observations.

* * *

CANADA PENSION PLAN

INQUIRY RESPECTING COVERAGE FOR SPOUSES WORKING IN THE HOME

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, may I direct a question to the Minister of National Health and Welfare. It relates to a report attributed to her a while ago to the effect that the government would be bringing in amendments to the Canada Pension Plan so as to provide pension coverage for certain persons not now covered, including women who work in their homes. I want to ask the minister if she will make a statement at an early date concerning this legislation, and will she make it clear that any coverage for spouses, women who work in their homes, will be universal, not just a case of something made available to those who can afford to pay the premiums?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, the hon. member underlines the challenge we are facing, which is to open up the Canada Pension Plan to housewives who want to contribute on a voluntary basis. The consequence is that if they have to pay at the maximum rate, which would be about $35 a month, only women in a certain social economic group will be able to participate. That is not bad and it is why we are going towards that route.

However, it does not cover the problem of those women in families with low or no income. Because of that problem, I will not be able to come to the House in the near future, and by that I mean in the coming months, with any proposal. We are still working on it. On our trip to Europe we checked all pension schemes known to European countries to cover housewives.

As to the other point, the amendments to the CPP regarding women who are partners of their husbands in small family enterprises, we will be bringing a proposal before the House very soon.

Mr. Knowles: Madam Speaker, I have a supplementary question for the Minister. In view of what I take to be her commitment not to discriminate against those who cannot afford to pay premiums, and I refer to women in their homes, when the minister works on that problem, will she also try to do something to end the discrimination against single, divorced and widowed women between 60 and 65 who are denied pensions in that age bracket, even though they may need them, because they do not have a spouse?

Miss Bégin: Madam Speaker, I will certainly look into that question which was part of a general discussion we had in recent days and which is part of the mandate that I gave to my officials.

* * *

[*Translation*]

BILINGUALISM

INQUIRY WHETHER DEADLINES RESPECTING QUEBEC AIR SPACE WILL BE OBSERVED

Mr. André Maltais (Manicouagan): Madam Speaker, my question is for the Minister of Transport. A few years ago the Canadian government set up a commission of inquiry on the languages used in the nation's air space. One of the recommendations of the commission chaired by Messrs. Sinclair, Chouinard and Heald was to extend bilingualism in Quebec air space. Now, in the October 27 issue of the newspaper *Le Devoir* Mr. Pierre Pourchelle of the Association des Gens de l'air du Québec stated that the proposed schedule aimed at establishing bilingual services in Transport Canada in Quebec has been or would be delayed. So my question is this: first, will there really be a delay in the schedule proposed by the commission headed by Messrs. Sinclair, Chouinard and Heald, second, to what is this delay due and, if such is not the case, can the Minister of Transport confirm whether or not the deadlines for implementing bilingual services will be respected in Quebec air space?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the answer is yes. The program is being implemented according to a schedule which had been set after the previous government endorsed the Chouinard report. Phase I is now complete and concerns the airports at Dorval, Mirabel and Quebec City. Phase II covers the northern part of the province and is now under way. Phase III on eastern Quebec will come later. The Association des Gens de l'air would like to change the program which, of course, is very difficult, but we are trying to accommodate them as much as possible.

[*English*]

BANKRUPTCIES

ASTRA TRUST—RE-MOR—INQUIRY WHETHER CIRCUMSTANCES WILL BE EXAMINED

Mr. Bill Kempling (Burlington): Madam Speaker, I have a question for the Minister of State (Finance). On October 10 I asked the minister two questions regarding the bankruptcy and winding up of Re-Mor and Astra Trust. The minister did not answer the questions at that time; he skated all around them. Has he now had a chance to look at my questions and reflect on them? Will he advise if the government will undertake an investigation and inquiry into the circumstances surrounding the bankruptcy and winding up of Re-Mor and Astra Trust, in view of the substantial losses suffered by innocent victims who were misled by questionable advertising and by bait and switch tactics?

[*Translation*]

Hon. Pierre Bussières (Minister of State, Finance): Madam Speaker, of course I continued to study the Astra Trust and Re-Mor case after the question put to me by the hon. member. As I told him the first time, I would like to point out to him that from a legal standpoint we ought not to link unconditionally, as he seems to be doing, the cases of Astra Trust and Re-Mor. As he knows, and it would seem that I have to remind him of this, Astra Trust comes under federal jurisdiction whereas Re-Mor comes under provincial jurisdiction. In the case of Astra Trust the hon. member knows that the Superintendent of Insurance has launched bankruptcy proceedings so that the people who have filed claims will be paid up to $20,000 through the federal mechanism. As for Re-Mor, which is under provincial responsibility, claims must be filed with federal authorities. In his question the hon. member said something about an inquiry. He ought to know that last August the Superintendent of Insurance had already asked the Royal Canadian Mounted Police to inquire into the administrative procedures and the way the Astra board of directors managed the company. I understand that the Ontario Provincial Police is doing the same thing as regards Re-Mor. I am convinced therefore that if the police inquiries into one or the other of these two companies uncover administrative irregularities, proceedings will be taken before the courts.

● (1210)

[*English*]

Mr. Kempling: A supplementary question, Madam Speaker. Will the minister inquire into the quality of communications between the Department of Insurance and the Ontario provincial authorities? Because the view persists that had the quality of communications between the federal government and the provincial government been of a higher level, most of the losses, if not all of the losses, on the Re-Mor side could have been avoided.

Would he at the same time look into the allegations that are being made in the street of political interference and pressure applied to the approval of the Astra Trust application after it had been turned down three times within the department?

[*Translation*]

Mr. Bussières: Madam Speaker, in the first part of my reply I took time to indicate clearly and categorically the nature of the inquiries being made into each company: the Royal Canadian Mounted Police is investigating Astra, the Ontario Provincial Police is investigating Remor. I am convinced that these very serious investigators will cover all angles and all aspects referred to by the hon. member.

* * *

[*English*]

PETITIONS

WEST COAST OIL TANKER TRAFFIC

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table the twenty-third report of the Clerk of Petitions stating that he has examined the petition presented by the hon. member for Cowichan-Malahat-The Islands (Mr. Manly) and finds that it meets the requirements of the Standing Orders as to form.

Order, please. I have a notice of a question of privilege from the hon. member for Skeena (Mr. Fulton).

* * *

PRIVILEGE

MR. FULTON—ENVIRONMENTAL AFFAIRS—MINISTERS' STATEMENTS DURING QUESTION PERIOD

Mr. Jim Fulton (Skeena): Madam Speaker, I shall be very brief. My question of privilege arises from question period last Tuesday, October 21, when I put questions to the Minister of Fisheries and Oceans (Mr. LeBlanc), the Minister of Indian Affairs and Northern Development (Mr. Munro), and the Prime Minister (Mr. Trudeau).

I shall quote briefly from pages 3870 and 3871 of *Hansard*. The Minister of Fisheries and Oceans indicated that he had received the report that I was questioning him about and that he would "—have a fuller answer for the hon. member early next week." In my view, Madam Speaker, that would be Monday, Tuesday or Wednesday.

The Minister of Indian Affairs and Northern Development said, within the text, that he was seriously considering a public inquiry and that "—discussions will be going on before I will be required to make any decision of that kind."

The Right Hon. Prime Minister said "—we asked for a review—".

I will give a very brief preamble, Madam Speaker, to the concerns that I have in my question of privilege. In 1977 the effluent mining liquid regulations were passed by this House. In mid-election last year, when Parliament was not sitting, regulations which strayed dramatically from legislation passed

by this House, were made by order in council. These regulations are disputed by independent scientists, lawyers, fishermen, native people, the Anglican and Catholic Churches of Canada, environmental groups, the public, and members of this House. The passage of this special order in council infringes on the rights and privileges of myself and, in my view, of all members of this House.

Yesterday I gave the minister 24 hours' notice of this question of privilege, precisely where it was in *Hansard*, and the nature of it.

I believe that you should rule on two specific things, Madam Speaker, the first being in relation to orders that are passed when this House is not in session that give extraordinary rights or unique rights, as in this case, to major industrial developments. Part and parcel of that is whether the privileges of this House have been tampered with by the special order in council.

The second part of my question of privilege, and I believe the minister is prepared to respond to it today, is whether the statements made on October 21 in this House by the Prime Minister, the Minister of Indian Affairs and Northern Development and the Minister of Fisheries and Oceans, are misleading to this House. The Minister of Fisheries and Oceans indicated that a statement would be forthcoming regarding a full public inquiry into the dumping of toxic tailings into Alice Arm, British Columbia. In my view that statement should be made in this House, Madam Speaker.

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, I tried to take notes as the hon. member was speaking, so I hope that I did not mix up the dates he used.

I remember when the hon. member asked me about a report but I think I misunderstood. He was referring to the McCart report; I was referring to the report of my officials, of whom I had asked a review of the recommendations that had come forward in April, 1979.

Be that as it may, Madam Speaker, the officials in the Pacific region did make a review as I requested. They have now made it clear that nothing has emerged from their re-examination to lead them to change the recommendations they had made and which were eventually put into the order in council which was passed. The recommendations were that the tailings would be more safely stored at a very deep part of the Alice Arm bay and, in fact, in their judgment this was a safer approach than locating the tailings in a land-locked or land-based site where there would be very considerable bleaching.

I discussed the report with my officials at the beginning of this week when I was in British Columbia. The conclusion is the same as that arrived at some year and a half ago.

The new information is that I have written to the company stating exactly what monitoring devices would be required and what monitoring plan would be required before final approval was given.

In one of his questions the hon. member referred to the McCart report. A preliminary examination of that report seems to indicate that no substantive new information is provided. I am of the view, however, that the only way that the fears which exist can be contained or alleviated is by clear participation in the monitoring process. I have started discussions with my colleague, the Minister of Indian Affairs and Northern Development, to see how we can involve the Nishga tribe, which is worried about this issue, in a monitoring operation, and also how we can make information fully available. That has always been my approach.

In this case, my review of the situation leads me to think that this was a matter of what was, on balance, the best judgment. Until I have been given further information I think that would still be my position.

Obviously, Madam Speaker, I would like to see the situation where there is participation and full knowledge of the monitoring operation that would be required to make sure how these tailings are being disposed of and how the situation evolved. I hope I have answered some of the hon. member's worries.

Madam Speaker: I am sure that this exchange between the two hon. members has allowed both of them either to seek or to obtain further information, but certainly, even if there is a question of orders in council that are passed outside of sessions, that being a matter of government administration, I cannot see a question of privilege in the matter raised by the hon. member for Skeena (Mr. Fulton).

MR. MUNRO (ESQUIMALT-SAANICH)—INTENTION TO RAISE QUESTION OF PRIVILEGE

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, I merely wish, with your permission, to indicate my intention to raise a question of privilege when I have checked the blues, following a reply given by the Deputy Prime Minister and Minister of Finance (Mr. MacEachen) to a question put by the hon. member for Yorkton-Melville (Mr. Nystrom) which, by my hearing, left the misleading impression that PetroCan pays taxes. I should like to check the blues and some other material which is in *Hansard* so that I may determine whether there is a question of privilege. If there is, I shall raise it.

MR. ROSE—INTENTION TO RAISE QUESTION OF PRIVILEGE

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, I rise to give notice that I intend to raise a question of privilege in greater detail at another time. It concerns a reply I received from the Minister of Energy, Mines and Resources (Mr. Lalonde) to the effect that Canada was among world leaders in renewables and conservation. Intentionally or not, I think the minister misled the House, because while Canada is spending a great deal of money on the supply side, it certainly is not a world leader on the demand side or the conservation side.

• (1220)

Madam Speaker: Order, please. I want to remind hon. members—and this is also for the hon. member for Mission-

Port Moody (Mr. Rose)—that they should give me written notice with a brief statement of what their question of privilege is about. It is not sufficient to raise it in the House.

[*English*]

IMMIGRATION ANNUAL REPORT

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, I rise on a point of order. The Minister of Employment and Immigration (Mr. Axworthy) indicated to my colleague, the hon. member for Winnipeg North (Mr. Orlikow), that he intended to table today a document concerning the annual report to Parliament of immigration levels for 1981.

First, I am a little surprised that he did not table the document. Second, I am surprised that he would choose to table the document rather than answer questions in the House.

Madam Speaker: Order, please. For the information of the hon. member, that report has been sent to the Clerk's office. As he knows, there are two ways of tabling these documents. They are either tabled in the House or sent directly to the Clerk, and my information is that this document has been sent in.

Mr. Rae: Madam Speaker, if I might just make my point of order, when a minister of the Crown does not even table in a direct manner, on a matter as fundamental as what the future or projected level of immigration will be for 1981, and when that minister does not choose to answer a few questions in the House of Commons but chooses instead simply to call a press conference and be questioned by members of the press but not by members of this House, I think it is a disgraceful performance, and I think it is something to be commented upon.

Madam Speaker: Order, please. Standing Order 41(1) allows the minister to do exactly what he has done. There is nothing in the procedure used by the minister which contravenes our standing orders, so I fail to see that there is a point of order.

* * *

ROUTINE PROCEEDINGS

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 58, 225, 890 and 1,433.

[*Text*]

MR. LESLIE JAMES BENNETT

Question No. 58—**Mr. Cossitt:**

1. To the knowledge of the government, did Mr. Leslie James Bennett, formerly with the security services of the RCMP, arrive in Toronto from Australia on or about February, 1979, and did he testify at an Examination for Discovery in connection with a civil action against novelist Ian Adams?

2. To the knowledge of the government, did Mr. Bennett state in his testimony that in 1972 he was taken by RCMP personnel headed by then superintendent and now assistant commissioner Murray Sexsmith to an apartment in an Ottawa highrise commonly referred to by the security services as a "safe house"?

3. Was he questioned for a period of four days at the location by Mr. Sexsmith and/or others on the subject of whether or not he was a double agent and, if so (a) what was the conclusion drawn by the RCMP (b) did the RCMP suggest that he leave his RCMP post and depart from Canada as quickly as possible and, if so, what arrangements were made, if any, for such departure, financial or otherwise?

Hon. Bob Kaplan (Solicitor General): 1. It is a matter of public knowledge that Mr. Leslie James Bennett was in Canada in February, 1979, and that he participated in an Examination for Discovery in connection with a civil action against Mr. Ian Adams. Newspaper reports of November 15, 1979, reflect that libel action hearings did take place in Toronto last spring.

2. Yes.

3. Mr. Bennett was debriefed by the RCMP in line with the normal procedures of all western intelligence services. It would be inappropriate to comment further on the results of that debriefing as the issues involved are now before the courts in a civil action.

STATISTICS CANADA—QUESTIONNAIRE—"SURVEY OF THE OFFICES OF ARCHITECTS, 1977"

Question No. 225—**Mr. Herbert:**

1. Did Statistics Canada issue the questionnaire "Survey of the Offices of Architects, 1977" and, if so (a) for what reason (b) what is the object of the questionnaire (c) what will be done with the information received in response to the questionnaire (d) was the questionnaire sent to all architects (e) how many were sent out?

2. Are (a) all architects in a partnership (b) salaried architects employed by governments, required to complete the questionnaire?

3. How many replies (a) were received (b) included an unanswered question?

4. What is the penalty for not returning the questionnaire and is there a penalty if one or more of the questions are unanswered?

5. Have any fines been imposed in the past two years, on professional persons, for not completing similar questionnaires and, if so, how many?

6. What was the cost of producing the questionnaire?

7. What will be the cost of (a) processing (b) reporting on the questionnaire?

8. How many man-months of employment will be created by this project?

9. Will a report be produced and, if so (a) on what date (b) to whom will it be sent (c) by what means will the architects completing the questionnaire become aware of the availability of the report (d) who will distribute it (e) will it be listed in the daily checklist of Canadian government publications?

10. Approximately how many items are listed per annum in the daily checklist and what is the annual cost of a subscription to the checklist?

11. Were all (a) provincial governments (b) provincial associations of architects, contacted before the form was compiled?

12. Did all provincial governments and associations agree to the production of the questionnaire?

13. Is any part of the control of the conduct or activity of the profession of architecture that is unique to this profession, considered a responsibility of the government?

14. Is Alberta the only province in which architects are protected from completing such questionnaires by provincial legislation?

15. Did any person in the profession request the indepth knowledge of the expertise available in Canada and, if so, by whom was the request made and what was the capacity of that person?

16. Is an architect allowed to report his expenditures in the same groupings in which they are recorded in his accounts?

17. How many returns did not have question five completed in precisely the form requested?

18. Was there any prior warning to architects that they might be expected to complete such a form?

19. Was there any letter of explanation sent to architects to advise them for what reason such a form was considered necessary?

20. Will Statistics Canada have access to the individual tax returns of architects and, if so (a) on what date (b) will architects be made aware of such a request?

21. In what manner was the language of the architect determined?

22. Were English language forms, without accompanying French language forms, sent to architects in the province of Quebec and, if so, for what reason?

23. What professional groups received similar questionnaires in 1977?

24. What professional groups received similar questionnaires in 1978?

25. What professional groups will be questioned in 1979?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): I am informed by Statistics Canada and the Department of Justice as follows: Statistics Canada reports the following:

1. Yes, the "Survey of the Offices of Architects, 1977" was issued by Statistics Canada.

(a) This profession forms one of the survey responsibilities of the merchandising and services division at Statistics Canada.

(b) This survey is made in order to provide the profession as well as the Department of Industry, Trade and Commerce with more detailed information. There are also requirements for this information for the system of national accounts division at Statistics Canada.

(c) Once the information is received it is aggregated, analysed and published.

(d) The questionnaire was sent to all architectural practices.

(e) 1,707.

2. (a) No. One questionnaire per partnership had to be completed.

(b) No.

3. (a) At the close of the survey, 1,648 responses had been received.

(b) Less than 10 per cent included an unanswered question.

4. The penalty for not returning the questionnaire (i.e., 'refusing or neglecting to answer') is a fine not exceeding five hundred dollars or imprisonment for a term not exceeding three months or both. No penalty is imposed if one or more of the questions is unanswered.

5. No.

6. The cost of producing the questionnaire was approximately $2,000.

7. (a) and (b) The estimated cost of processing and reporting on the questionnaire was $43,000.

8. The number of person-months created by this project was 12.

9. (a), (b), (c) A report was produced in June, 1979. Reports were sent to the Royal Architectural Institute of Canada, L'Ordre des Architectes and the Department of Industry, Trade and Commerce. Architects who had completed the questionnaire were notified of the availability of the report through their associations. It also may be requested directly from Statistics Canada.

(d) and (e) The distribution was made by Statistics Canada. The report was listed in the Statistics Canada Daily Bulletin.

10. The checklist is a Department of Supply and Services publication. Due to budgetary cutbacks the checklist is now produced weekly. Approximately 4,000 items are listed per annum and the cost is $52 per year per subscription.

11. (a) Provincial governments were not contacted directly before the form was compiled but representatives of provincial governments in attendance at the federal-provincial conference in May, 1977, were informed that the survey was planned for 1978. Subsequently, an agreement was arranged to exchange information with the Alberta Bureau of Statistics.

(b) Yes.

12. (a) See answer to 11(a).

(b) All provincial associations of architects agreed to the production of the questionnaire.

13. See Justice's reply.

14. Statistics Canada is not aware of the existence of such provincial legislation. The agreement with Alberta stipulates that any firm which does not wish Statistics Canada to share information with the province of Alberta concerning that firm, must say so in writing to Statistics Canada. No details of this firm would then be released to the Alberta Bureau of Statistics. (This information is printed on the questionnaire).

15. The Royal Architectural Institute of Canada, L'Ordre des Architectes du Québec and the Ontario Architect Association expressed interest in the extent of architectural expertise available in Canada. Requests were not received from individuals.

16. Yes.

17. Less than 10 per cent of returns did not have question 5 completed in precisely the form requested.

18. The Royal Architectural Institute of Canada contacted all component associations in December, 1977, to announce the forthcoming survey. Associations were informed of the mail-our date in March, 1978, and were requested to inform their members. In addition, 32 firms randomly selected across

the country were advised of the proposed survey and sent an early draft questionnaire for their comments.

19. No. The objectives of the survey were printed directly on the form.

20. (a) The Statistics Act, 1971, section 23, provides Statistics Canada access to income tax returns. For the calendar year 1977, returns are available from September, 1978, onwards.

(b) Architects will be informed only on request.

21. The language of the architect was determined by matching the list supplied by the associations against the business register. Where a language indicator was available on the register, it was used.

22. No. When a language indicator was not available, firms in Quebec were sent both a French and an English form, as were firms in Quebec which appeared either on the association's list or the business register but not on both.

23. In so far as Statistics Canada is concerned: none.

24. In so far as Statistics Canada is concerned: none.

25. Engineering and scientific services.

Department of Justice reports the following: 13. No.

FRENCH LANGUAGE INSTRUCTION

Question No. 890—**Mr. Flis:**

1. What amount was spent by the government for the school year (a) September, 1977 to June, 1978 (b) September, 1978 to June, 1979 for (i) French language instruction (ii) heritage language instruction (iii) teacher training (iv) elementary education (v) secondary education (vi) post secondary education?

2. What percentage of the funds allocated towards education were spent for the purpose intended?

3. What accountability do the provinces give to the government as to the expenditure of such moneys?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications):

NOTE: All amounts in the following text are provided by federal fiscal year (April 1, 1977 to March 31, 1978, and April 1, 1978, to March 31, 1979) which is the basis of accounting for such expenditures.

1. (i) The amounts contributed by the Government of Canada to the provinces in support of French under official languages in education excluding teacher training were:

	French as a second language	French as a minority language	Total
1977-78	$17,587,909	$43,839,327	61,427,236
1978-79	21,355,151	50,690,274	72,045,425

In addition, the sums of $18,300,950 and $19,925,362 were contributed for programs of support towards French as a second language, French as a minority language, and English as a second language in 1977-78 and 1978-79 respectively. These figures cannot be broken down into separate categories of minority language education and second language instruction.

(ii) The amounts contributed by the Government of Canada to voluntary ethno-cultural organizations for heritage language instruction including expenditures for learning aids were:

1977-78	$1,011,000
1978-79	1,097,520

These expenditures were essentially made at the elementary level.

(iii) The amounts contributed by the Government of Canada to the province under the official languages in education programs and to voluntary ethno-cultural organizations under the multiculturalism programs for teacher training were:

1977-78	$3,299,640
1978-79	3,473,390

(iv) (v) Statistics for official languages in education are not maintained in a manner which would enable the department to provide data on contributions to the provinces in respect of elementary and secondary levels separately without an inordinate amount of work, time, and cost. Total combined contributions to provinces for elementary and secondary levels of education under official language in education were:

1977-78	$160,312,451
1978-79	142,009,689

See (ii) for heritage language training.

(vi) The amounts contributed by the Government of Canada to the provinces at the post-secondary level under the official languages in education program were:

1977-78	$46,468,131
1978-79	50,091,519

The amounts transferred to the provinces for post secondary education under established programs financing in tax and cash were:

1977-78	$2,114,870,000
1978-79	2,422,097,000

NOTE 1: For parts IV, V, VI of question 1 the following amounts were contributed under official languages in education for minority official language education and second language instruction but cannot be attributed to any specific level of the education system.

1977-78	$15,895,023
1978-79	17,869,194

2. It is judged that 100 per cent of the funds provided to the provinces by the Government of Canada under official languages in education was spent for the purposes intended. The formula payments contributions, which are based upon information provided by Statistics Canada regarding student enrolments and provincial costs of education, in fact, constitute

partial reimbursements for costs already incurred by the provincial governments. Contributions for non-formula programs take the form of reimbursements for provincial claims which are submitted in accordance with predetermined guidelines for expenses paid for the programs involved. Similarly it is judged that 100 per cent of the funds provided to voluntary ethno-cultural organizations by the Government of Canada under the multiculturalism programs was spent for the purposes intended. This information is not available for transfers under established programs financing.

3. As stated in question 2, for official languages in education, the formula payment contributions were paid to the provinces, based upon information provided by Statistics Canada. More specifically, data regarding student enrolments in minority and second official language programs and the provincial per student costs of education at the elementary and secondary levels, and the actual provincial operating grant to eligible institutions at the post-secondary level are used to calculate payments. The federal contributions represent a proportion of costs already incurred by the provincial governments in providing minority official language education and second language instruction, and no further accountability is provided. Payments for non-formula programs are paid on a reimbursement basis based on provincial claims for costs incurred. Payments under the multiculturalism program are made on a grant basis and are not further accountable. The legislation governing the transfers under the established programs financing arrangements does not require provincial governments to account to the federal government concerning the expenditure of funds.

PORT OF HALIFAX

Question No. 1,433—**Mr. Crosby:**

Was the study and master plan for the port of Halifax commissioned by the Canadian Marine Transportation Administration in September-October of 1979 completed and (a) if so, on what date will it be made available to persons interested in the port (b) if not, on what date will it be completed?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): As far as the National Harbours Board is concerned: No.

(a) Not applicable.

(b) Early November, 1980.

* * *

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, if question No. 765 could be an order for return, this return would be tabled immediately.

[*Text*]

SECRETARY OF STATE—ADMINISTRATION AND POLICY CONSULTANTS

Question No. 765—**Mr. Shields:**

Since August 1, 1978, how many (a) administrative (b) policy consultants were under contract to the Department of the Secretary of State and/or any boards, commissions or corporations reporting to the minister and, in each case, what amount was paid to them?

Return tabled.

[*English*]

Mr. Collenette: Madam Speaker, I ask that the other questions be allowed to stand.

Madam Speaker: Is this agreed?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED FAILURE IN INDUSTRIAL STRATEGY

Mr. Simon de Jong (Regina East) moved:

That this House condemns the government for having failed to harness the energies and talents of Canada's scientific and technological community in the development of an industrial strategy which would draw on Canada's traditional resource base, on our manufacturing strength, and on our new high technology industries.

He said: Madam Speaker, when preparing this motion our caucus stood back and had an over-all look at the ups and downs of the Canadian economy over the last decade or so, and the dismal inability of the budget which was presented earlier this week to come to terms effectively with the problems with which the people of this country have been trying to wrestle and find solutions. Surely we do have one of the best endowed countries in terms of resources and wealth in the world today. Surely we have a country which, compared with most other countries in the world, is one of the least developed.

We have a very young population. Our development is only 100 or less years, and we have a very thin population. There is still very, very much to be done. Yet what we have found in the last decade or so is an unemployment level which is unacceptable. It is even higher than those in more developed countries with larger populations and fewer resources. I think of the Scandinavian countries, Great Britain, Holland, Germany, etc. We must wonder how it is possible that a country with so much going for it can find itself in such a crippled, weak, and second-class position. Obviously the government seated opposite, which is the party which has dominated this country for the last two decades, must surely accept the major responsibility for the fact that the strength of this country has

been drained and has not been utilized, co-ordinated, or brought together to bring solutions to the problems we face.

One of the important areas of the failure of this government is that of research and development, and the failure to utilize the technological know-how of our trained university graduates. In fact, over the last decade or so we have seen continuous erosion as young people, not being able to find employment in this country, leave it and go mainly to the United States. That represents a loss of our public investment in their education. If we are going to stop the erosion of Canada's manufacturing base and improve our competitive position in the international high technological market, it is essential that we have a coherent policy on research and development.

The benefits of research and development have been well documented. They include increased employment, greater output of growth in that particular sector of the economy, improved market penetration, and lower costs to the consumer for goods with high research and development components. In a study of the performance of Canadian manufacturing industries between 1961 and 1974 the Ministry of State for Science and Technology found that research and development intensive industries had almost triple the growth rate, twice the productivity, significantly greater rates of employment and less inflation in prices than industries not engaged in research and development. It has been shown as well that for every dollar spent on research and development a return of at least $30 is produced.

Yet despite the fact that even government studies have shown the effectiveness and importance of research and development, the record of this government in that area is dismal. It is cynical. If I were a little more paranoid and thought in terms of international espionage, I would come to the conclusion that this government has deliberately sabotaged research and development in this country and weakened this country's position. How cynical this government is!

In 1968 the federal cabinet set a goal for expenditure on research and development of 2 per cent of the gross national product. The Lamontagne Senate committee in 1972 recommended that 2.5 per cent of the gross national product go to research and development by 1978. In actual fact, in that decade research and development in this country fell by some 36 per cent. Again we find that in June of 1978, the then minister in charge, Judd Buchanan, set a goal of 1.5 per cent by 1983, and this year, lo and behold, in the Speech from the Throne we have another great Liberal promise that by 1985 we will achieve the goal of 1.5 per cent. Consistently the government has paid lip service, and that is about it. That is in fact what the Liberals are known for, their lips. It is all promises and no action. The present budget is a great example of this.

● (1230)

What is it in the present budget that was presented to us which would bring us one step closer to the stated goal? There are no plans in place, there is no strategy outlined. It is a continuation of the same policies that this government has followed for years and years—that is, the policy of 'do nothing', to allow the resources of this country to be shipped out, to allow the continuation of high industry and high technology being imported into this country, and to allow the continued weakening of this country, deepening our inability to make it on our own.

An hon. Member: And they call themselves Canadians.

Mr. de Jong: All we have is the trappings. Yes, we have a flag, and yes, we are going to have the constitution, but the guts of the country have been sold, shipped out and drained off. We do not have the ability to determine our own economic destiny. We do not have the ability to train and employ our young people in the field of technology. All we have is lip service.

The major problem in our country today, in terms of achieving the goal of 1.5 per cent of the gross national product for research and development—which I think is even too low—is our industrial make-up. The fact is that most of the important industries in this country are nothing but branch plants, that most of the important industry in this country, such as the manufacturing industry, is controlled from outside this country. The multinationals in this country have a dismal record of research and development. It is not necessarily the fact that we have not had sufficient public funds going into this area that has caused the problem. In fact on that score we do relatively the same as other countries. But the fact is that the private sector has not been able to pull its weight in terms of research and development.

It is not the Canadian owned public sector, it is the multinational sector of the private industry that has not pulled its weight. This was admitted this year in June by the Minister of State for Science and Technology (Mr. Roberts) when he spoke to the Canadian Manufacturers' Association and said that if we are to meet our medium-term objective in research and development it will have to be through the efforts of foreign-controlled companies in this country. He went on to suggest that it will require a $2.4 billion increase in outlays on research and development, most of which will have to come from the foreign private sector. Foreign ownership is highest in Canada's research intensive industries, and it is these industries that have the highest profits. In other words, the industries which show the highest profits in this country are foreign owned and make the least contribution to research and development.

Some hon. Members: Shame!

Mr. de Jong: If we had a proper research and development program we would not have the unemployment problem or the inflation problem we have in this country. For example, Mr. Pocock, who was research director of the Lamontagne Senate Committee on Research and Development, suggested that if Canada had a research and development figure of 1.5 per cent of the gross national product in 1978,—and assuming that in order to reach that figure, 85 per cent of it would have come from the private industry—there would have been an extra

10,600 jobs for scientists and engineers, we would have had a total of 1.52 million new jobs created in the new industrial activities, and we would have had an extra $15.4 billion in exports. It would have solved our balance of payments problems and our unemployment problems.

Government studies have shown this, so why the inaction? Why not look at the obvious facts that all the highly paid mandarins and research people whom the government has hired have been telling it over all these years? Yet there has been no action, no results. Indeed, there has been a continuation of the 'do nothing' government. If anything, the Trudeau years will be remembered as the years when the essence of this country was drained, when the strength of this country was drained, making Canada more and more impotent.

There is nothing in the budget on how to deal with multinationals, how to force them to invest a decent amount of money in research and development in this country. There is talk, as there is always from across the benches. It is always being studied, it is always being considered. We have another committee, most probably a parliamentary committee or a royal commission, but no further action. There is talk about some tax incentives to industry. Already we have some very decent tax incentives for industry in order to encourage research and development, but they have not worked. The main reason is that the multinationals do not need them. They have access to cheap technology from their mother company and from their head office. The Canadian companies, the smaller businesses, which need it, very often do not have the income to benefit from the tax deductions.

What this party suggests is that more direct grants be made to Canadian industry and Canadian business and that the government and private industry make a deal, saying, "We will give you X amount of money to develop new technologies, provided that you guarantee that the jobs remain in this country." In other words, this party suggests that the government stop handing out the money, as they all too often do, and start making public money useful and working for the benefit of this country. All the money that has gone down the drain in this area, if used in an enlightened way, could have produced a much stronger research and development component in this country.

We object to tax incentives for research and development. I think there are wiser and better ways of doing it. Also, studies have shown that tax incentives will not work and have not worked in the past. It is shown as well that when you create tax incentives, essentially employment is created for lawyers and tax experts, and in too many cases employees, who would normally be doing other work in the company such as quality control, all at once are put on the payroll of the research and development section. In other words, there are too many loopholes and you do not achieve the desired affect.

We are suggesting, first, that direct grants be made to industries; and second, that we use a little bit of coercive power on the multinationals, in other words, that the government put into place an over-all tax and use that money in a special fund for research and development. Any company should be able to draw on that fund, provided again that they do the research and development in Canada and keep it here.

It is often asked: what can we do? We are such a small country, we just do not have the resources or the population base to produce effectively in this country a proper research and development component. Let me cite again from the research study by Mr. Pocock of the Lamontagne committee. He compared us with a group of countries which he called Norden—consisting of Norway, Sweden, Denmark and Finland—in 1975. The total population of the northern group was 27.4 million. Canada's population at the time was 23.3 million which was relatively comparable. They have the same topography, the same climate, and some of the same resources as we do here. Yet the industries in the Norden countries in 1975 spent $1.26 billion in U.S. dollars on research and development. What private industry in Canada spent at that time was only $681 million, roughly half of what was spent in those countries. The labour force employed in those countries in industry was some 33.4 per cent. Here it was only 26.6 per cent of our labour force. Smaller countries like Norway, Sweden and Denmark are able to do it. Why can we not do it here?

• (1240)

Mr. Deans: There is a lack of initiative.

Mr. de Jong: There is a lack of initiative, foresight and imagination.

Mr. Deans: There is a lack of caring.

Mr. de Jong: There is nothing in the budget which deals with how we will force the multinationals to do proper research and development in the country. The budget totally ignores the fact that any viable national economic strategy must emphasize two closely related objectives. The first would be the policies which must be formulated to channel capital and human resources together so that we can start tackling the technological problems this country faces, to channel capital and human resources together to bring business, labour, universities and government together to work out and develop coherent research and development policies and initiatives. Second, in order to fulfil the competitive requirements for improving Canada's industrial productivity, efficiency and employment, the federal government must through its policies vigorously promote the expansion of indigenous high technology manufacturing and the research efforts of our universities.

Specifically, the budget fails to address three key questions. What physical incentives are most likely to increase industrial research and development and technological innovation in Canada? How can government procurement be utilized more effectively to increase the demand for Canada's technology? How can we increase the export sales of Canadian made technology and reduce our traditional and very costly dependence on foreign imported technology?

I have been in touch with the Canadian Medical Research Council and it is very concerned about the implications of the

budget. The council would like to know if the government will adopt the medical research proposals for support of biomedical research in Canada, and if so, what level of support will the MRC receive, particularly in view of the proposed spending restraints in the social affairs envelope. There were some ominous noises by the Minister of Finance about the social affairs envelope. There were suggestions of moneys being saved.

Concerning the agreements with the provinces on cost-sharing, especially of higher education in the universities, the Prime Minister (Mr. Trudeau) in 1976 promised that these programs were permanent, and if they were to be changed, they would only be changed subject to three years' notice. No three years' notice has been given, but it sounds from the budget as if these agreements will be changed and that the universities will end up with the short end of the stick. We cannot afford this any more. We have had too much of a brain drain already. Our universities are at the end of their ropes. They cannot continue with further cutbacks and slashes in their budgets. Young Canadians going into universities see no promise for employment at the end of the road. That is why they are now either not doing postgraduate studies, or are leaving the country. This drain must be stopped and stopped fast, if we are to meet the requirements five or ten years down the line, if we are to meet the requirements for trained people. The budget gives no assurances whatsoever that the drain will be stopped, that the government is prepared to tackle this problem and come up with some decent solutions. There is no hope in the budget at all. Throughout the universities across the country there is uncertainty.

It is not that we do not need trained people coming out of the universities. For example, I have been quite concerned with the whole area of pesticides and the testing thereof. Recently it has come to light that a number of the major American chemical testing firms that test our pesticides have deliberately falsified their results. There is a tremendous need for trained toxicologists in this particular field. I brought this matter to the attention of the government and they said, "Oh, no, we cannot do it. It will cost at least $8 million in core funding for the next five years; it is an impossible task". What a phony answer; what a phony answer!

There are decent programs throughout the country which are starving for funds. They are not asking for $8 million. Scientists at the University of Ottawa are trying to get a centre of toxicology together. They have their building, yet they have spent the last year or so scraping here and there for funding. They need some $30,000 to $40,000 to hire a director. There is no money for this, so the program is idle. It is not that we do not need toxicologists. Hundreds of new chemicals enter the market every year. We know a lot of these chemicals are not properly tested. We do not know what effects they are having on the health and welfare of Canadians. They must definitely be tested, yet the government opposite will not give the University of Ottawa some $30,000 to go on with the job of training toxicologists so that, five or six years down the road, there will be some trained toxicologists in the country who can at least deal with the amount of chemicals entering the market. It is not that we will not pay the price. Of course we will pay the price. Every time there is Love Canal, or a thalidomide enters the market, somebody must pay. Generally it ends up that the government opposite is quite willing to hand out public funds to pay for mistakes, as it has done over and over again.

It is the insanity of the government opposite that it is not willing to spend a dollar today in order to save some $40 and $50 down the road. It is crazy thinking. It is thinking which arises because there is no coherent plan or policy. There is no coherent five-year projection in terms of what is needed and what is coming down the road. It is a government that reacts, reacts all the time.

I remember sitting in the Standing Committee on Communications and Culture when the estimates were before it. I indicated to the minister in charge that there were various new technologies coming down the road. I indicated that they would have a tremendous impact on the work force and on Canadian people generally. I asked him what was being done in order to direct this type of technological innovation and make certain that it benefited people rather than people simply reacting to it and it creating havoc in our society. The minister said—and I think it sums up the philosophy of the whole Liberal party and the Liberal government—"our role is not to initiate, our role is but to react". In other words, those particular technological innovations will come down the line, they will affect people, they will disrupt the work force and people's lives, and then the government will try to pick up the pieces. Surely in these times an ounce of prevention is what is needed.

An hon. Member: They would rather have beaver and goose ads.

Mr. de Jong: Yes, they would rather have beaver and goose ads. Indeed, that is their notion of prevention, a little bit of propaganda and saying to the folks out there, "Everything is all right, Charlie; just keep on whistling and the great Liberal party will make certain the sun rises tomorrow and we will all be happy." What a lip service job!

We need a coherent policy. This country can do it. We have trained, intelligent people. They should not have to go to the United States. In fact most of them do not want to go there. They want to be employed here and raise their families. Yet, somehow we always seem crippled, not quite capable or big enough. How stupid of me to think we can do these things ourselves, that we are big enough and strong enough to do these things ourselves. We are just a small little country in the shadow of this big giant. All we can do is a bit of fiddling here and there. We can never take control over our destiny and determine what type of future we will have. Oh, no, we should just react and pick up the pieces and shelter ourselves a bit from the slings and arrows which emanate from the south and other parts of the world. Surely there is no other country in the world more capable, especially with resources such as ours, of

determining and shaping its own destiny. We need a national science and industrial policy.

We must put some of the things together and develop some coherent planning. We need a Department of Science and Technology with a full-time minister. I congratulate the Conservatives, at least they had a full-time minister. We do not, or at least the present government does not.

An hon. Member: Watch those Freudian slips.

Mr. de Jong: When I said "we" I meant this country. We do not have a full-time minister. He is running off to England and doing other things. We need a Department of Science and Technology which can begin to co-ordinate all the research done in various government departments. We do not have a minister who is on top of it. We do not have a department which is on top of it. Some research gets done in health, agriculture, and some here and some there. There is duplication and wastage.

● (1250)

Mr. Knowles: And some not at all.

Mr. de Jong: Then there are other times when the budget is cut and, of course, research is one of the first things which gets cut. There is no priority and no sense of wholeness.

I would like to quote from Dr. B. Cinader, who is from the University of Toronto. He describes what is really needed in the area of research and development. He says:

> In short, one needs to initiate a process by which industrial innovation and applied research are defined by long-term national objectives, and in which strategy can be refined through processes of model building and of projections of future supplies in raw materials and international and national demands for them. The process of determining attainability of objectives and of choosing, ultimately, the paths by which the scientific components of national objectives is to be reached, will clearly have an important formative effect on our vision of Canada and will help us develop our national aspiration for the future.

That is what a national policy should be. It should have some notion of the future, some objectives regarding what we can be and how to get there, instead of floundering around as the members opposite do all too often.

I am reminded of a little verse by Melanie, who was one of the popular singers of the seventies. She had a very nice line, which was "You only pay a nickel, but you want a dollar song." That sums up the government opposite.

In closing I would like to quote T. S. Eliot's somewhat pessimistic but I think very accurate poem, "The Hollow Men." It aptly describes the record of the government. Here are a few of the key verses:

We are the hollow men
We are the stuffed men
Leaning together
Headpiece filled with straw. Alas!
Our dried voices, when
We whisper together
Are quiet and meaningless
As wind in dry grass
Or rats' feet over broken glass
In our dry cellar
Shape without form, shade without colour,
Paralysed force, gesture without motion;
Those who have crossed
With direct eyes, to death's other Kingdom
Remember us—if at all—not as lost
Violent souls, but only
As the hollow men
The stuffed men.

Mr. Speaker, the way in which T. S. Eliot ends his poem is again very apt when applied to the government opposite. It calls attention to the difference between the lip service and the promises, the fancy dancing, which the members opposite want to do, and the actual product—the end results. He ends the poem this way:

Between the idea
And the reality
Between the motion
And the act
Falls the Shadow

Maybe instead of "Falls the Shadow" we should say "Falls the Liberal party".

The poem continues:

Between the conception
And the creation
Between the emotion
And the response
Falls the Shadow
Between the desire
And the spasm
Between the potency
And the existence
Between the essence
And the descent
Falls the Shadow

There falls ten, 20—how many years of Liberal governments' wasted opportunities, and with it the sapping of our strength. Mr. Speaker, we have moved this motion because of what we feel has been a total neglect of our strength, our human strength, our manufacturing and resource strength. It is a motion which condemns this government and it must surely stand and be held accountable for that.

Some hon. Members: Hear, hear!

Mr. Collenette: Mr. Speaker, there have been discussions among the parties with respect to allowing the Minister of State for Science and Technology (Mr. Roberts) to speak a little later this afternoon. He is now on his way back to Ottawa. So we have agreed to call it one o'clock now.

Mr. Knowles: One o'clock.

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

Some hon. Members: Agreed.

The Acting Speaker (Mr. Blaker): It is so ordered.

It being one o'clock I do now leave the chair until two o'clock p.m.

At 12.56 p.m. the House took recess.

• (1400)

AFTER RECESS

The House resumed at 2 p.m.

Mr. Gordon Gilchrist (Scarborough East): Mr. Speaker, the official opposition is, of course, very pleased to participate in the debate today on research and development. I would like to say debate, but perhaps the word "charade" would be more appropriate. We welcome any opportunity to prod, push and shove a reluctant government closer to the realization of the vital need to overhaul its attitude to research and development drastically and its priorities in spending and investing in technological upgrading.

I say investing rather than spending because there is a vast difference between spending massive amounts, multimillions of dollars on ongoing support programs, schemes and make-work situations, as opposed to heavily investing in legitimate job creation of an ongoing nature. By legitimate job-creating programs, I refer to those that result in lifelong career opportunities for young Canadians and long-term job opportunities for all Canadians in an industrial society which can take its place among the high technology, industrial societies of the world and not be gunned down by the Japanese, Germans, French and Americans, our industrial competitors who can out-produce us and undercut us in price and innovativeness.

Recent newspapers indicate the high priority that research is getting with such headlines as "Medical Researchers Issue Urgent Call for Funds", "Scientists Urged to Fight", "Ottawa Plans to Move Soon to Spur Research and Development", and "It's High Noon for High Technology". All these articles urge the government to get with it and develop our industrial capability. But what is happening to Canada today is what has been happening to Canada for years. This government has been warned for over a decade, by extremely knowledgeable and concerned scientists and industrialists, that our resource export strategy, if I could call it a strategy, unreinforced by higher technology processing, would cost us dearly in future years. At best we would become laminaters of wood and pumpers of water. That is one step up from the hewers of wood and drawers of water. One step up is about where we are.

Have you ever visited, Mr. Speaker, Upper Canada Village? Many Canadians visit Upper Canada Village each year to view the grain mills grinding wheat, the spinning wheels spinning yarn, and the saw mills cutting logs into rough boards. We go there to see how things were done in Canada 100 or 200 years ago. Things were simple and straightforward then, and we chuckle to ourselves and marvel at the slowness of the operations and the patience of the craftspeople of the day. We also recognize that such operations could not exist and compete with the much faster and more efficient operations of today in milling, spinning, and lumber. But I wonder how many of us realize that if we walked into many of Canada's manufacturing plants today we would be looking at operations designed and carried on 50 or 100 years ago. Some of the equipment is bigger and faster, but the processes themselves are technologies of the past century. They are technologies which would be better passed on to Third World countries with their lower labour rates. Like the spinners and weavers of Upper Canada Village, these technologies are the slow and obsolete processes of the nineteenth century in a world which has almost passed out of the twentieth century.

• (1410)

And how do we get away with such obsolete planning and processing, backed up by obsolete government thinking? Why is there not a demand by Canadians for action to make Canada the most resource rich country in the world, the world leader in technology? Certainly Canada's scientists have spelled it out for us, both the pitfalls and the benefits.

It is very clear that Canadians do not realize that their high standard of living, bought with money raised through the sale of natural resources, is declining and will continue to decline as the world passes, in fact, rockets by us, with technological development of new products and processes which will make Canadian industry obsolete and deprive us of jobs.

Now this is not long-range future stuff. This is the stuff of the 1990s, the 1980s and even today. It is the provable, urgent message which industrialists, scientists, economists and researchers from all facets of Canadian industry have been telling this government for over a decade. To enjoy the benefits of higher technological manufacturing, you must be prepared to invest in research. From research comes design, invention, and innovation. From these come useful products and processes which will not only benefit Canadians through job creation, but which can be sold to other nations for other benefits. This means fewer imported goods, more exported goods; improved balance of payments for Canada, investment opportunities for Canadians, and career opportunities for young Canadians entering the work force. High technology companies do all these things. They have a higher rate of growth in employment than low research industries. They have higher productivity and they have annual price increases about half as great as those of low technology companies, so they benefit the consumers as well.

Knowing all these facts, what has the Trudeau government done about leading Canada forward through the decade of the seventies to world leadership in technology? Surely Canada's all-time biggest spender would be able to invest handsomely in vital research? For a man who claims to have a vision for Canada, perhaps a socialist one, but a vision nevertheless, surely his vision would include funding the most obvious and necessary component for national and social benefit, namely, research.

But instead, let us look at the record. In 1967 Canada invested 1.4 per cent of its gross national product in research

and development. In 1968 the new Trudeau government established a goal of 2 per cent GNP, definitely good news. But a decade later where has all the talk led us? We now have a new low of less than 1 per cent, .9 per cent to be exact, and we find ourselves on a par with other non-industrial nations like Ireland, Italy, and Iceland.

Now what is the government saying? The new minister of state for science, technology, environmental and constitutional affairs is once again talking sweet talk about new and high goals. By 1985, he says, we will be spending 1.5 per cent of GNP on research. But the federal government accounts for less than one third of total research spending in Canada. Provincial governments do some, but it is the private sector which must carry the load, and foreign firms, which used to do more research than Canadian firms, since 1975 do less. They are not treating us as sales opportunities for their foreign bases and they do not do research in Canada to a sufficient degree. How will the government encourage them or force them to do their fair share of research and grant world product mandate to Canada?

And even if we did reach 1.5 per cent by 1985, and I say to the minister we will not, where will that put us relative to our international competitors? Already our biggest competitor to the south is at 2.4 per cent. West Germany is at about 2.2 per cent, and Japan the world leader in technology is over 2 per cent and aiming to double that by 1985. So you see, Mr. Speaker, even if this government did reach its target—and I repeat that it will not—it will be too little and too late.

You will recall, Mr. Speaker, that the ill-fated Conservative government—by that I mean ill-fated for Canada—had set a target of 2.5 per cent research spending. With the serious commitment of government, backed by tax incentives, grants and strong government purchasing policies, that figure could be reached. It requires the understanding and the will of government to do it, not just to talk about it.

Take, for example, the massive contribution which research has made to the petroleum industry in enhanced recovery techniques. Instead of being able to extract about 20 per cent from an average oil well, we can now get about 35 per cent. It leaves a lot of oil in the ground, but it gets a lot more out, and all of that as a result of research. Think what that does for Canada's energy future, and think what such an increase in wealth accrues to Canada as a result of direct research.

Earlier I mentioned Japan's 1985 objective of 4 per cent research investing. Let us look at that country's progress over the past 35 years since its devastation by military defeat. Let me cite some examples given to a high technology conference here in Ottawa—a conference which, unfortunately, the minister did not attend—where 200 of the country's highest technology presidents and chief executives talked about the problems of technology in Canada. At that conference the minister might have learned something about the desperate need for technology in Canada. Mr. Walter Light, President of Northern Telecom, Canada's largest private research and development establishment, spoke at that conference. He is a man who, for years, has been trying to get this government to see the errors of its ways and its attitudes toward research. He gave us some very good examples of Japanese programs.

Japan, rising from the depths of almost total industrial devastation, is in the process of surpassing the United States as an industrial power. Think about that. Japan, a nation virtually without natural resources, a nation no bigger than the state of Montana and with only half the population of the U.S. is, because of determination and technological development, about to surpass the world's industrial leader.

Even though Japan's unionized labour costs have risen to par with those of the U.S., Japanese companies have consistently raised productivity and expanded their ability to produce quality products at the most competitive prices in the world, using our natural resources.

So, all you trade unionists in the NDP take note. We are selling our coal, steel, nickel and aluminum to Japan at an average price of about 50 cents a pound, and we are buying back Toyotas and Datsuns at about $3 a pound and more. It is that six, seven and eight times multiplier which is the job-creation program of the present government. That is what this government is doing in job creation. It is creating many jobs, jobs in Japan, Germany, Sweden and the United States. That is not just illogical, it is not just lack of direction and leadership, it is just plain stupid. It is bungling and inept government. It is a government which is selling Canada short.

● (1420)

Japan is now producing ten million cars annually, about 100 times what it produced 20 years ago and the equal of a good year in the United States.

What country do you think of, Mr. Speaker, when you think of precision tools and equipment, or watches? Switzerland, I suggest. Well, last year Japan produced ten million more watches than the Swiss. This is a classic example of how quickly a country can lose its world leadership if it ignores the new electronic technologies. The Japanese have long since overtaken and replaced the United States as the world leader in television and radio production. Japanese steel plants have the same capacity as the U.S. and almost as much as the entire European common market, and they are so technologically sophisticated that the U.S. uses Japanese standards as the base for measuring its trigger price for dumping.

In 1978, Japanese investment in new plant and equipment equalled that of the United States, but remember, with half the population the investment per capita was twice that of the U.S., and in the early 1980s it will surpass the U.S. in total research and development.

Very soon Japan will be a world leader in computers as it is in motorcycles, machine tools, copying machines, semi-conductors and even, perish the thought, snowmobiles.

What do we have to do to get this government to listen, to think and to discharge its duty and responsibility to lead Canada back into the technological age, to make Canada technologically competent, competitive, independent and capable of developing its own vast resources in order to sell

finished products to the world and lower its dependence and vulnerability to world prices?

Will we forever maintain a back seat in the growth technologies of electronics and biotechnologies? These are not mysterious mumbo-jumbo words and unattainable objectives for a land such as Canada. They do not require large industrial complexes and vast populations. What they do call for is commitment; long-term, steady, determined commitment and large investments in money, as well as trained people and specialized industrialized resources. They are perfect for a resource rich, educated and skilled population such as Canada's.

In order to obtain large quantities of investment dollars, Canada should employ the same techniques it has used so effectively on frontier oil drilling and film making. Why should there not be a "super depletion" type of tax incentive for people willing to invest in high risk high technology companies just as in high risk drilling and high risk movie making? Certainly many films have recently been made in Canada, and not even this government could be so blind as to see the far greater benefits to Canada in having its citizens invest in high technology companies rather than in movie making.

Biotechnology is another new buzz word, a research field pregnant with possibilities for energy development, new manufacturing processes and greatly increased agricultural production. Canada should be getting in on the ground floor in order to enjoy the excellent returns just a few years down the road. Unlike unemployment insurance funds spent this year, next year and every year as an ongoing cost and burden to taxpayers of the future, biotechnology investment will return the money invested 20, 30 and 50-fold, while providing ongoing jobs to coming generations of Canadians.

Is this too much to ask of government? Is it too much to ask of the members opposite to take the time to acquaint themselves with the facts, the appalling record of Liberal government performance to date and the unquestioned opportunities which lie ahead, if we have the will and the resolve to grasp them? Well, regrettably, Mr. Speaker, it probably is too much to ask. This government is too involved with constitutional bickering, resource stealing and land grabbing, in between rounds of fighting with all the provinces and regions of Canada.

If we look at the record of the past Liberal decade we can read clearly of the decline of a once dynamic nation which could have had the world by the tail as far as economic prosperity is concerned. Instead, thanks to non-leadership, Canada is going backwards in technology, productivity, and relative standard of living. We are going upwards, boy are we going upwards, in government wasted spending, in annual deficits and in national indebtedness. All of these problems could be greatly aided by a serious effort to raise our level of technological competence.

We could start by having a full-time minister of science and technology, a full-time senior minister who understood, believed in, and would fight to convince a tired and unimaginative cabinet of the desperate need for greatly increased funding of vitally needed research. The economic and social benefits to Canada would be just a few short years down the road, and they would be big benefits.

It is true they would come just too late to help this governmnent survive the next election because research opportunities in Canada, when clearly plotted, show that a research company operates for five to eight years at a break even or loss position. However, the benefits beyond the eight years are clearly in the many times multiplier in profit generation for this nation.

If the government could see its way clear to fund past the next election, to give research and scientists a long-range opportunity to launch into these vitally needed long-term scientific projects, there would be great benefits down the road. While the government may not win the next election, it would certainly have the respect of the nation in that area, something which it does not have today.

Hon. John Roberts (Minister of State for Science and Technology and Minister of the Environment): Mr. Speaker, I obviously welcome the opportunity to take part in this debate. I am pleased to see the motion put down. It gives us a chance to discuss matters which are of very considerable importance to this country and which are not discussed sufficiently in the House.

I was going to congratulate, and I still will congratulate, the hon. member who spoke before me for the generally serious tone with which he treated the issue until the last few moments of his speech. He knows full well we have not been distracted by our constitutional concern and other matters that are of importance in this government's policies, matters which are of concern and importance to this country. He knows we have not been distracted by those necessary efforts from moving ahead to meet the kinds of concerns which he has rightly expressed, the need to move towards a well based, long-ranging long-term economic, technological and science policy. He knows full well there are before cabinet for its consideration proposals from the Minister of Industry, Trade and Commerce (Mr. Gray) and myself to reach those objectives. He knows we are not distracted and, indeed, knows our record is one of considerable action.

I was a bit surprised when the hon. member suggested that the problem was not in defining the challenges, but in acting. He knows this government has acted. It has acted in expenditure terms far beyond the levels which the previous government, the Conservative government, had envisaged for this period. When he talks about inaction, if he thinks we have not responded, what must he think of the record of the previous government which, in comparison to ours, was a record of inaction and not providing sufficient funds for what is necessary to achieve? In a few moments I will detail in both absolute terms and percentage terms some of those expenditures.

I am sorry to say to my hon. friend opposite that I was not able to be here for his speech this morning. I was in the city of

Quebec meeting with the provincial minister of the environment. I hurried back as soon as I could.

I know that on Fridays we often wax poetical in this House. I gather there was a lot of poetry this morning, and he referred to us as hollow men. When I look at my colleagues, the Secretary of State (Mr. Fox), and the Minister of Transport (Mr. Pepin), I find it hard to believe that they are hollow men. When he refers to me as a hollow man, I accept it as a compliment.

Mr. de Jong: Especially just after lunch.

Mr. Roberts: I was going to say that if we are poetical, I could have characterized his speech as one of "sound and fury signifying nothing". I gather I cannot say that. While there was considerable sound, there was not much fury. I look forward to reading his speech in *Hansard*. I have already been told some of the details of it.

I would say this to the hon. member, and to the hon. member for Scarborough East (Mr. Gilchrist). There is common ground among us. There is a recognition of the importance of the problems. There is no doubt about the need for the definition of a long-term science industrial policy. There is no doubt that the present commitments in gross national product terms of the Canadian economy, to the support of research and development, are inadequate. There is no doubt in my mind that the private sector—both opposition parties mentioned that the multinationals are not pulling their weight in the area of research and development, and that is true—the private sector is not doing as much as we think it should.

• (1430)

The problem is not the definition of the problem; the problem is whether we are acting and whether we are responding. It is in that area that I differ with the arguments put forward by my two hon. friends opposite. They say, "Let's look at the facts", and that is exactly what I want to do this afternoon—look at the facts to see how we are responding. As I said earlier, our response far outpaces that of our predecessors so briefly in office.

We are firmly committed to raising the level of research and development in Canada and to using science and technology in the furtherance of our social and economic objectives. The target we have set for ourselves is 1.5 per cent of the gross national product. The hon. member for Scarborough East said that his party's target was 2.5 per cent at the end of the decade. The critical path for reaching that target at the end of the decade is the same as the critical path for reaching 1.5 per cent by mid-decade. That is our objective.

In judging the success of our policy it seems to me that two fairly objective tests can be applied. The first is to ask what has been happening in the economy generally as it relates to research and development and, more particularly, to technology-intensive industries. The second is to ask what the government has done to encourage and support those developments.

There is evidence to suggest that the downwind trend in research and development expenditures as a percentage of gross national product has been arrested.

The *Financial Post* in its recent special report on science and technology estimates that spending for research and development by major Canadian firms will increase 17.5 per cent this year compared to 1979. Between 1977 and 1980, the *Financial Post*, although its data is partial, found an increase of 33.6 per cent in research and development employment and a 91 per cent increase in spending for research and development.

Developments in a variety of aircraft sectors where high technology is important are very encouraging. In the aircraft section, employment in Canadair since 1975 has risen from 1,800 to 6,300 persons, sales from $37 million to $135 million, and there are 183 firm orders for the Challenger aircraft.

At de Havilland, sales have increased from $29 million to $280 million, and employment has risen from 2,700 to over 5,000 people. The Dash-7 has found a steady market.

The next generation of STOL aircraft—the Dash-8—is being developed, and there are already over 100 orders for it. The government is supporting and will support the development of the Dash-8.

In the space sector, which not so long ago was non-existent in Canada, employment now amounts to 2,500 and output to $140 million. Both of these areas are expected to grow over the next several years.

The creation of a whole new service industry dedicated to the provision of resource management data based on remote sensing via satellite has been created. This industry is spread right across the country from Newfoundland to Vancouver.

The Telidon program has led to the creation of a whole new service industry for the provision of information for the Telidon system. Companies such as Infomart and Hempton have invested more than $6 million in the research and development necessary to develop and market the data base essential to the Telidon concept. These companies are also beginning to achieve export sales of expertise. It has encouraged established electronics companies such as Microtel Pacific, Bell Canada, Electrohome, Norpak and SED to invest several million dollars in the expansion of their product lines to include Telidon hardware and software. It has helped Canadian cable system companies to get franchises in United States cities.

Telidon is being tested in Europe and the United States by such agencies as the Smithsonian Institute and the Public Broadcasting System. Over 150 new direct high technology jobs have been created already, and this is just the start. All of this has occurred with a government investment so far of about $5 million.

Recent surveys show a very high level of employment for applied scientists, engineers, technologists and technicians. For university and college graduates, the rate of employment of recent graduates is very close to 100 per cent in the applied fields of study including business, computer science, engineering, health, earth sciences, and the applied physical sciences.

Obviously, Mr. Speaker, I would not claim for the government all the credit for the major trends and developments which I have mentioned and which are but a sampling of everything that is happening in this country in the field of high technology. But there is every reason to believe that the policies and programs of the government have had a generally beneficial influence and, in some case, a decisive one.

The remarks of the hon. member for Regina East (Mr. de Jong) this morning notwithstanding, tax incentives for industrial research and development have been successful. Canada has very generous measures compared to other OECD countries, and from what Statistics Canada and Revenue Canada have reported, compared to the United States. Canadian industry is taking good advantage of them. Our most recent data is for 1978, showing that 468 companies claimed research and development tax incentives whose total value we estimate to be about $28 million. Bear in mind that new tax incentives had only been introduced in 1977 and 1978, and industry was only beginning to respond at this point. A late 1978 tax incentive was also introduced but its effect does not show in these numbers, although I am confident it will have a significant impact. I expect that when the returns for 1979 and 1980 are available, the total claims will exceed $100 million.

I want to dwell on the expenditure side because the hon. member for Scarborough East denounced us for not acting strongly enough. I announced, on June 5 of this year, that the federal government expenditures on research and development in the natural sciences and engineering were slated to grow by 14 per cent over the previous year, an increase of $155 million. Since that time research and development spending plans have been approved for this year which will add a further $56 million to that total. I expect the year-over-year increase will be in excess of $200 million, representing an annual growth rate of more than 19 per cent. The hon. member accused me of using sweet words. That is flattering, I suppose, Mr. Speaker, but 19 per cent is much more than sweet words; it is action.

The 1980-81 increase of over 19 per cent shows that this government takes its commitment to the target very seriously and is prepared to put up its share of the target and to set the example for private industry, provincial governments and Canada's universities.

These expenditures, Mr. Speaker, cover a wide range of government activities. They include the mission-oriented research of departments such as the Department of Agriculture, the Department of Fisheries and Oceans, and the Department of the Environment. They include support for university research. And they include support for industry through agencies such as the National Research Council and departments such as the Department of Industry, Trade and Commerce. Within this wide range of scientific activities I should like to point to some specific program increases—increases that effectively rebut the contention that we are not harnessing the energy and talents of our scientific and technological community.

I gather that the hon. member for Regina East who spoke this morning was critical of our efforts to help high technology through the universities, with our funding for universities. He should know that among the increases included in the main estimates there is a major increase of $44 million for university support through the programs of the Natural Sciences and Engineering Research Council and the Medical Research Council, $30 million for industrial research and development support through the Enterprise Development Program of the Department of Industry, Trade and Commerce, and $13 million for energy research and development.

With respect to the supplementary estimates which will shortly be placed before the House, these contain a further increase in research and development expenditures of approximately $47 million above the $1,242 million contained in the main estimates. Included in this increase are such items as $13 million for space science and satellite development; $17 million for industrial research and development under the Enterprise Development and DIP programs; $12 million for a low head hydroelectric demonstration; about $4.5 million for communications research and development, and $2 million for the Medical Research Council.

In addition to these increases, Mr. Speaker, it is anticipated that a further $9 million will be spent this year as part of the national energy plan presented in the House this week by my colleague, the Deputy Prime Minister and Minister of Finance (Mr. MacEachen). As a consequence, the estimated expenditures on research and development by the government this year are now forecast at $1,298 billion, just under $1.3 billion, or 19 per cent higher than in 1979-80.

• (1440)

To some extent I apologize to hon. members for having gone on with statistics at such length, but the fact is that we should look at the facts, and the facts do not bear out the contentions of the two opposition members who have spoken before me.

Equally, I should draw the attention of hon. members to the research and development implications of the national energy program. That program fully recognized the importance of energy research and development in meeting our energy situation and the need to have more support for energy research and development measures at both the provincial and federal levels of government and in industry. Moreover, the program contains important new initiatives in research and development which will be undertaken to provide the technological base for long-term energy options.

The over-all research and development emphasis, however, must shift toward new energy priorities. The three priorities for this increased effort are, first, alternatives to gasoline as fuel; second, increased efficiency of energy use in all sectors of the economy; and third, new energy sources ranging from coal to hydrogen. In this regard the federal government will undertake new energy research and development initiatives totalling $260 million over the period 1980 to 1983. This will be a significant commitment in energy research and development expenditures in addition to the $160 million spent in 1979-80 under the panel on energy research and development.

The government has a genuine concern about large-scale and efficient energy development in Canada. Yesterday the government announced the creation of a new Crown corporation, Enertech Canada, to enhance further Canada's energy position by giving a boost to renewable energy development. Enertech will operate under the guidance of Petro-Canada initially and will incorporate the Solar Energy Society of Canada and the Biomass Energy Institute. Petro-Canada will provide initial funding of $20 million to Enertech, which will be located at Winnipeg.

Canada is rich in a variety of energy resources. More and more emphasis will be placed on renewable energy resources and on public education to appreciate and wisely use this important national asset.

The government considers the large intellectual resource base within our universities as a major and basic building block of any vigorous and soundly based industrial policy. That is one of the main reasons why the government has increased the budget of NSERC by 35 per cent this year.

Mr. Siddon: That was a Conservative initiative; you know that.

Mr. Roberts: Mr. Speaker, to correct the hon. member, we recognize there was vastly increased funding for NSERC in the 1980-81 estimates which had been provided on the initiative of the Conservative government of which the hon. member seems to be so proud.

Mr. Siddon: No, sir.

Mr. Roberts: We greatly increased it, and we did so because we are intent on ensuring that the council is able to attract and train more young, high calibre talent for research careers in Canada.

The council has provided some 1,000 awards to third and fourth-year undergraduates for summer jobs in research, and 100 new senior research fellowships. This latter program has brought highly experienced researchers back to Canada from abroad.

The council has directed an increasing proportion of university research and development into areas of national need. Its strategic grants program has stimulated research in energy, environmental toxicology, oceans, communications, and food and agriculture. Particular priority in those programs is given to the transfer of research results to industry.

The government is also sponsoring new industrial innovation centres at the École Polytechnique and at the University of Waterloo. These centres will aid industry, particularly small business and inventors, in the development of new products.

I have described the ways in which we have harnassed—and harnassed effectively—the energy and talents of our scientific and technological community. I have pointed to a number of developments taking place across the country which have moved Canada into the forefront of international developments in space, in communications, in aeronautics, in electronics, and in energy, to name only a few.

Some of these developments have taken place entirely in the private sector; others have been fostered or encouraged by the federal government. All are not only contributing now to our economic growth but they are also laying the groundwork for a healthy, competitive and high technology economy in the future.

I have also pointed to some of the key developments taking place in government. We have fixed a research and development target of 1.5 per cent of gross national product, including both public and private sector spending, as the objective for the research expenditures of our economy by the mid-eighties. We fully expect to meet what we feel is a reasonable share of that target this year. We are on track toward meeting that target. I am hopeful that we will do the same next year. The additional resources which we have received have enabled us to provide selective increases in some government research through the granting councils, and additional support for research and development in industry. That pattern embodies the main elements of our approach. They are maintaining a healthy scientific capability with government departments and agencies to permit them to carry out their missions, undertaking the kind of research which cannot readily be done in the private sector, or it is too expensive to be done in the private sector, or the returns are too long-term to be done easily within the private sector.

Our approach includes providing assistance to research at the university level, trying to ensure that curiosity oriented research will be supported, and training and developing in human resources the capacity to meet our objectives. Basically that support flows through the granting councils to ensure, among other things, as I have said, a flow of highly trained individuals to support science and research. Finally, our approach includes providing increased support directly and indirectly to industry, which clearly has a major role to play. We are counting upon greatly increased expenditures in the private sector to bring us to the 1.5 per cent objective.

These elements are in place, and the essence of my remarks this afternoon is that, contrary to the assertions of hon. gentlemen opposite, we are making considerable progress. We are devoting increased resources to these efforts, and we are moving in the right direction.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I am glad to take part in this debate. I want to try to broaden the look at the problem just a little bit and to take it from the research and development area just a little further into the entire area of industrial strategy, because I think it is important that we take a look at what is happening to Canada and what is happening to our industry and the value that we will hopefully derive from the kind of program my colleague, the hon. member for Regina East (Mr. de Jong), put forward if in fact the government were ever to get around to adopting that kind of program.

I listened with interest to the minister as he outlined the number of projects, project areas and companies involved in research and development of one kind or another and, without getting into a battle of semantics, there is the question of

whether they are doing pure research or product research, or in fact in many instances market research.

There are serious questions in that regard, and I think that in order to break it down it might be useful to have a breakdown of the statistics to show where the research was done and what kind of research is being done. However, I am not going to play the game of trading in statistics. I will not do so because I think that the measure of the government's success is not whether I can come up with a statistic which shows that it is spending less, or the government can come up with a statistic which shows that it is spending more. The measure of government success can be found in the unemployment figures which come out every week and which show dramatic increases. The measure of the government's success can be found in the bankruptcy courts as more and more small industries, small companies, and not so small companies, are being faced with situations in which they are no longer competitive in world terms for one reason or another, or they are unable to meet their commitments because of an economy which has been allowed to get out of hand, and costs which are too large for them to bear.

The measure of success can be found in family courts as people try to find solutions to purely personal problems which are the direct result of the government's failure to move to rationalize this economy and come to grips with the problem areas.

It can be found in the social welfare offices as people who have been unemployed and looking for work, any kind of work, in almost every community all across the country, finally find themselves with no unemployment insurance benefits and forced to do what they in their own minds thought they would never have to do, and that is to go down to the welfare office to ask for help.

● (1450)

So I do not think that you can measure the success, in terms of the definition of the new economic strategy or the new industrial strategy, the appropriateness of the amounts made available for research and development, in statistics, not in financial statistics anyway. I think they can be found in human experiences, young people who walk out of universities or community colleges, young people who come out of high schools with diplomas which, not so many years ago, meant something, diplomas which gave them a reason to believe that there would be something for them if they applied themselves, young people who walk out today with a diploma in their hand and wonder what it is worth, where do they go, what value does it have.

The other night I listened as the Minister of Finance (Mr. MacEachen) explained to the House of Commons and to the nation the government's new approach to managing the economy of Canada, and I could not help thinking how wrong-headed it was, how this approach can do nothing but be counterproductive, and how this approach can do nothing but create more of the same kinds of problems with which we have been confronted over the course of the last half dozen years. What the Minister of Finance did was to make it more expensive to do business in Canada. What the Minister of Finance did was to make it more expensive to provide the essential things for your family. What the Minister of Finance did was to reduce the amount of discretionary income for the majority of people. What he did, in fact, was to undermine an already imperilled economic sector by adding to the burden, a burden which even now is almost unbearable.

I want to suggest today that it is, therefore, not easy to talk about industrial strategy without talking about the budgetary measures that must be put in place in order for this industrial strategy to have any meaning, to have any direction, to have any substance. What the Minister of Finance did was to say that much of what people are talking about, in terms of a new and dynamic Canada with a changed economy, a new manufacturing sector, new and better means of better production, could not be achieved. What he did in that budget was to determine effectively that our manufacturing sector would not be able to undergo the massive change that would have to be undergone if we are going to be competitive in this world's marketplaces.

Canadian industry is, in the main, quite small. It was set up for the purpose of meeting the domestic market of eight million or nine million households, and that is not a very large market. This means, therefore, that if the Canadian industry, small in scale as it is, is going to be successful, it has to be both very efficient and also be able to rely on a stable domestic market as the basis for its growth, so that it can then, with that sense of stability, go out into the world and seek the world's markets and thereby take advantage of additional dollars to provide for Canadians opportunities which until now have not been provided.

I want to suggest to you that if you were to stop and analyse this budget, you would have to come to the conclusion that the discussion we are having today, important though it is, pales into insignificance when you realize that all the goals and the directions we are trying to achieve are being undermined. They are being undermined by the actions of the financial advisers to the government. God knows why. I cannot understand it at all. I sat for two days puzzling, trying to see the rationale.

Here we are with resources in abundance; you name it, we have it. Here we are with natural resources, depletable and non-depletable, with energy resources sufficient to meet our needs if properly used, with manufacturing capacity and an infrastructure in place, although desperately needing to be updated, with perhaps the most highly educated work force in the world, with the ability to produce our own food, with a stable banking system, with stability in government, except for the last few years. And yet we have to ask ourselves what it is that we do not have, what is holding us back, why are we not in the forefront, why do we look to Japan, to Germany, to other parts of the world with envy when they have to come to us to get the very things they need? Why do we have to look to them? One of the reasons is the kind of budgetary measures that were brought in this week and that are not too much

unlike the kind of budgetary measures that were brought in last year by the Conservative government.

If you reduce the number of discretionary dollars available in the consumer marketplace, that can do nothing other than reduce the amount of purchasing that will take place. If you reduce the amount of purchasing that will take place, it automatically follows that you will reduce the number of products required to be manufactured, and if you reduce the number of products required to be manufactured, you will no doubt reduce the number of people required to manufacture the products, and they will be unemployed.

If you create more unemployment, you will have fewer people paying taxes, and as you have fewer people paying taxes, those who are paying taxes will have to pay more, and as those paying taxes have to pay more, you will begin again the cycle because they will not have as many discretionary dollars, and the manufacturers who are desperately seeking ways to improve their productivity, to build up their manufacturing capacity, and to embark on product line research and pure research necessary to be competitive, not only in Canada but in the world, will not have a sufficient cash flow to put aside the dollars they must have in order to do the research, in order to undertake the engineering, and in order to do the work. Therefore, the whole process becomes self-defeating, and then becomes a major problem because it becomes in itself a destructive process.

It amazed me, therefore, when I listened to the government speaking, and remembered the time when the Minister of Industry, Trade and Commerce (Mr. Gray)—he is now in Paris, as I understand it, and I hope he is enjoying himself—God, I am glad he is not here.

Mr. Knowles: So is he.

Mr. Deans: I remember him talking about his industrial strategy. It was to put $2.7 billion into the rebuilding of the Canadian manufacturing sector. He was right. It will take a lot of money. What does the government come up with? It comes up with $44 million a year over four years. I am going to be honest with you. For most of the people whom I represent, $44 million is a sizeable sum, and I agree, although these days it is 44 Loto winners. Anyway, $44 million is allowed by this government to restructure Canada's manufacturing sector. That would not even be enough to undertake the redevelopment which must be undertaken at the Sydney steel plant. It would hardly pay for what must be done at Donkin Mines. It would be barely enough for a handout to Michelin. It would not quite match what we have to give to Ford. Certainly it would be only a quarter of what we guaranteed Chrysler. It would do nothing to help Massey-Ferguson. That is the measure of the government's commitment, that is what is available from the Manitoba border to the east coast for redevelopment.

• (1500)

I understand there is $2 billion for the western development fund. That should have been spent years ago. It is desperately needed, but for the balance of the country all we have is $44 million. That is a way of measuring the commitment of the government and deciding whether the country is in good hands with or without Allstate.

In essence what I am saying is that we have a problem not unlike those faced by many other nations in the world, but in Canada we have a different approach. Our approach is to sit back and hope it goes away. Their approach was to meet it head on, to try to find solutions to the difficulties, to recognize where the weaknesses in their economies lay and to try to straighten out the problems.

I do not deprecate for a moment the importance of the constitution. The minister said we were wrong, those of us who think that perhaps a little too much time and effort went there and a little less time and effort than was necessary went into the other measures. Be that as it may, the fact is that we cannot correct now what was not done six months ago. There is no mechanism now to do it. The budget has come and gone. The process I have described will without question undermine Canada's economy and make it even more difficult to do what must be done. It has already been put in place. I do not doubt for a moment that it was put in place by well-meaning people. I do not question the integrity of the Minister of Finance. I am sure he believes what he is saying. I do not know how he can, but I know he must. I cannot understand how he expects to solve the real problems, the ones of which I spoke, the problems of the people of Canada, with this kind of budgetary measure.

One need only look at the statistics over the course of the last couple of years. I did some comparisons for the purposes of my speech this afternoon. I looked at external trade and took some of the figures of Statistics Canada for comparison purposes. I compared the first quarter of 1978 with the first quarter of 1980. Our exports in wood and paper are up 37 per cent, our imports are up 20 per cent. In iron and steel our exports are up 34 per cent, our imports are up 50 per cent. In non-ferrous metals, 74 per cent more were being exported but 364 per cent more were being imported. Industrial machinery was up 24 per cent over 1978, but in the same period for this year our imports are up 61 per cent. In agricultural machinery, our exports are up this year over two years ago by 70 per cent, but our imports are up by 52 per cent. In other words, in the overall we are not doing very well at all. A great deal of the export increase is attributable directly to the decrease in the value of the Canadian dollar, because these are dollar figures about which we are talking. So, it is an illusionary increase. It does not really exist in terms of product development and manufacture. We are in serious straits and, of course, the budget undermines our position even more.

One of my concerns about the province of Ontario—and I believe it is one of the concerns of the minister—has to do with this area. Exports of unprocessed or semi-processed crude materials are up in the first six months of 1980 over the first six months of 1978 by 54 per cent. That looks not bad. But imports are up 148 per cent, and that looks terrible. In end products in Ontario exports in the same period are up 2 per cent but imports are up 18 per cent. This reflects a weakness in

our manufacturing sector, in our ability to meet the world demand, in our ability to utilize research and development capacity and in our ability to be competitive. Ontario faces extremely difficult times, and we still do not have in place any kind of strategy to deal with it.

I gather from the eagerness with which Mr. Speaker sits on the edge of his chair that I have reached a point where I should stop, but I want to say that the kinds of measures being proposed are not really good enough. In fact, they are counter-productive. The government had better get up off its collective butt and do something before there is no country left to save.

Mr. Herb Breau (Gloucester): Mr. Speaker, I am very happy to take part in this debate this afternoon on the motion presented by the New Democratic Party. Its justification for any changes in economic policy or anything it ever suggests is that there is a strategy written somewhere. Because some thesis is written in a university or in the caucus research bureau of the NDP, it becomes a proposal of that party. It suggests that whatever needs to be done to prop up industrial sectors of the economy can be done in Parliament just because a group of politicians in Ottawa decides to do something which they believe will automatically solve every industrial development problem in the country.

An hon. Member: Who said that?

Mr. Breau: The member should read his own motion to which he did not refer when he made his speech. When one looks at the motion, listens to the speeches members over there made today and the ones they made in the budget debate, as well as other speeches made before, one draws that conclusion. I am not suggesting they are being dishonest or insincere. They just do not know any better. They believe it is possible for the government to do everything. They begin with their political aspirations and believe it is possible to repair everything that is wrong in the Canadian economy. That is just not the way it works.

It was interesting to hear a spokesman of the Conservative party earlier today advocating more government spending as a way of solving problems in the industrial sectors of the country. That party, whenever they had a chance to govern—thank God it did not last very long—immediately went on a rampage to cut every possible productive program which the federal government had. I see the hon. member for St. John's East (Mr. McGrath) is in the House. He must recall the humiliation he went through last year at about this time because the president of the treasury board at that time had cut back on every good program there was, including those in the Department of Fisheries. Of course he disagreed with that but there was not much he could do. The collective ideology of the Conservative party took priority. So to hear somebody from the Conservative party advocating more spending in order to prop up more research in our industrial sectors is really funny to somebody who sits on this side of the House. Last year, for a period of a few months, we saw them slash every possible program which was productive. I say, "Thank God it didn't last very long". Now we are back in power. We won the election in February, and a lot of those programs are back onstream. They will help to develop sectors in the economy which are important and have a positive impact on people. The fisheries sector is one of these programs.

• (1510)

Now when members come out and say there are bankruptcies in the economy, lay-offs and some slow-downs they blame it on the fact that the government does not have another program. It is an indication that they are either not being honest with themselves or the House or that they do not understand any better. There is an awful lot of innovation happening in the economy now. Some of it is helped by government and sometimes it is helped through the taxation system. We have investment tax credits in place particularly for research and development. When some hon. members speak about the budget which was tabled this week they say every possible negative thing they can about it; they do not look at its positive aspects. The New Democratic Party does not look into certain designated areas of the country where there is a more urgent need for industrial development. For these areas we have provided a special investment tax credit of 50 per cent. The hon. member for Hamilton Mountain (Mr. Deans) shakes his head. He referred to the investment of Michelin as a handout when he spoke earlier.

Mr. Deans: That is exactly what it is.

Mr. Breau: He expects us to believe he is balanced and honest in his views and is not distorting the facts though he himself is advocating that the government should do more in the area of industrial development. Because Michelin happens to create competition in his area—they are a very aggressive company who go for the best products in the world, not only in Canada—

Mr. Deans: Ask the hon. member for Hamilton West.

Mr. Breau: The hon. member for Hamilton West (Mr. Hudecki) does not condemn it. The hon. member for Hamilton West can ask questions but I have not heard him refer to the Michelin investment.

Mr. Deans: He was almost sick about it.

Mr. Breau: The hon. member should make up his mind. He should advocate policies which the government should accept in order to create investment where research is done and where it is sound. Michelin has the best products in the world and here is the hon. member ridiculing it. He says it is a handout to Michelin. He should make up his mind. He should not object just because it creates competition in the Hamilton area and in southwestern Ontario. It does create competition, but it is healthy competition.

Mr. Deans: It is going to defeat you in the next election.

Mr. Breau: If there is to be industrial development in this country you must expect that there will be some healthy competition.

Mr. Deans: What is healthy about that?

Mr. Guilbault: Why don't you be quiet? We heard you out earlier.

Mr. Deputy Speaker: Order, please. The hon. member should address his remarks to the Chair.

Mr. Breau: I was addressing my remarks to the Chair, Mr. Speaker. I was saying to you, sir, that I do not mind those interjections. As a matter of fact, they do not make any more sense than when the hon. member is on his feet making a speech, so I have no problem in responding to them. He has been here for a little while and he has many shortcomings in proposing all sorts of programs. He says we should do this for the auto industry and we should do that for the other industries. In some cases he is right. The government should be attentive to some of those problems. But then when the government does do something which is productive and positive, he ridicules it, he says it is just a handout to Michelin or a handout to another company. He has to make up his mind and when he does his speeches will be a little more coherent.

Mr. Speaker, the NDP talk about an industrial strategy as if, in a country like Canada, you could have a blueprint, a strategy written somewhere by bureaucrats, academics or theoreticians. He seems to think something like that is possible in a country where there are at least five different economies—some people think there are even more different economies than that. At one end of the country we have a shortage of workers and at the other there is between 15 and 20 per cent unemployment. In some parts of the country we depend on resources only and in other parts we have a very productive manufacturing sector. There just cannot be a blueprint which will be adaptable to the whole country when there are these kinds of diverse economies. I can give some examples.

[*Translation*]

Mr. Speaker, here is an example of something which occurred in New Brunswick a few years ago. Everyone knows that the Saskatchewan government took special action concerning the potash industry, probably in the interest of the province, and I make no judgment on this issue. The authorities decided to get tougher with the companies and said: You will have to do certain things for the good of Saskatchewan, or else we shall take over these companies. In some cases, they did so. On the other hand, in New Brunswick, which also has a potash industry, the government decided not to follow the same development strategy nor to apply the same criteria as the Saskatchewan government because it wanted to see development in this area. Could the federal government and all the provincial governments agree on a strategy for potash development in this case? This would be impossible because one area would say that it prefers to have development under such terms or such conditions, while another area has decided that it does not want the same things. I respect these decisions. I make no judgment about this matter. It is up to the Saskatchewan government, with the people of the province, to decide what type of development policy it wants to apply.

In my constituency near Bathurst, for instance, there is a zinc mine and several other mines which are amongst the most productive in North America and probably the world and which belong to Brunswick Mining & Smelting. This is now a subsidiary of Noranda Mines Limited. At the present time, there is a zinc refinery, and in the last few years, the federal government and the government of New Brunswick have been trying through all sorts of incentives to help this company. The tax credit of 50 per cent announced Tuesday night by the Deputy Prime Minister and Minister of Finance (Mr. MacEachen) will apply to this area, and it might very well encourage the company to build a second zinc refinery. Moreover, under the programs of the Department of Regional Economic Expansion and the agreement concerning northeastern New Brunswick, there are other means through which the federal government could contribute to this project.

But ten years ago, if we had had taken a leaf out of the New Democratic Party's book, if we had said we needed an industrial strategy in Canada, someone somewhere must draft a paper that says it will be a coherent policy, coherent is a nice word, we would probably have said: Canada as a whole must ensure that resources be processed right where they are taken out of the ground. That is one of the objectives of the federal government. That is the objective that has been followed in the case of uranium, for instance, when it was said that the refinery would be established in northern Ontario, very close to the uranium mines.

We can say that in some areas of the country, but if that was what had been said in my area some seven or eight years ago, the mine would be closed. Economically, the company had no reason to build a second refinery at that time, because opening the mine required the conclusion of an investment agreement with people who owned refineries in Belgium and used to get their supply from mines in the Congo when the Congo belonged to Belgium. So then we would have had to close the mine if we had wanted to follow the national strategy, which would have meant that the 1,800 people who have been working there since would have been unemployed. Therefore a national strategy is not possible, unless we say we are going to draft a national strategy, be dishonest and not follow it.

A country such as Canada needs sectorial and regional industrial development policies, and the same applies to the provinces themselves. It is impossible to have what might be called a coherent policy or strategy unless one was dishonest and outlined such a strategy which would simply set goals for the whole country, and then failed to pursue them. So, Mr. Speaker, I would rather be honest with the people and tell them that what we need are sectorial regional policies.

To pretend like the Conservative member and the NDP member that the federal government has not been very active or enterprising, even with respect to regional development policies in the past 12 to 15 years, is to ignore the situation. I understand that the member is a newcomer from the Ontario legislature; that he is not used to sitting in the House of Commons, but if he cares to ask members who have been sitting here longer than him, such as the hon. member for Winnipeg North Centre (Mr. Knowles), that member will be able to tell him that the federal government has had regional development policies for a long time and that they are sectorial and promote development in various areas of the country. There are examples, and I just gave one, Michelin Tires, there are some in my own riding. There is a corporation—

● (1520)

[*English*]

I observe that the hon. member does not listen when I give examples. Another example is a company in my constituency called SMI Industries which makes snowplow equipment, snow-clearing equipment, crash rescue trucks and the Zamboni ice machines which are sold all over the world. This was only possible through federal-provincial development policies. It was only possible because this government has departments such as DREE, Industry, Trade and Commerce and the Department of Transport. These departments were interested in making sure that that particular sector became equal with the best in the world. It was all done by government encouragement through incentive programs.

Because there is no written document called an industrial strategy, it does not mean there is no industrial strategy. Perhaps the researcher who helps the hon. member would, from an academic point of view, like to see everything written down like a thesis. I do not suggest that the hon. member uses a researcher all the time.

Mr. Deans: Don't get sidetracked, finish your speech.

Mr. Breau: I am suggesting that it is possible to approach these problems from an academic point of view rather than from a practical point of view.

Mr. Deans: Oh, oh!

Mr. Breau: The hon. member talks about real people, but his party has been advocating an industrial strategy for Canada for some time.

Mr. Deans: So has Herb Gray.

Mr. Breau: The NDP say that because there is no document or piece of paper on which is written our industrial strategy, it means nothing is being done to promote industrial development in the country. What I am saying is that we have policies which are sectoral and regional in nature and which promote industrial development in this country.

Mr. Deans: We'll talk again.

Mr. Breau: Sure, we will talk again.

[*Translation*]

So, Mr. Speaker, coming back to the budget which was introduced on Tuesday, for the Maritime provinces, for areas in my constituency, it is a favourable budget because we are in an area which depends to a large extent on the power the federal government will have to develop not only energy but the whole Canadian economy. Because all eastern Canada, all the province of New Brunswick for instance, depends on a strong federal government and the federal government can only be strong if it retains a major part of the revenues produced by the economy of Canada. Unless the federal government has enough money it is no use saying that it will be strong enough to take care of the welfare of all Canadians, and that it will be able to deal with the interests and the economic development of the weakest parts of our country.

For my region it is important to emphasize that the philosophy underlying the government budget is favourable to us. In addition, the government is not following a fiscal policy which might be described as being regressive because it does not seek to slash overly drastically into government projects. So our region will be able to continue to progress without being subjected to a direct impact which might be disastrous because, when the federal government cuts expenditures, it means that regions whose growth depends on the federal government will suffer a lot more than other regions which have less urgent need for these expenditures. Then there is the fact that oil prices will not go up as rapidly as they would have if the December budget of the Progressive Conservatives had been adopted. Indeed, between now and 1984 there will be a striking difference between what the price of petroleum would have been under the Conservative budget of December and what it will be under the budget presented by the Minister of Finance (Mr. MacEachen) on Tuesday. In fact, according to the Tory budget the price of gasoline would have been $1.56 in 1981 and, I conclude on this, Mr. Speaker, $2.63 in 1984, against $1.36 in 1981 and $1.95 in 1984 as provided in the budget we are now considering. So there is a difference of 60 cents a gallon in the price of gasoline, not to mention the 18-cent excise tax which the Progressive Conservatives were suggesting last year.

In conclusion, Mr. Speaker, I would say that the government is introducing dynamic, active and positive measures in the field of industrial development and, in my opinion, the budget unveiled last Tuesday evening faithfully reflects that philosophy and that approach of the government, and that they will continue, I am sure, to meet the requirements of the regions which need them.

[*English*]

Mr. Thomas Siddon (Richmond-South Delta): Mr. Speaker, it is not with pleasure, but with discomfort that I rise to

support my colleagues on this side of the House, including those in the NDP, who put this motion forward condemning the government for having failed to harness the energies and talents of Canada's scientific and technological community. I say it is with some discomfort because I have heard two speakers from the opposite side, most recently the hon. member for Gloucester (Mr. Breau), using slick rhetoric and simple examples, picked selectively, to make a case which is very, very difficult to defend.

I would like to put a couple of over-all figures on the record which members of the government have failed to address. The minister's departmental estimates for this year show that for science and technology the government will spend, over all, $400 million this year. That compares with a budget of $577 million for the CBC and with a budget of $2.3 billion for the operation of the Department of the Secretary of State. Science and technology is receiving 20 per cent as much attention as the Department of the Secretary of State. In fact the total science and technology research effort in Canada consumes about $2.3 billion out of a gross national product of $250 billion, or less than 1 per cent. That $2.3 billion spent by all industry and all governments in Canada is the same as the budget for the Department of the Secretary of State of this government.

I believe that this is atrocious. The future opportunity for our children, as they grow up, will depend primarily on jobs created by the technological advancement of our country. I speak with some authority on this matter because I grew up in a small prairie town in Alberta, and I make no apologies for that. We were without paved roads, natural gas and many of the conveniences which those who were raised in this more affluent, central part of Canada have enjoyed for decades.

My parents wanted to see that I got an education. They did everything to ensure that I got that education. They even went so far as to sacrifice a family car so that my brothers, sisters and I could have an education. I found a way to work for that education. I went to the University of Alberta where I studied mechanical engineering and to the University of Toronto where I studied aerospace engineering. I spent nine years in university obtaining advanced degrees to put myself in a position where I could be employed in a high technology area in this country. Then I looked around for a job. I had the choice of five jobs in the United States of America at 60 per cent higher salary than would be offered in Canada, where there were few jobs in the private sector in aerospace industries. I had the alternative of going into a Canadian university, to teach which I did, in 1969, at a much lower salary. I felt the future of this country was important. Teaching in that university and in my work over ten years I built a research program. I used the benefits of the National Research Council and the other aid programs of this country. However, I found to my great distress that the greatest support for my research effort came from American companies to whom I also provided consulting services. These were companies such as General Electric, General Motors, Douglas and Grumman. Those companies were willing to invest in the work I was doing in Canada at magnitudes five times as large as the Canadian government was willing to provide. Over that ten-year period at the University of British Columbia, the relative amount of money available for research was gradually in decline because of the policies of the government. This government has been under the leadership of one Prime Minister for 11 years. It has allowed research and development to deteriorate to a criminal state in Canada. I found that the graduate students that I trained had to leave Canada. Some of them are working in California today. There was no private sector opportunity for them in Canada upon their graduation.

• (1530)

I found I had to go to the United States for research contracts and support, and that there were no Canadian industries particularly interested in hiring the products of our program. In spite of the high-sounding rhetoric from former ministers of state for science and technology I must say that, as a consequence of the Lamontagne committee report of the early 1970s, the government has perpetrated the greatest charade of all times on this country by establishing a ministry of state for science and technology which is absolutely toothless.

I want to give some examples to illustrate that contention. I am here today helping to preside over the collapse of our scientific and technological base. I hope it will not collapse. But from what I have seen and heard from the minister today, I am afraid that is the direction in which this country is going.

I want to read a letter from a former colleague of mine at the University of British Columbia. It is a letter to the Minister of State for Science and Technology (Mr. Roberts) written in September, 1980. This individual is a plasma scientist. He has been active in Canada for many years working on fusion research and plasma research. He now sits on the selection committee for the National Science and Engineering Research Council grants committee on energy. This gentleman said in his letter:

> I attended my first meeting recently and came to realize that the resources of this agency,—

The agency he is referring to is the selection committee.

> —are insufficient to maintain the fusion research of this country at its present awareness level, let alone raise it to a level comparable to other developed countries of similar size.

He went on to say:

> Research and development for fusion energy requires a long lead time but it probably has a huge energy pay-off.

He continued:

> The question comes down to this: Does Canada want to forfeit its hold on research in fusion, squander its expertise in the field and isolate itself from the technology which may provide the only inexhaustible and acceptable energy source in the long run? This question must be faced immediately and is far too important to be answered by default.

He says that he is faced with a choice and that physics researchers in Canada are faced with the choice of getting out of fusion research because Canada is not prepared to keep the fusion energy option open for the next generation.

That is only one of the selective examples I will use today. There are many others.

Forestry research in this country enjoys the grand sum of $30 million of support. That product returns $18 billion to the people of Canada. So the sum I mentioned is less than 0.2 per cent of the value of that product. That is all this government is willing to reinvest in the area of science and technology. Total spending on forestry, including reforestation by provincial and federal governments, is somewhat less than 1 per cent of the $18 billion which that product returns to the nation much of which comes from my province of British Columbia.

I would like to put on record some other gross figures which are astonishing and appalling in their impact. I am quoting from a MOSST report of 1978. It is known that industries in other industrial countries are more heavily supported in research costs by their respective governments. In the United States, the U.S. government foots the bill for 37 per cent of research costs. In Canada the figure is 11 per cent, only one-third as much, and that is appalling.

In terms of percentage of research and development activity, we find that total expenditures on R and D in Canada are at the present time a little more than 0.9 per cent of GNP—that is, less than 1 per cent. By comparison, in Switzerland the figure is 2.2 per cent; in Germany 2.1 per cent, and in the United States 2.3 per cent. Canada is heading into an intellectual tomb if we keep this up. Expenditures by sector of performance show that in Canada business puts up only 40 per cent of the investment in research and the government puts up more, whereas in Germany business puts up 66 per cent. The private sector is somehow induced to put 60 per cent more of its revenue into research than is being done in Canada. Switzerland, the United States and Sweden all have more than 70 per cent of the revenue in research coming from the private sector. In Canada that figure is only 40 per cent. We are top-heavy in industrial laboratories and university establishments and far too light in the area of industrial research dollars.

I have one final figure. This deals with the number of Canadians employed in research per 1,000 persons employed. In Canada, 3.5 Canadians in every 1,000 are employed in research and development. In the United Kingdom the figure is 10 persons per 1,000. In Sweden the figure is 8.4 persons per 1,000; in France the figure is 7.5 persons per 1,000 and in Germany, 9.5 persons per 1,000.

We cannot have this minister standing hypocritically opposite telling us that everything is well in Canada, whereas in fact he is spending his time travelling to see the Queen and giving speeches prepared by bureaucrats to conferences and offending the scientific community. I know that for a fact, and in a few moments I will read for the record some of the choice selections from a recent speech he has given. He is not even here in the House; he does not have the courtesy to stay this afternoon for the rest of this debate.

In our short term in office, and under the leadership of the hon. former member for Brome-Mississquoi, the Conservative government took a number of positive initiatives. I will not sit here and hear the present Minister of State for Science and Technology (Mr. Roberts) trying to take credit for a substantial increase in funding to the universities of Canada, because this was an initiative of our government under the leadership of that member from Brome-Mississquoi. Last November he announced an increase of some 33 per cent—some $40 million annually—of funding to research and development through the science and engineering research council. That amount is shown in this government's very estimates. It is an increase to a level of support of $160 million which was approved by our cabinet and our government, and they stand over there and attempt to take credit for it.

The Conservative government also approved the five-year plan which the present minister talks a lot about. It also commissioned and received the report on "opportunities for Canadian research and development directed toward the needs of the North American auto market". These are specific initiatives compared with the gobbledygook we get from the present minister, as reflected in his speech which he gave on October 21, 1980, to the first Canadian conference on astronautics. That, in a way of speaking, is my *alma mater* because that is the profession in which I was trained. The minister went before those scholarly gentlemen, well trained at the expense of the Canadian taxpayer and told them that the Prime Minister (Mr. Trudeau) had given him two very important tasks. First of all, he had been given the responsibility for space R and D, the first time a single minister had been given this role. His second important task was to aid in implementing the government's policy mandate, he says he is now responsible for co-ordinating all of the government's space activities. The minister then listed off a whole series of programs and studies that he was supposed to embark upon given those first steps. It is more programs, more talk, but no action. That is the record of this government over the past ten years which has brought this country to its knees in technological advancement.

• (1540)

I could get more incensed, but I will move to a slightly less intensive topic. I want to talk for a few moments about the federal budget. There is nothing in this budget for science and technology. There is only more deficit. In fact, there is $4 billion more deficit than we projected when the hon. member for St. John's West (Mr. Crosbie) presented his budget last December. If we are even going to get Canada up to the level of 1½ per cent of GNP in research and development, let alone 2½ per cent, we will need to get over a billion dollars injected into research and technology in this country, right now. There were not even any scraps in the budget to come anywhere close to the billion dollar injection we need.

There were no tax policies which would encourage Canadian research investment by Canadian industries; no policies on foreign investment, including the implementation of world product mandates, and no incentives for foreign companies to reinvest a portion of their earnings in research and development in Canada, building laboratories and providing employment opportunities in this country. There was no direct injection of capital to serve the needs of industry and our universities. There was no recognition of the fact that the

moneys which universities have available for the pure sciences, engineering and social sciences, and medical science, is way out of proportion to what is required. Canada is slipping ever further into the levels of effort characteristic of Third World countries.

I wish to read a couple of quotations with regard to the budget—statements made by representatives of the high technology industry. They appeared in the Ottawa *Citizen* of Wednesday, October 29, under the heading "High Technology Industry Angry". I am angry too, Mr. Speaker, I quote:

> Spokesmen for Canada's fledgling high-technology industry reacted with anger and frustration Tuesday night after learning that the federal budget contained virtually nothing to help them catch up with the rest of the world . . . Canada, spending less than one per cent of the gross national product (GNP) on research and development, is already lagging behind almost all other industrialized countries—and the gap is growing.
>
> "All these other countries have some sort of an industrial game plan," said Robert Long, executive director of the Canadian Advanced Technology Association, which represents 78 companies.

Jack Davies, president of Ottawa's Systemhouse Ltd., a computer consulting firm, said:

> "It's truly a Canadian problem that the government just cannot see the inventiveness, the creativity and the technical ability of the people in this country," said a disappointed Davies—
>
> "The government is nervous, so basically they've decided to do nothing for now," said Larry Clarke, chairman of Spar Aerospace in Toronto.
>
> "But I get concerned as time passes because it's very expensive to stay on the treadmill."

There are thousands of opportunities in this country from which this government is abdicating. We have a quarter of a million dollar noise-monitoring system at Toronto international airport which does not work. Some bureaucrat went to Texas, was wined and dined, and decided an American company should get the contract even though four Canadian scientific firms put in competitive bids. That is not right.

We have satellite antenna receiving equipment being manufactured in this country and the Minister of Communications (Mr. Fox) is going around taking them down; this is equipment manufactured by Canadian technological firms. If he is not prepared to change the law to give people the right to freedom of speech and freedom of the press, then our country is headed for censorship and utter disaster. We are destroying our own technological and electronic industry by not allowing Canadian firms to manufacture these receiving stations and to sell them for use by Canadians.

I have seen applications for research projects, such as using crushed wood fibres to build a substitute for plywood, turned down by the Department of the Environment, the Department of Supply and Services and the Minister for Science and Technology. They did not want to take a $200,000 risk on a project conducted by Canadians who knew their business.

Fusion technology is something to which this government is oblivious. A gentleman in Winnipeg has designed a new automotive cycle called the K-engine cycle. I am a technical person and I say that that cycle may have tremendous benefits in potential energy savings. It has a potential to produce a whole new industry for Canada which the government has neglected. There is also a potential particularly attractive in the province of Quebec to manufacture electric cars for commuter use and sell them to every city in North America. Who is picking up the ball? We are certainly not getting any leadership from this government.

Getting back to the budget, we are destroying the incentives of the energy industry. We are driving billions of investment dollars out of this country. That is going to mean lost jobs for our young people and lost opportunities in the future. Now we are going to nationalize the oil industry, or 25 per cent of it. What will happen to the auto industry? Are they going to get nervous next? If the government intends to nationalize the oil industry, why not nationalize General Motors, Safeway Stores, IBM, Xerox and General Electric? This government is destroying the instinct of the private sector and the freedom it has always enjoyed in this country to advance and prosper and employ our young people in jobs which are rewarding, and which allow them to earn in proportion to their individual efforts.

Now there is to be another Crown corporation to add to the list of some 440. We are to have Enertech. I have no objection to government laboratories, but until we redress the balance and get more funding for R and D by private sector corporations, why are we building more government Crown corporations to whittle and diddle and fiddle away with the taxpayers' money?

Before closing, I would just like to ask why we cannot afford R and D in this country? I believe it is a matter which involves waste by this government. I have two examples. The other day one of my constituents received a padded bag containing a whole lot of bumper stickers and buttons, bilingual, printed both sides, imploring him to come and get more of these free goodies to put up in his plant and on the bumper of his automobile. They would be free. He could get as many as he wanted—to promote metric conversion! I wish to read the note which came back with this envelope, written by my constituent. He said:

> As a taxpayer in this country I find this disgusting and immoral, the way you so freely spend our tax dollars on such garbage.

That is why we cannot afford to pay for science and technology. Metric advertising, bilingual games, wasteful double printing of government documents in both official languages, funny flags and all kinds of gismos are being purchased when we should be using that money to support scientific initiatives and to put our country back on the right track.

[*Translation*]

Mr. Gérald Laniel (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, although the Minister of State for Science and Technology and Minister of the Environment (Mr. Roberts) has indeed replied to the criticisms of the New Democratic Party and of the official opposition on this resolution, the motion contains statements which, I believe, lead nowhere. I know the hon. Minister of Industry, Trade and Commerce (Mr. Gray) would have

wanted to be in the House himself this afternoon to refute again and doubly so these statements made by opposition members.

I want to remind the House that the Minister of Industry, Trade and Commerce is presently in Paris where he is heading a delegation on trade co-operation between France and Canada and discussing such important issues as energy, raw materials, the automotive industry, aeronautics, telecommunications and other high technology industries. I will nonetheless do my best, Mr. Speaker, to show the House that the government's action in the areas of research and development and industrial strategy has been effective.

[*English*]

The government's record speaks for itself in harnessing the energy and talents of Canada's scientific community. We are indeed fortunate in possessing human resources in this country which are capable of undertaking research and development activities for the benefit of Canadian industry. However, when talking about research and development and its important role in the industrial development of the country, it is important to realize that research and development by themselves are not sufficient to create high technology companies which can face the competition which prevails in the international marketplace. It is important to view these issues in the full context of industrial innovation, including marketing and financing, which leads to the successful commercial exploitation of technology.

● (1550)

[*Translation*]

In many cases, Mr. Speaker, technological initiatives are bound to fail, not because of the technology itself or for lack of it, but rather because its marketing and financing aspects have been overlooked. Consequently, government programs and incentives must take into account the real possibilities of the market while encouraging technological development in Canada.

[*English*]

The federal government in general and the department which I represent, have long recognized this and over the past 20 years have introduced a range of incentive programs to encourage and support industrial innovation. I think it is fair to say that these programs are equal to, and probably better than and more generous than, those in many other developed countries. I wish to put before the House a few examples of programs that have benefited Canadian industry, most of which have been backed up at least at some time by government funding.

[*Translation*]

Mr. Speaker, the facts are eloquent, they speak for themselves. What we have heard to date, and what we still hear often from the New Democratic Party in this House and across the country, is what we call "parlage" in Quebec, or "just talk". The hon. member for Regina East (Mr. de Jong) spoke of the "failure of the government". He also spoke of "lip service", of a policy of pious wishes, of a "do-nothing government", of the government inertia. But, what do they do? All in all, not much to convince the Quebec electorate that their proposals, which are supposed to be serious, can fit into the context of a stable and solid development of the Canadian economy.

[*English*]

I should like to give a few examples of the results of good government policies. I am speaking first of AES Data—

[*Translation*]

—a Montreal company launched five years ago whose sales now reach $140 million. The CDC is its major shareholder and it spends over 8 percent of its sales revenue for research and development. I attended in person the inauguration of a new plant of the company Neeco Circuits System Ltd. of Montreal, last May, a company which now holds, or is starting to hold, an important rank in the field of electronic and printed circuits in Canada.

[*English*]

I want to speak also of other companies. MICOM, recently purchased by Phillips of the Netherlands, has had similar results in microelectronics, a critical area of expertise where Canada's capabilities are small but growing. Mitel, a company in this region, is undertaking a multi-year investment program which will raise its annual sales from under $10 million at the present time to some $90 million by 1984. Northern Telecom Limited, another example, is expected to bring its annual Ottawa production to $20 million in custom integrated circuits.

In the transportation sector the results are even more impressive. Government support for de Havilland, for example, has given this country an outstanding lead in the STOL technology.

[*Translation*]

The Pratt & Whitney Company of Longueil is the world leader as a manufacturer of small gas turbine engines for small aircrafts. The Bombardier Company is presently making expertise in the area of urban and semi-urban transportation. They manufacture trains for subways, LRC trains for export and it is developing new technologies in the area of railway transportation. They are also talking about manufacturing tramways for some canadian and North American cities again.

And what about the great results of Canadair and Petro-Canada, Mr. Speaker?

[*English*]

Canada is a world leader in heavy water nuclear reactors, Mr. Speaker, and in the production of radioactive isotopes and devices for use in medical and industrial application.

Dome Petroleum has developed the capability to carry out exploration in ice-infested waters and Panarctic to drill in ice islands in the far north. Development of recovery and refining of heavy oils is another area of Canadian expertise.

That expertise did not come alone, Mr. Speaker. It is the result of a mixture of Canadian support with private enterprise. Many of these Canadian companies are part of a welcome phenomena involving the start up and growth of a variety of high technology concerns which has already transformed the Ottawa area into a kind of "silicon valley" of the north. The companies range from the biggest private laboratory in Canada, Bell-Northern Research Ltd. with 2,500 employees to Dipix Systems Limited which is involved in satellite data systems and has sales of about $1 million.

Ottawa's many high technology companies already employ 15,000 people, have a payroll of $200 million and estimated revenues of $500 million. If the present growth rate continues, by the end of this decade there will be more people employed by these industries in the Ottawa-Hull area than by the federal government.

The bulk of these skills was created in the fifties and sixties with the setting up of a number of high technology companies to serve government defence markets. Much of the original research in these areas was transferred from government labs. The increased emphasis in the sixties and seventies to contract out government research and development to industry, later supplemented by the location of Bell-Northern Research Ltd. and other companies in Ottawa, has allowed a critical mass of technical, scientific, entrepreneurial and managerial skills to develop which has been able to take advantage of the opportunities in the new technology fields. This, in turn, has attracted investor interest and what appears to be growing supply of venture capital to finance existing and new companies in the Ottawa area.

We often speak of government money, government grants or government monetary policy, Mr. Speaker. Last week I was present at the official opening of the second research centre of Xerox in Mississauga where I was told that the establishment of that multimillion-dollar centre was due to the convincing actions of the Hon. Alastair Gillespie, a former Minister of Industry, Trade and Commerce, coupled with the good monetary policy of the government. That centre will serve Xerox all over the world and will undertake research which has previously been spread over other locations.

The federal government contributed some $221 million in grants and contracts to industry in 1979-80 for industrially initiated research and development and that figure is expected to increase to $243 million in 1980-81. In terms of specific programs, such as the Enterprise Development Program of the department, some 225 product development projects were supported in 1979-80 for a total commitment of government funds of $58.1 million. From this commitment we estimate product sales of 2.55 billion will result over a period of five years.

● (1600)

In addition to providing assistance to Canadian companies, the federal government, through the Department of Industry, Trade and Commerce, of which I am parliamentary secretary to the minister, has a program to utilize more fully the scientific and technological capabilities in universities and to strengthen the technological infrastructure in Canada through the establishment of industrial research institutes, centres of advanced technologies and industrial research associations. Parenthetically I might mention that next week I will represent the minister at the official opening of the Canadian Welding Institute in Toronto where advanced technology is carried out. This technology is in the field of weldings, and it is done with the help of private enterprise—Alberta private enterprise and also, I believe the Alberta government and the Canadian government. The institute has the support of the well-qualified people we can find in this country.

This program has been highly successful in establishing financially self-supporting organizations which contribute significantly to industrial development by providing expert research and development, testing and technical training services to industry on a contract basis. These services are especially useful to small and medium-sized companies. Of the 25 organizations established under this program, 15 are now financially self-sustaining and are no longer receiving government grants. One of these organizations is the one whose opening I will attend next Tuesday, The Canadian Welding Institute.

The Department of Industry, Trade and Commerce has also financed the start-up of two industrial innovation centres. These centres are associated with universities with the objective of stimulating an increase in technological innovation and assisting private inventors and small and medium-sized technology-based companies to develop and commercialize inventions and technical ideas. Hon. members would be surprised how many people come to my office from different organizations who benefit from government programs or policies and who are very grateful for what we provide as a possible potential for development for the future not only for their associations but also for the industries they represent.

[*Translation*]

Mr. Speaker, the Minister of State for Science and Technology and Minister of the Environment has clearly shown the determination of the federal government in the field of research and development. He reiterated the commitment to raise to 1.5 per cent of the gross national product Canada's contribution to research and development. Of course it is not the federal government contribution alone, it is combined with the private sector's contribution. Research and development lead nowhere unless they are carried out with the involvement of private industry. The budget provides for increases in the economic development envelope and the hon. member for Scarborough West (Mr. Weatherhead) will dwell on that in a few minutes.

Mr. Speaker, I think we can be proud of past accomplishments. There is still a long way to go. Industrial innovation will continue to be one of the key elements in developing and drafting future economic policies, although the details of these new policies are still in the preparatory stages, an aspect on

new policies are still in the preparatory stages, an aspect on which the minister insisted here in the House recently when answering questions.

Funds have been earmarked for that purpose and it can be stated that these programs and these measures will be used at the right place, on the technological capacity of Canadian enterprise, on the availability of risk capital, particularly for small businesses, and finally on incentives to foreign subsidiaries to assume more autonomy and responsibility in developing operations on world markets for their new products.

[*English*]

This will involve an increased level of financial support for industry, including the possibility of increased support for major research and development projects. The emphasis will be on closer co-ordination with industry in order that Canadian companies can fully participate in the growing demand for the technological products of the 1980s.

It is clear that the federal government recognizes the need for Canadian industry to increase substantially its efforts in the development and commercial application of new Canadian technology. Industrial innovation will have an increasingly important impact on many of the critical decisions companies will be required to make not only regarding the design of products and services or the choice of equipment and processes but also in the planning of future operating facilities, distribution activities and information systems. The impact of new technology in Canada is of fundamental importance to the future of virtually every company, and those companies which are not dynamic will not be successful. This will be taken fully into account in the strategic planning process of this government, which has put forward not only in its budget but also in its energy policy programs which look to the future and not to the past as we have heard in much of the criticism this afternoon.

Mr. G. M. Gurbin (Bruce-Grey): Mr. Speaker, I am glad this afternoon to have the opportunity to join in this debate on the motion presented by the New Democratic Party, which reads as follows:

> That this House condemns the government for having failed to harness the energies and talents of Canada's scientific and technological community in the development of an industrial strategy which would draw on Canada's traditional resource base, on our manufacturing strength, and on our new high technology industries.

I was surprised and delighted to see that motion. I was surprised that the New Democratic Party would condemn the government, and I was delighted that its members would choose this very appropriate way to call attention to their dislike of the way the government is behaving.

I strongly support this motion. Examples of the ways in which technologies have been advanced by governments have been brought forward very well by other members this afternoon. Examples of technologies which have helped this country are Mitel, Spar Aerospace, heavy water plants and nuclear power facilities.

All these are areas in which the government has helped and in which through science and technology we have helped to advance our country and our industrial base. The problem is that too little has been done and without any sustained, programmed, controlled and organized approach.

I would like to address this problem in a very specific way this afternoon by referring to the area of energy research and development. In this way I can give the best single example of the difficulties we experience in our research and development programs in Canada. I think this is the best single example to illustrate the absence of technical understanding on the part of the government, the best single example to show the squandering of our natural resources and the best single example to show the wasting of our human potential.

Our energy resource base has proved a magnificent endowment. We have tremendous potentials not only in renewable energy resources like hydroelectric power, and fossil fuels, but also in biomass that is renewable. We have uranium deposits which give us an almost inexhaustible resource, if we choose to tap it.

Even at this time we are a net exporter of energy. All the time we have been addressing our energy resources, and we have proved that we can consume, but to this point we have not shown that we can effectively reduce the consumption for which we are responsible.

Back in the 1960s about the time of the Sputnik there was a tremendous resurgence of interest in the technological field, and at that time the economy was very healthy. There was a glow about the technological community which was expressed by people cultivating scientific interests, going to university and taking scientific courses with the result that we were developing a research base in this country. It was a weak base, but it was developing at that time.

• (1610)

But then something happened. Back in about 1967 or 1968 things started to change and the resource and research base, which had been developing, started to diminish and dwindle. We started to experience increased costs for social programs and development of that type. Our economy, which was outwardly healthy in the 1960s, started to fail and people stopped going to universities and entering into scientific programs which would give them the ability to undertake scientific endeavours in the country. At the same time, the Medical Council of Canada, the Canada Council and the National Research Council decreased their level of funding to universities.

One of the other consistent problems we have had in Canada, in addition to the lack of opportunities we have with our human resource base and our energy resource base, is a very low capital situation. Not much capital is available for investment. This has been a consistent problem through the 1960s, 1970s and on into the 1980s. This is something with which we have to live. We do not have the capital we need to invest in large energy developments and in our energy resources.

I would like to quote a passage which I think is relevant. It goes like this:

"Would you tell me please which way I ought to go from here?" asked Alice. "That depends a good deal on where you want to get to" said the cat.

Some of my hon. friends may recognize that. Alice, I think, was addressing a problem which governments have to address. I have no way of telling where this government wanted to get to, but there is no question about the course of action that was followed. It is expressed simply by the percentage of the gross national product devoted to energy research and development. In 1967, it was 1.4 per cent; in 1980, it was 0.9 per cent of the gross national product. We have been maintaining an unearned lifestyle on the base of the natural resources of our country.

Back in the early 1970s, the National Energy Board predicted that this country had an oil surplus. We found out, to our regret, back in about 1973, that that was not the case. Then came the oil imports. Instead of responding to the technological challenges, our philosophical wizard leaders either through neglect or ignorance, continued to shelter us from the realities of rising energy costs and, at the same unfortunate moment, kept our alternate energy resources and conservation technology from competing. The burst of federal research and development effort and scientific achievement which led to Candu and oil sands extraction was short-lived and it has been a long, dry decade since any major energy technological achievement.

In 1967, the Science Council recognized the importance of technological sovereignty and also, called for the development of sound programs for the use of conservation and the replenishing of resources. I would just like to quote briefly from its annual report:

We in Canada must extend, and, even more important, apply our advantages and overcome our special difficulties or even turn them into assets. Our resources of money and manpower are limited; therefore we must apportion them wisely, concentrating them in areas that are important to the nation, socially, economically and scientifically.

The folly of not appreciating the importance of these concepts demonstrates vividly the technological gap that has existed in the heads of successive governments. Where we stand today with energy developments is vivid evidence of the flaws in our political leadership.

Today, in energy research and development, conventional fuels research and development is done largely by provincial governments, with only $10 million in 1980 contributed by the federal government. The recent renewable energy agreements with the provinces seemed to be of some help, but they were late, and even with these we can expect to achieve only about 5 per cent of our energy resources in the renewable area, excluding hydro by the 2,000. So in spite of this immense potential, we are not developing our energy resources. In fact, we now have shortfalls in energy supply that would indicate rationing.

PERD is the panel for energy research and development which co-ordinates all the energy research and development in the country under EMR. There are five separate areas. I will not go through them now, Mr. Speaker, because of lack of time, but they include conservation, fossil fuel, nuclear energy, renewable energy, energy transmission, and transportation. They each have their own budgets. In six years they have spent a total of $760 million. That is their total investment, even though back in 1974 we had a pretty good idea of what was happening, both in terms of our oil supplies, the OPEC countries, and the oil embargo situation.

The long-term energy supply potential of this and every other nation rests either in solar, nuclear fission, or nuclear fusion. Only in one area, in the area of nuclear fission, have we in any way been able to achieve what we should have achieved in the area of research and development to help our energy supply situation. The National Research Council, with a total budget in six years of $44 million, has been expected to do the research and development in hydraulics, solar, biomass and wind. The National Research Council has a very special problem. It is a problem of management, and this is not a unique problem in terms of scientific communities in Canada. As a Crown corporation, NRC has been expected both to manage and to do the research with the funds it has available. At one and the same time, the scientists are expected to be managers. We have to appreciate now that this is a very important aspect of the difficulties we are having with research and development in this country because what has happened is that people who are normal scientific people have been thrown into a milieu where they are required both to manage the resources and do the research. There are very few people who have this double capacity.

One of the other problems which the NRC is facing is a lack of enthusiasm. This lack of enthusiasm stems from a number of causes. Funding is one part of it because it has been inconsistent; it has been up and down, programs have been switched and people have lost heart because of the difficulties in maintaining an effective program. People are unenthusiastic because there has been no understanding, at the level of government, of their problems and of the importance of the work they are doing. Finally, they are losing enthusiasm because even when the funding is available, because of regulatory restraints they are not able to engage people to take advantage of the funding. They cannot hire people when necessary even though the funding is there.

The final point, which has to do with political control, presents the National Research Council with a particular problem because of the technological gap which exists between their level of activity and people in the government, people at the ministerial level and at all government levels. This gap is widening today. The minister and the people in charge do not understand the technological achievements and therefore cannot keep up in terms of dealing effectively with management problems. So we end up with a situation where the technocrats are in control of science and there is very little relationship between scientists and the government.

Fusion is an example I am going to use in terms of the difficulties of NRC because it is a subject on which the minister made a statement. I should like to quote his comment

before the Standing Committee on Miscellaneous Estimates of July 8 of this year. He said at that time, talking about fusion:

When I say skeptical, I mean that literally—it does not mean I have taken a decision one way or the other. I think the case still has to be made that Canada should be involved in fusion research in a major way.

The history of fusion research in Canada is very interesting, but in the short time available to me I would just like to say that we have at least three separate areas in Canada which are competent in fusion research. We have people such as Dr. Skarsgard at the university of Saskatchewan who is respected in the international community as a very prominent fusion researcher. We have people in Canada in different provinces who have been very interested in trying to bring the INTOR project to this country; that project, I understand, may well be cancelled because of the situation in Afghanistan and the international climate. But that situation need not prevail indefinitely. It is a situation which may not, in fact, stop INTOR. We can still be involved in an international program if we have the desire. Hydro Quebec is another good example. They have a fusion project and a research reactor which they would like to develop and use. They are very concerned now, because of federal attitude, that they will no longer be able to do this.

● (1620)

In 1979 the National Research Council dedicated $3.1 million to fusion research. In 1980 the commitment was only $2.9 million. The International Energy Agency commented on this. It was concerned about the low level of funding to fusion research in Canada. We are concerned about fusion research because we will not be able to keep up with the international community. We will not be able to keep our hand in at the table when we are talking about technological advances which can help the country.

I should like to try to explain the importance of this. Look at some of the advantages of the fusion research program. Quite short of actually producing the electrical power of fusion, we have the advantage of development technology in a number of ways. Indeed it is a potential energy source, both at home and abroad. It is a potential complement to the Candu system—and this is something which is poorly understood—because it can help develop fuels for the Candu system. It can help with other technologies from electronics to the programs trying to achieve direct electrical energy conversion. It can help in developing special materials for use in reactors. Finally, it can help in the area of international co-operation.

I should like to refer to the Science Council of Canada Report of June 1979 which reads as follows:

International co-operation is essential to ensure that Canada remains at the leading edge of scientific and technological research, to avoid unnecessary duplication of work done by others, and to develop the capacity to adopt and adapt foreign technology to its own advantage. In selected instances, especially when dealing with complex technologies, Canada need not "go it alone" because of concern that co-operation would result in a secondary role. On the contrary, Canadians should systematically assure equity in international developments through practical and responsible sharing, and through comparative strenghts based on unique high leverage opportunities.

For whatever reasons, the Minister of State of Science and Technology (Mr. Roberts) does not understand.

The United States has a permanent science and technology committee with a number of subcommittees. It has a support staff of 80 permanent people for the committee and subcommittees. It dedicates 2.5 per cent of its gross national product to science and technology. It is surpassing us in all energy technologies with the exception of the Candu fission reactor and tar sands and heavy oil developments. It uses private enterprise management systems to manage the research and development effectively.

The government must identify the importance of science and technology to the country. As each year passes, we see there is an increase in societal dependence on technology, an increasing dependence on foreign technology with a branch plant mentality for technology being adopted and imports of technology into this country instead of developing them here. Each year there is an increasing gap between politicians and technology. In the end we are leaving our destinities in the hands of technocrats.

As each year passes, shrinking geographical boundaries and population expansion come close to the limits. If needs in energy and other resources are not met in the global sense, we run an increasing risk of global conflict. We can help meet many of these needs as well as provide important improvements in our own country. We can provide improvements in employment, in our balance of trade payments, environmental control and national self-sufficiency in energy.

I personally believe we can start this procedure by establishing an effective energy R and D program and an effective over-all R and D program. This effort would be significantly assisted by several measures. First, by providing independent private enterprise management systems for bodies such as the National Research Council. Second, by relieving R and D functions from any restrictive regulatory controls on personnel. Third, by aiming for continued research and development funding of at least 2.5 per cent or more of the gross national product. Fourth, by developing interacting effective liaison for business, university and government. Fifth, by expanding and maintaining international involvement and co-operation where appropriate. Sixth, by establishing tax and government financial assistance and procurement practices to assist private enterprise research and development and to provide markets for the purchase of first products. Seventh, by re-establishing the credibility of the scientific university community through financial support, project grants and constant co-operation. Eighth, by the establishment of a parliamentary standing committee on R and D. Ninth, by providing political leadership which is sensitive, informed and committed. Tenth, by providing a permanent full-time R and D minister.

Mr. Jim Fulton (Skeena): Mr. Speaker, I am pleased to take part in this debate today. I listened with some interest to members on the government side and I must say I have not been convinced of one single matter relating to either the budget or their position in relation to science and technology. This afternoon I intend to support, particularly in relation to the inherent problems of the forest sector, some of the state-

ments made by members opposite and explain why our motion is inherently correct.

Canada's scientific and technological sector is Canada's first industry. The forest industry is now in a rapid decline. The universities of this country are not producing anywhere near the number or level of experts required in the forest industry, and the low level of funds delivered by the federal and provincial governments is the reason.

This week's budget did not contain one word about Canada's largest single economic sector. By not placing a single word in the budget about the forest sector, it totally justifies the motion put forward by the hon. member for Regina East (Mr. de Jong). In my view the government condemned itself on Tuesday.

I should like to outline exactly what is happening in the forest sector before getting into some of my specific recommendations relating to R and D. Not many Canadians are aware that only 35 per cent of Canada is treed and that only a fraction of that area is still harvestable first growth. Forest products in Canada are the largest single net source of revenue, particularly to the federal government, with approximately $20 billion in exports this year. I must point out that it provides a livelihood for slightly over 10 per cent of the labour force in Canada and employs in excess of 1.3 million Canadian men and women.

Both the yield and supply of forest products are dwindling. For example, British Columbia produces about 80 per cent of the softwood lumber for Canada, 50 per cent of the pulp, and 30 per cent of the softwood lumber for United States market. Supplies are declining particularly in the province of British Columbia which is the largest single geographic region producing forest products. There will be shortages in every region of British Columbia within 5 to 20 years. Most of the largest, most productive areas will face shortages by the middle of this decade. By the turn of the century another 25 per cent of the forest land will have been shaved away for such uses as agriculture, urban and rural sprawl, rights of way and parks. Most of that land will be prime valley bottom, the most important and productive area for the growth of forests.

The public are the true stewards of forest lands, yet neither Ottawa nor any of the provinces have really accepted that challenge and set up public advisory committees to deal with the very serious question of what uses forest lands should be put to. Rather than accepting that challenge at the government level and allowing the public to become involved, they are allowing an increasing number of conflicts to arise. Rather than achieving some kind of resolution of these problems in advance, we will see conflicts between fishermen and loggers, between miners and foresters. Inaction will create serious social problems which really do not need to occur.

One serious question we have to face—and certainly the government has never faced it—is how to maintain volume without entering further into the regime of bad forest practices in which we are presently involved. The budget gouges western and northern Canada to the benefit of Liberal patronage programs in the United States. I do not make either of those statements lightly. The funds for research and development in the following areas are examples of where I feel a considerable number of dollars should have been placed. I am speaking of hundreds of millions of dollars. I think, for example, of the harvesting and utilization of trees down to the size of ten centimetres. Right now in Canada there simply is not the development, either at the university level or within the industry, for the types of technology required for harvesting and utilization. On the northern Pacific coast one of our most serious problems is the leaving of small trees in the bush under nine inches in diameter at the butt. A lot of the timber slightly larger than that, particularly hemlock and species such as that, are simply dumped into the ocean after being brought out because the industry finds it cheaper to allow those trees to go to waste. So they drift up on the beach where they have a very serious and damaging impact. This is another area where the federal government has clear jurisdiction and should be involved. As these trees wash in and out with the tide they break off the kelp, disturb intertidal life, break the barnacles and that type of life off the rocks, and cause a serious decline of the inner beach areas. This has an impact on fisheries on the Pacific coast and a general impact on our whole biological system in British Columbia. I would say a similar situation exists in the maritimes as well.

● (1630)

It is in these areas that research and development and forward-looking policies would benefit us all rather than allowing these problems to accumulate until very serious damage has been done. A government which had any sort of progressive or imaginative policies would be dealing with these things now.

A crucial problem which we have experienced this year, perhaps more than in most years, has been the serious forest fire problem. An area about six times larger than the area which will be cut this year was burned, particularly in Ontario and Manitoba. The government is doing nothing in terms of research and development to utilize and harvest those burned trees so that they can be put to a wide variety of uses, as has been demonstrated in other areas of the world. The national allowable cut in Canada is now 200 million cubic metres per year with about 150 million cubic metres per year actually being harvested.

The area that was burned this year was larger in size than Great Britain. It consisted of some 240,000 square kilometres. Interestingly enough, that is almost exactly the same size as the area which has been left. It is an area which was cut in the past several decades; it was formerly productive land and now it lies unsatisfactorily restocked. I think we should take a close look at that. The industry harvested generally the valley bottoms and heavy rainfall areas that had been cut. There are washouts, the soil disappears and the companies are not forced to go back in to do proper reforestation and silviculture. Those areas lie idle. History speaks for itself in relation to issues such as this. We can see enormous, barren areas, for example, in northern Africa and other parts of the world which were

improperly harvested and never restocked and have turned into desert.

Where is the federal government? Where are the funds for R and D, for such things as hog fuel, briquettes and development for industrial use? Certainly the forests will become one of our major areas of energy production and we simply are not moving into that area at all.

Cutting, milling trades and training in the use of hardwoods are classic examples of small, almost cottage-sized industries which could be utilized in the maritimes, throughout Quebec, Ontario and very much so in western Canada for such products as furniture, wall and floor coverings. The reason you do not see a lot of cottage or small hand-logging operations in these areas is that the R and D has not been done and is not being done for that type of utilization, for providing practical small kiln operations, small milling operations for the individual tradesman and producer. Twenty per cent of the merchandisable volume of timber in Canada right now is hardwood. Yet it is only 5 per cent of the harvest. That is a shameful thing for a country to be admitting when such woods as we see here in the House of Commons may never be seen again in this country if we do not get some decent silvicultural practices under way. Basic efficiency is what research and development should encourage.

In relation to milling, for example, some of the small countries which have no indigenous forest population are the ones which are moving the most quickly. In the area of laser and sonar the Japanese have moved very quickly. Last year, 30 per cent of the cypress or yellow cedar which was moved from British Columbia and sent directly to Japan was milled in Japan. There they make full use of laser and sonar production whereby the log is actually sized by sonar; they know where the knots, tapers and cracks are and they know where the bark is. It is completely sized, it is computerized and it is cut with almost no sawdust and almost no waste.

For a country like Canada to be simply mining our forests at a time when that kind of technology is being created is just not good enough. If we simply had the R and D to bring some of that fundamental technology here so we could expand it and make full use of the products we have here in Canada, making not only more jobs in R and D but more jobs within the industry, it would avoid the conflicts we are likely to see in terms of multiple resource use. The complexity of the situation is compounded by a government that simply will not act in an imaginative fashion and get the R and D money moving.

The great grab of prime first-growth in Canada is almost over, yet the forest sector still accounts for over 18 per cent of our exports. I am sure there are not many members sitting in the House today who recognize that it makes a larger contribution to the Canadian economy than agriculture, mining, fishing and petroleum put together.

Federal funds available last year were less than $130 million. I differ from my friends to the right here who say they made a dramatic expansion in last year's budget. They did make a number of progressive moves, certainly in relation to putting in place an assistant deputy minister to deal with forestry at the national level. I certainly compliment them for that move, and not the members on the opposite side.

Less than $200 million will be spent this year on R and D in the forest industry. I would point out that this amount is exactly half of what was put aside for R and D in relation to forestry ten years ago. A decade ago we were putting in twice as much in terms of real dollars. I think that is a pretty shameful comment on the minister who rose in the House earlier today and indicated that he really was going to move hard in the field of research and development. Out of the $20 billion in relation to the export of products in the forest industry, only $35 million, as was pointed out earlier today, will be spent on research and development in this industry. This is less than two-tenths of one per cent of the economic value and is a shameful comment in relation to this industry, not only in Canada but anywhere in the world.

There is nothing in the budget, even with a national economic and unemployment disaster on our horizon. It is quite clear that the shaving away of forest land and the serious problems which are occurring now are caused by prime cuts which have come off and are being replaced by much smaller second growth. Quite frequently, for example, when red cedar or Sitka spruce or Douglas firs are cut down, the second growth you naturally get back is composed of alder or some of the less valuable species such as hemlock. This certainly happens in the province of British Columbia for which I can speak, knowing the forest industry in that region quite well. Yet such simple techniques as better reforestation—and when I say that I mean the entirety of silviculture from the collection of the seeds, to the growing of the small seedling, to planting it and caring for it, in terms of thinning processes and so on—is good investment. As my hon. friend from Regina East pointed out, investments of that sort are good investments. You invest a few pennies today and you collect many dollars down the line. It is only a very shortsighted government, interested in clutching and grabbing straws close at hand, which would overlook the importance of reforestation in Canada today. To invest a few million dollars in the next few years would create billions of dollars over the next 20 years. Forest management on the east slope of the Rockies in Alberta would do a number of very profound things, not only in relation to wildlife, the aesthetics of the area and the potential forest harvesting; it would allow more water to drain into the river systems, which provide Canada with its very strong and important agricultural base. But nothing is being done either in the budget or in policies of the government to deal with this very serious and pressing problem. Better processing would save a minimum of 20 per cent of the product yield.

• (1640)

Earlier I mentioned laser and sonar technology. It is an area in which Canada, of all the countries in the world, should be moving ahead the fastest, but we are not. At least 1.5 per cent of the forest industry gross product should be allocated to research and development. As I said earlier, the figure is presently only .2 per cent. We must move ahead by at least a multiple of 7 per cent or 8 per cent before we will even be on a

standing with some of the very small countries which have no indigenous forest populations.

Increased expenditures on research and development will not only give us a better, more saleable, less expensive product, but will give us faster growing trees and more jobs. Again, it comes back to the energy sector. I recognize that the Canadian Forest Service and Federal Research Service are doing something in the area of small, rapid growth tree harvesting in their investigations of methanol production for possible replacement. I think it is an excellent idea. One of these days members of this House will wake up and realize that gas and petroleum were produced tens of thousands of years ago from growing plants. Ultimately, the light will go on in our minds and we will recognize that we will be required to obtain our energy from the sun, through plants and biomass. Research and development is an investment that would pay off handsomely. Instead, what we have is a Liberal policy, that, rather than pay-off, gives us lay-off, in excess of 1,000 people a day.

The staff decrease in the forest service is 138 this year at a time when we are not even approaching sustained yield. The forests of this nation are being mined, particularly by federal forest policy. Less than five cents of each dollar of tax revenue going to the federal-provincial coffers is being spent on silviculture. The Canadian Forestry Association, for example, estimates that 20 per cent of the land is receiving little or inadequate regeneration at the present time, and that is a 1980 figure.

That figure is quite different from the figure given by the minister earlier today. He said that 12 per cent of our prime forest land is inadequately stocked. We can quibble over the difference between the word "little" and the word "inadequate", but certainly he estimates about half of what is estimated by the Canadian Forestry Association. However, he does admit that we are falling back in restocking our forest lands by at least 500,000 acres a year. I took these figures from a recent speech made by the minister. Yet he wants to increase the cut by 50 per cent by the year 2000. In my opinion that is total, irresponsible Liberal hypocrisy. When one sees the figures on what is happening in the forest sector, to propose to increase the cut by 50 per cent without investing any R and D money is absolutely hypocritical. The Minister of State for Science and Technology and Minister of the Environment once said:

> Knowledgeable opinion is unanimous that Canadians must spend more money to maintain our country's forests.

Then he went on to say that Canadian forest service has 50 per cent fewer staff than in 1968 when the Prime Minister came to office, and that the purchasing value of the budget this year is less than half of what it was nine years ago. It is a very shameful comment on R and D in the forest service in this country. The minister also said:

> It is my intention to strengthen federal involvement in forestry.

That is an absolutely ludicrous statement. How can he strengthen investment by cutting research and development, cutting staff and cutting the budget in half? It is the ultimate in double talk and attempted public deception. It is time we matched the annual cut with annual production on those lands which have been and are being cut. Is that not sustained yield? For example, 13 per cent of our pulp now goes to newsprint and 30 per cent to wrapping paper. Where is the research and development in this country on recycling that paper or the government input to see that recycling becomes a real part of conservation in Canada? Think of the impact on jobs and conservation if the money used for the goose and beaver ads were used for conservation purposes instead of for sheer political propaganda.

This brings me to my concluding remarks concerning what I call the fall-down effect. First, the forest base is shrinking, as is demonstrated by scientific evidence. Second, second growth which is smaller in diameter and smaller in volume of wood will create an impact on the industry. Third, there are fewer R and D dollars coming from the federal government. Fourth, there are fewer innovations in silviculture, pest control and enhanced growth. Fifth, there are fewer new products for local and international markets—this, again, will have an impact on our balance of payments and industry within Canada. Sixth, there is less education for conservation and product recycling, and this comes at the same time as the government is cutting back funds to post-secondary education in the R and D field of forestry.

There are fewer scientists being produced due to the lack of these funds and there are fewer staff due to the Liberal cutbacks which I have already outlined and can be confirmed in this year's main estimates. There are lost jobs due to the economics of scale in the industry, and this, too, is creating a very serious problem. None of my information has been disputed in this House, nor do I expect that it will be in the near future unless the government completely changes its policies.

The Liberals are eager to get into the profits of gas and oil in western Canada. In my view there lies the true nature of that party. In relation to the forest industry and to R and D, it has put nothing into these areas even when they are on the decline. But because prices are beginning to move up in the oil and gas industry, the Liberal hand goes in to grab.

Today's message is not new. In 1871 Sir John A. Macdonald said:

> We are recklessly destroying the timber of Canada and there is scarcely the possibility of replacing it.

That was said well over 100 years ago. I will conclude with two very short statements. In one area of my riding a Crown corporation ordered five million seedlings from Victoria this year, but only one million will be delivered and by no means will all those seedlings survive. A totally new, totally Canadian-owned operation to make pressboard in Smithers, in my riding, was turned down by this government through DREE in favour of a foreign-owned eastern Canadian operation. Those two statements speak for themselves, as does today's motion, and it is all because of the budget introduced on Tuesday.

Mr. David Weatherhead (Scarborough West): Mr. Speaker, my hon. friend, the Minister of State for Science and Technology (Mr. Roberts), described earlier this afternoon the

action of the government in spurring greater research and development in Canadian industry. Innovation and technical change are central to Canada's future manufacturing performance. They have and will continue to receive very strong government support. In addition there were excellent examples of practical results of the government's recent programs outlined earlier today by the hon. member for Gloucester (Mr. Breau) and the Parliamentary Secretary to the Minister of Industry, Trade and Commerce (Mr. Laniel).

But greater effort in R and D and innovation, however critical to our industrial strength, is by itself, not a sufficient response to the competitive pressures that Canada faces in the 1980s and beyond. Drastically higher prices for energy and changes in the international trading environment are only two of the most obvious of these pressures. Exposure to ever more aggressive competition and import penetration from the newly industrialized countries, in standard technology products, and from a number of developing countries in low technology, labour-intensive products and resource commodities are also extremely significant factors in the new economic environment that confronts the traditional industrialized world.

A successful response to this environment will call for imaginative government action and leadership on a broad front. Without such a government commitment, there is no assurance that Canadian economic performance will be maximized or that we can even keep pace. I want to take a few moments to sketch out the dimensions of this commitment.

An overriding government task is to seek to maximize efficient activity in all regions of Canada based on economic strengths and, especially, the resource strengths that can spearhead development in the west and Atlantic regions, although with benefits accruing to all of Canada. To achieve this, the government has recognized a need for developmental assistance to ensure that major growth opportunities, for instance, in advanced technology industries and in resource supply and further processing sectors, are captured, and measures to ensure that Canadian firms are able to participate competitively in supplying the engineering expertise, the equipment and the new technology required for the expected massive energy and resource development in the coming years.

These are necessary because it is far from assured that the development of our energy supplies will bring significant long-term industrial benefits.

● (1650)

Another overriding consideration, closely related to the constitutional reform process, concerns the strengthening and maintenance of the Canadian common market. In a world characterized by economic entities five to ten times more populated than our own, such as the United States, Japan and the European economic community, the last thing Canada needs is fragmentation of its own domestic market. On the contrary, we need to find the means for establishing and maintaining the largest possible domestic market as an essential prerequisite of a more efficient, more productive and more internationally competitive economy. This is one of the fundamental objectives of constitutional reform, yet it is an objective on which we have just begun to make progress.

The government is also committed to, first, adjustment policies focussing on productive investment rather than subsidy to encourage the movement of resources to strong and potentially strong industries and potentially strong subsectors in less dynamic industries at a rate sensitive to social considerations.

Second, it is committed to influencing firms with a significant impact on the economy to pursue innovation and product development in Canada, expansion of exports and sourcing of equipment, components and services on a competitive basis from Canadian suppliers.

Third, this government is committed to encouraging Canadian ownership and control of this country's productive assets and ensuring that foreign investment, to the extent that we require it, adds to our ability to take full advantage of the opportunities that are opened up to us. Fourth, the government is committed to assistance to firms to obtain access to and develop markets abroad, including the development of a concept for a national trading corporation and of more effective export financing programs.

These measures in industrial development, all of which, by the way, are consistent with the government's campaign and throne speech commitments, are not an exhaustive accounting of the elements of a national industrial policy. Nevertheless, they demonstrate the wide range of needs and problems which the government is addressing, and addressing imaginatively, flexibly and co-operatively with business and labour to stimulate the maximum realization of the country's economic potential.

The federal budget of last Tuesday states that the total increase in the economic envelope expenditures over a three-year period, from 1980-1981 to 1983-1984 will amount to $6.49 billion. Of the $6.49 billion, approximately $4 billion will be spent on new western initiatives. Particular attention in the western initiatives program will be directed to infrastructure development, such as grain handling and transportation, which is intrinsic to economic development in the west and also to industrial diversification in the west.

Over the three years, in addition to the $4 billion on the western initiatives program, there will be at least $2.49 billion allocated to research and development, expansion and modernization of industrial capacity, and other elements of the government's economic development plans.

The budget also pays special attention to the economic development problems of less developed areas. The speech announced a special allocation of $350 million to deal with the industrial restructuring and labour adjustment problems in regions of particular need. There is also a new investment tax credit which will pay to investors 50 per cent of manufacturing investments made in high unemployment and low income regions of the country.

The energy package is particularly important to the promotion of economic development. The made-in-Canada pricing schedule will ensure maintenance of a strong competitive edge

for domestic manufacturers. The energy package also envisions the expenditure of enormous sums of money which will have multiplying economic development impacts. For example, the oil substitution component will comprise $1.6 billion of expenditures on things such as conversion grants and conversion of federal buildings, which imply great opportunities for industries suppling conversion equipment. Similarly, the $1.15 billion that will be spent on conservation and renewables will involve industrial development opportunities and government assistance to improve energy efficiency and so modernize and enhance productivity of a great number of industrial plants throughout the country.

Finally, the greater control the federal government is obtaining over the development of the energy sector through new regulations and the new regulations and the new treatment of Canada lands will ensure that Canadian industries in all parts of the country can share in the industrial benefits of energy development. For example, the new oil and gas act will ensure that a high level of Canadian goods and services is employed in oil and gas activities carried out on Canada lands. Applicants for exploration and production rights will have to demonstrate how their operations will bring industrial and employment benefits to Canada, both in the region of interest, and elsewhere in the country. Where applicable, companies will be expected to put in place special training and employment measures, particularly for native Canadians.

I want to stress that in the task of putting together the complex of policies and programs necessary to ensure a bright industrial future for Canada, the government has and will continue to rely on the advice and co-operation from the Canadian public, especially groups representing business and labour. Recent examples, such as the Tier I and Tier II committees and the Hatch committee, indicate that when business and government focus on specific problems or actions, wide areas of agreement can be found. Currently there is the important work of the Blair major projects task force which is examining the long-term contribution of major capital projects to the growth of the Canadian industrial and technological base. Mentioned as well should be the important but less visible contacts of ministers and government officials on an ongoing basis with government and labour.

We are now moving from agreement to action on many fronts. I expect that my colleague, the Minister of Industry, Trade and Commerce (Mr. Gray) will be in a position to announce some of these measures to the House in the near future. I am encouraged by the new interest expressed by the opposition parties in industrial policy and hope that when the government announces these measures it will have their full co-operation and support.

May I say again that I was pleased to take part in this debate. May we call it five o'clock, Mr. Speaker?

Mr. Deputy Speaker: Order, please. It being five o'clock, it is my duty to inform the House, pursuant to Standing Order 58(11), that the proceedings on the motion have expired.

At 5 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, November 3, 1980

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

HIGHWAYS

PAVING OF MACKENZIE HIGHWAY—MOTION UNDER S.O. 43

Mr. Dave Nickerson (Western Arctic): Whereas the government of the province of Alberta has offered to loan funds to pave the Mackenzie highway from the Alberta border to the port of Hay River in the Northwest Territories, and whereas the federal government has neither responded to this offer nor is prepared to undertake this badly needed project itself, under the provisions of Standing Order 43 I move, seconded by the hon. member for Athabasca (Mr. Shields):

That the Government of Canada put narrow partisan considerations aside and work co-operatively with the governments of Alberta and the Northwest Territories in order to expedite the early paving of the Mackenzie highway.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

FOREIGN INVESTMENT REVIEW AGENCY

PUBLICIZING OF MAJOR ACQUISITION PROPOSALS—MOTION UNDER S.O. 43

Mr. Bill Domm (Peterborough): Madam Speaker, I rise under the provisions of Standing Order 43. It is my understanding that the Minister of Industry, Trade and Commerce (Mr. Gray) has an obligation to be more than a rubber stamp to FIRA recommendations to cabinet. In view of 300 jobs being lost at the Canadian General Electric plant in Peterborough as a result of the minister's approval of a FIRA decision, I move, seconded by the hon. member for Cambridge (Mr. Speyer):

That the Minister of Industry, Trade and Commerce reaffirm his government's pledge in the Speech from the Throne that "amendments will be introduced to ensure that major acquisition proposals by foreign companies will be publicized prior to a government decision on their acceptability", and that this government be censured for approving this CGE transaction without allowing adequate representation from, or maintaining effective communication with, the people of Peterborough.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

TRANSPORT

CHURCHILL, MAN.—INCREASED USE OF PORT FOR SHIPMENT OF GRAIN—MOTION UNDER S.O. 43

Mr. Rod Murphy (Churchill): Madam Speaker, I rise under the provisions of Standing Order 43. Whereas the port of Churchill is an economic benefit to many farmers who wish to ship their grain through Churchill and that under the existing disastrous mismanagement only 300,000 tonnes were shipped through Churchill this year, and since the Minister of Transport (Mr. Pepin) has refused to set up a separate committee to study the improved use of Churchill for shipment of grains and other products, I move, seconded by the hon. member for Dauphin (Mr. Lewycky):

That this House instruct the Minister of Transport to establish immediately a committee that will make recommendations to improve grain transportation through Churchill for next year, and that this same committee will be asked to make recommendations for the expanded use of the port in the future.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENERGY

CALL FOR RESUMPTION OF NEGOTIATIONS WITH PRODUCING PROVINCES—MOTION UNDER S.O. 43

Mr. Bob Wenman (Fraser Valley West): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the fact that the Prime Minister's self-proclaimed expertise on western separatist sentiment has recently been put to lie by a poll published Saturday showing one in four Albertans wanting to separate from Canada, and in order to establish fairer treatment for Canada west, I move, seconded by the hon. member for Mississauga South (Mr. Blenkarn):

S.O. 43

That the Prime Minister renew energy negotiations not only with Alberta but also with other energy exporting provinces, such as British Columbia, before western alienation increases to a similar pitch in the other three provinces of the west.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

WOMEN

EQUAL RIGHTS—CALL FOR ACTION ON GOVERNMENT COMMITMENTS—MOTION UNDER S.O. 43

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, under the provisions of Standing Order 43, and seconded by the hon. member for New Westminster-Coquitlam (Miss Jewett), I move:

That this House takes note of repeated commitments to equal rights for women, and therefore calls on the government to act on these commitments in terms of job opportunities and equal pay for work of equal value, as well as in providing pension coverage on a universal basis, equivalent to the Canada Pension Plan, for women who work in their homes, and also by eliminating forthwith the discrimination against women between 60 and 65 who are without spouses, it being the view of this House that all women in that age bracket should be entitled to the equivalent of the spouse's allowance, regardless of marital status.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

SMALL BUSINESS

CALL FOR LOANS PROGRAM FOR NORTHEAST ALBERTA—MOTION UNDER S.O. 43

Mr. Jack Shields (Athabasca): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Whereas many small businesses in northeast Alberta face not only economic hardship but bankruptcy as a result of delays in oil sands and heavy oil projects going ahead in the area, caused directly by the failure of the Liberal government to reach an energy pricing agreement with Alberta, I move, seconded by the hon. member for Red Deer (Mr. Towers):

● (1410)

That this House direct the Minister of Industry, Trade and Commerce to implement immediately a loans guarantee program to small business in that area as he has to larger businesses elsewhere in Canada.

Madam Speaker: The presentation of this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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FOOD AND DRUGS ACT

INCLUSION OF "MAGIC MUSHROOMS" AS PROHIBITED ITEM—MOTION UNDER S.O. 43

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, because of the importance of this matter for the future of many young Canadians I have some grounds for hope that this House will give unanimous consent to my urgent and pressing motion under Standing Order 43.

Because of the damage to mental and physical health caused by the ingestion of the hallucinogenic so-called "magic mushrooms" now coming to maturity and being harvested in large quantities on Vancouver Island and in the Fraser Valley, and in view of the legal difficulties confronting the police and farm owners to control the situation because these hallucinogens are not considered prohibited items under the Food and Drugs Act, I move, seconded by the hon. member for Fraser Valley West (Mr. Wenman):

That the Minister of National Health and Welfare be required to indicate on motions when she plans to bring forward a measure to have these fungi included in the list of natural products whose possession is unlawful under the Food and Drugs Act.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

JUSTICE AND LEGAL AFFAIRS

REFERENCE OF GUN LAWS TO STANDING COMMITTEE—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Madam Speaker, I rise under the authority of Standing Order 43. Whereas section 101 of the Criminal Code of Canada allows a police officer to search a person's home without a warrant and to seize any firearm when no crime has been committed and no charge has been laid, whereas a judge has ruled that this section is ultra vires and that the implications of this section are "frightening", and whereas such searches and seizures are contrary to the Canadian Bill of Rights, I move, seconded by the hon. member for Red Deer (Mr. Towers):

That the gun laws of Canada be referred for review and amendments to the Standing Committee on Justice and Legal Affairs at the earliest possible time.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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METRIC CONVERSION

CALL FOR ABOLITION OF METRIC COMMISSION—MOTION UNDER S.O. 43

Mr. Girve Fretz (Erie): Madam Speaker, I rise on a matter which is both pressing and urgent. As reported in *Hansard* for May 22 at page 1305, the Metric Commission has already spent over $25 million promoting the metric methodology, and $27 million more have been earmarked for the next three fiscal years. However, given that there has been a decision made to follow the Tory lead and to delay imposing metric conversion on the retail food sector for at least another year, I move, seconded by the hon. member for Peterborough (Mr. Domm):

That this House urge the government to abolish the Metric Commission until a firm decision is taken on the viability of metric at the retail level, thereby saving the poor Canadian taxpayer further financial and emotional grief.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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INQUIRY OF THE MINISTRY

CALL FOR REPLACEMENT OF MINISTER OF ENERGY, MINES AND RESOURCES—MOTION UNDER S.O. 43

Mr. Gordon Towers (Red Deer): Madam Speaker, I rise under the provisions of Standing Order 43 to underline the very serious rift which has been allowed to develop in the relationship between the federal government and Alberta. In energy matters the present minister has the same effect as a flame thrower in an ammunition dump. I move, seconded by the hon. member for Cambridge (Mr. Speyer):

That the Prime Minister remove this person from the sensitive energy portfolio and replace him with one who is conciliatory and who has a proven track record in getting along with people in negotiations, such as any member of the gang of five: Mackasey, Reid, Cullen, Buchanan or Allmand.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

THE CONSTITUTION

CHARTER OF RIGHTS—PROHIBITION OF DISCRIMINATION AGAINST DISABLED AND HANDICAPPED—MOTION UNDER S.O. 43

Mr. Neil Young (Beaches): Madam Speaker, I rise under the provisions of Standing Order 43. Whereas the special committee on the disabled and handicapped has recommended in its interim report that any charter of rights include provisions to prohibit discrimination against the disabled and the handicapped, I move, seconded by the hon. member for Kamloops-Shuswap (Mr. Riis):

That the Minister of Justice be instructed to bring forward amendments to the proposed charter of rights to include the disabled and to prohibit discrimination against the disabled and the handicapped in all areas, not just in the area of employment.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

• (1415)

ORAL QUESTION PERIOD

[*English*]

THE CONSTITUTION

PATRIATION—COMMUNICATION WITH UNITED KINGDOM GOVERNMENT

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is for the government House leader. He will know that last Friday, in response to a question posed by my colleague, the hon. member for Kingston and the Islands, the minister's parliamentary secretary indicated that a call had been received by the minister last week from the Lord Privy Seal of the government of Great Britain. I wonder if the minister can confirm that such a call was received and that it was from the Lord Privy Seal. Can he also tell us the date on which that call was received and the conversation occurred?

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I received a phone call last Monday between eleven o'clock and 12.30 or so from the government House leader in London. I looked at the answer given by my parliamentary secretary to the hon. member for Kingston and the Islands last Friday afternoon and I found the answer to be accurate.

Mr. Clark: Well, it was accurate, except that the parliamentary secretary and the minister were speaking of the wrong minister in Great Britain. As the government House leader now knows, it was not the Lord Privy Seal, who is Sir Ian Gilmour. However, I am sure they will get it straight as to which was the minister in Great Britain to whom he spoke.

Let me ask the government House leader if he can tell the House of Commons both the purpose of the call from his

opposite number in Great Britain and the information that was conveyed by his opposite number in Great Britain to the government House leader.

[*Translation*]

Mr. Pinard: Madam Speaker, the British House leader inquired about parliamentary procedure and the progress made by the constitutional question in this House. I gave him a factual report. Such was the nature of my conversation with my British counterpart.

[*English*]

Mr. Clark: Did the representative of the British government, who obviously had some reason for initiating that call, indicate that there was any change in the attitude of the British government toward receiving recommendations of the Canadian House of Commons in Great Britain, and did he suggest that there might be some difficulty on the British side in receiving a recommendation which, while it was approved by a majority in Parliament, was nonetheless the subject of controversy in this country?

[*Translation*]

Mr. Pinard: Madam Speaker, I can confirm to my colleague opposite that as a result of my conversation with the Right Hon. Norman St. John-Stevas, I was pleased to note that nothing justified a change in our policy, in our attitude or in our constitutional action here in Canada. Indeed, I have found no difference at all, except for a five or six hour time difference during our conversation.

[*English*]

Mr. Clark: Madam Speaker, may I direct a question to the Secretary of State for External Affairs and simply ask him if, at the time when he replied to my question last Thursday in this House, he was fully and in detail aware of the conversation between his House leader and the House leader of the British government?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, I was so aware.

PATRIATION—INQUIRY RESPECTING QUICK PASSAGE BY UNITED KINGDOM PARLIAMENT

Hon. Jake Epp (Provencher): Madam Speaker, my question is also directed to the government House leader. The government and the House leader have asserted that quick passage of any Canadian request to the British parliament would take place. Does the government still hold that view in light of the statements now made by Norman St. John-Stevas, the government leader in the British House of Commons, when he was quoted as saying: "We want an address agreed in Canada." Does the government still hold to its original view?

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, if my counterpart said what the hon. member claims he has said, I am unaware of it, and it is certainly not what he told me during our telephone conversation. The allegation made by my colleague opposite and my conversation with Sir St. John-Stevas are completely and clearly contradictory.

[*English*]

PATRIATION—POSITION OF UNITED KINGDOM GOVERNMENT

Hon. Jake Epp (Provencher): Madam Speaker, my question is directed to the Right Hon. Prime Minister. It is based on the statement made by the Minister of Transport when participating in the debate to set up a joint committee to study the constitutional proposals that the result of following convention has been that we have not been able to patriate the constitution over the last 53 years, as the Prime Minister is so fond of saying.

● (1420)

In view of the fact his minister said that it was time now to end convention in Canada and to patriate without general agreement, does the Prime Minister hold the view that the British, on the other hand, once receiving the joint address, should still follow convention?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I would not want to comment upon the excellent speech made by the minister. It seems to me the question can be answered without reference to the speech. I think the natural thing to do would be for the British government and parliament not to meddle in any way in Canadian internal affairs.

Some hon. Members: Hear, hear!

* * *

[*Translation*]

FINANCE

REQUEST INTEREST RATES BE LOWERED FOR SMALL BUSINESS

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, my question is directed to the Minister of Finance.

Several months ago, the minister stated that the spectacular rise in interest rates was a temporary phenomenon. As this temporary phenomenon has turned into a permanent one, does the minister intend to intervene on behalf of less fortunate small business, farmers and home owners who are more hard pressed than others by interest rates which have now reached 16 per cent, 17 per cent and even 18 per cent?

[*English*]

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, as the hon. member realizes—

Mr. Knowles: En français!

Mr. MacEachen: —this year interest rates have had three major swings. The first was a very rapid increase, then a rapid decrease and a further rapid increase. As was mentioned before the committee by the governor of the Bank of Canada, all these changes have to do with the expectations which exist in the market with respect to the onrush of inflation.

Mr. Fraser: Can you explain that to Herb Gray?

Mr. MacEachen: As I said on Friday in reply to a question from the official opposition, at the present time there is no intention to bring in a new program for home owners, though I believe the extension of the small business development bond will have a favourable impact upon the requirements of small business over the period in which the bond is in effect.

* * *

[*Translation*]

THE BUDGET

INQUIRY WHETHER INCOME TAX CREDITS WILL BE GRANTED

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, I had hoped that by putting a question in French to the minister, I would get a more direct reply, but I realize now that it was in vain.

However, I have a supplementary question. In view of the fact that the government has committed itself in its last budget to help the have-nots, that is, low and middle-income Canadians, and following the report which was published today by the Canadian Council on Social Development, could the minister indicate today whether he intends to grant income tax credits, so that Canadians may cope with rising interest rates and inflation, the inflation caused by the government itself in the field of energy?

[*English*]

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): No, Madam Speaker. As I have indicated already, it is not the intention of the government to bring in a special program of tax credits at this time. There are a number of reasons why that is not possible. It seems to me the chief reason is that the costs which will be borne by consumers of energy over the next several years will be considerable, but will be considerably less than those brought forward last December. To me that is of major assistance to all consumers of Canada.

● (1425)

Mr. Rae: Madam Speaker, in a speech the minister made in September, one of the few which he has ever given and from which I am able to quote, he said that one of the reasons he became finance minister was to improve living standards and promote greater equity. I find it odd that the minister would respond to the report of the Canadian Council on Social Development, in the way which he has. They point out that the cost of the budget will be $500 to the average Canadian family, that it will have a dramatic effect on those who are least well off, and that it will cause problems in the housing field, the energy field and throughout the economy for lower-income Canadians.

In light of their estimate that over the next three years the government will be taking $14.3 billion out of the economy and only putting back $345 million as a form of recycling to senior citizens by an increase in the guaranteed income supplement, I would like to ask the minister how he can possibly justify these changes, which will have such a serious effect on lower and middle-income Canadians without the benefit of equitable tax policies, which he has spoken of in his speeches and again in his budget?

Mr. MacEachen: Madam Speaker, I am glad that the hon. member referred to the important step which we took earlier in the session to increase substantially the support for needy pensioners. That was quite an important step. I think that the hon. member's analysis confirms clearly that there is a very fundamental difference of opinion between himself and myself as to how the current situation ought to be approached. I believe that the most equitable solution for all Canadians, including those in lower-income groups, is to strengthen and improve the operation of the over-all economy. All the proposals which the hon. gentleman has suggested today would have an opposite effect and in the long run would damage the people for whom, in his own mind, he is becoming the spokesman.

* * *

ENERGY

OIL IMPORTS—INQUIRY RESPECTING MEXICAN HEAVY CRUDE

Mr. Jack Shields (Athabasca): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. As a result of an agreement signed with Mexico earlier this year will the minister state the number of barrels of oil per day classed as heavy crude oil which are being purchased at world prices as part of that agreement?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I do not have the exact figure at my fingertips. I will inquire and give the hon. member an answer tomorrow.

Mr. Shields: My supplementary question is for the Minister of Energy, Mines and Resources. Recognizing the very limited refining capacity which Canada has for this type of oil which is thick and difficult to refine, will the minister guarantee that this imported and very costly heavy crude oil will not displace the heavy oil produced in western Canada and normally sent to eastern refineries at $17 a barrel, as compared with Mexican heavy crude at over $35 a barrel?

Mr. Lalonde: I can give that assurance to the hon. member without any problem.

Oral Questions

AGRICULTURE

INQUIRY RESPECTING JUICE APPLE SURPLUS IN ONTARIO

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, my question is for the Minister of Agriculture. According to the minister's departmental officials the minister has refused to help the Apple Marketing Commission deal with the 5,000-ton juice apple surplus which exists in Ontario. Can the minister tell the House, firstly, why he refused; and, second, in light of the fact that for most of the smaller apple farmers this loss represents the loss of primary income, not secondary income as the department would have us believe, why would he not offer the same assistance to the apple farmers as he has to the cherry and grape growers?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, the answer is quite clear. There is no place to put the apples. There is nothing to be done with them. There is no method of processing we can find which can process them into juice or other alternatives, according to the information I have. I understand some of these apples are being moved into other markets in Quebec and Nova Scotia where the apple crop is not as heavy.

The information I have is contrary to what the member gives the House and myself. These apples are secondary apples, apples which have fallen and are bruised. They normally go into cider and there are 5,000 tons that they want me to buy. If the member can find a place where they can be processed I will reconsider the decision I made, but I just cannot see buying apples and dumping them on the ground.

● (1430)

Mr. McDermid: Madam Speaker, would the minister tell the House why he is allowing so much concentrate to be dumped into Canada from countries such as Chile, Argentina and South Africa? Approximately 17.98 million pounds were dumped in 1979, and this has a serious effect on our domestic industry.

Mr. Whelan: Madam Speaker, if the hon. member can find a healthier industry in the entire horticultural industry than the apple industry, I would like him to tell me. The apple industry has had a very good year economically. There is a very good apple marketing commission in Ontario. The tremendous crop this year will benefit the entire industry.

Also, the government has given the industry assistance up to one-third of the cost of storage, up to $500,000 for controlled atmospheric temperature storage. There is more storage now than ever before for all Canadian apples. For instance, this year British Columbia is exporting apples to approximately 40 different countries around the world, and this is because of the programs which we have initiated. Naturally, sometimes we take in produce from other parts of the world.

NATIONAL REVENUE

INVESTMENT TAX CREDIT—ALLEGED DISCRIMINATORY APPLICATION

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, my question is for the Minister of National Revenue. It is with regard to the very serious discrimination which exists in the area of taxation on equipment used to haul wood-converting products, particularly logs. As the minister knows, there is an investment tax credit for such equipment as it applies to larger companies, but private trucking loggers—in other words, small independent operators—are not benefiting from the investment tax credit. The minister is aware of this fact because he has been dealing with the problem since he became the minister and it has been referred to the department before.

Why does this anomaly exist and what does the minister intend to do about it? When can we expect the necessary changes which will remove this discrimination against private operators?

Hon. William Rompkey (Minister of National Revenue): Madam Speaker, generally speaking the people who haul the logs are not connected with the forest products industry, and we make that distinction. However, the situation is under review at the present time. I am taking a look at the situation to determine if we can accommodate the small businessmen who haul the logs, but generally speaking it is the lack of integration with the forest products industry which creates the problem.

Mr. Oberle: Madam Speaker, I am glad to hear that the minister will review the matter once again. However, the people and the association concerned are directly related to the logging industry because they do nothing else but haul logs. How closer can one be connected to the logging industry? Will the minister respond to these people by letter and invite them to make their presentation to him? This situation did not exist previously and the bureaucrats are not responding to the legitimate concerns of these people.

Mr. Rompkey: Madam Speaker, I will be glad to receive representations from the industry affected.

* * *

INDUSTRY

FUNDING OF PROPOSED DEVELOPMENT STRATEGY

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I have a question for the Minister of Industry, Trade and Commerce; I am happy to see him back in the House, as we all are. By the way, what a fine mess Bud Olson has put him in now. I would like the minister to respond to a problem which developed in his absence. He may well be aware that Canada's gross national product has registered a 1.7 per cent negative growth in the first half of 1980, that industrial production has declined in four of the last five quarters and that the second

quarter of 1980 industrial production was down 3.2 per cent from the autumn of 1979. The minister has indicated that the strategy—

Mr. Paproski: Question.

Mr. Deans: —required demands strong government leadership. How does the minister propose to provide that strong government leadership for the industrial restructuring that is so obviously necessary with only $44 million per year for the next four years?

Mr. Lawrence: Yes or no.

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, my hon. friend has totally overlooked the budget, which spoke of the western initiatives program, the national energy program as well as the 22 per cent increase in the economic development envelope. What is involved there are the potential and, in fact, the actual expenditures of hundreds of millions of dollars to build Canadian industry and to provide thousands of jobs for Canadians in every part of this country. When will my hon. friend recognize the positive aspects of this budget instead of circling around in an ideological miasma?

Mr. Lawrence: Privilege!

Mr. Rae: He is the only man in Canada who believes Allan MacEachen.

Mr. Deans: Madam Speaker, I am sure the minister is as aware as I am that out of the total number of dollars allocated for industrial redevelopment, only $44 million can be used outside western Canada. How does the minister propose to restructure the industry of Ontario and east to the maritimes with only $44 million per year in order that it will be competitive and active in world markets?

Mr. Gray: Madam Speaker, my hon. friend is totally mistaken in his suggestion that only $44 million will be available for the restructuring of Ontario and eastern Canadian industry.

Mr. Rae: Tell us how much you are getting?

Mr. Gray: The effect of the 22 per cent increase in the economic development envelope together with the effects of the western initiative programs and the national energy program, in fact means hundreds of millions of dollars for Ontario and eastern Canada development.

Mr. Rae: How much?

Mr. Gray: In fact, I would go further and say that I estimate that the amount involved for industrial development in Ontario and eastern Canada would certainly be in excess of $1 billion at the very least because of the very important flow-through effects of these programs and their positive impact on all of Canada, particularly Ontario and the eastern part of our country.

COMMUNICATIONS

EARTH STATIONS—INQUIRY WHETHER CHARGES LAID AGAINST UNLICENSED OPERATORS

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, my question is for the Minister of Communications. Will the minister tell the House in how many instances the government has ordered that charges be laid against the owners and operators of unlicensed earth stations, and is he contemplating laying further charges?

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam Speaker, there are a number of instances in which we have been in touch with cable operators or people operating illegal stations and asked them to cease and desist their operations. Indeed, most of them have stopped their illegal operations. To my knowledge, there are two cases respecting which we are in the process of laying charges.

Mr. Beatty: Madam Speaker, in view of the fact that it appears to be the government's policy to ask the police to disable unlicensed earth stations found on the tops of apartment buildings and which are hooked in by MATV systems, is the minister prepared instead to give licences to those unlicensed television receiver stations to receive signals from Canadian satellites, such as the broadcasts of the House of Commons proceedings?

Mr. Fox: Madam Speaker, in the cases to which the hon. member has referred, these people have access already to the House of Commons signals. I indicated quite clearly in my speech last week in Toronto that we were interested in bringing to an end the reception of illegal signals in the urban centres of Canada. Our operations have been centred essentially on densely populated areas of Canada where there are already a high number of channels available.

FRENCH PROGRAM TRANSMISSION IN NORTHERN AREAS

Hon. Erik Nielsen (Yukon): Madam Speaker, by now the minister has had time to look into the matter which I brought to his attention with respect to the order by CRTC to cease and desist French programming in Yukon. Will the minister now assure us that we will be able to continue this day-long French language programming in Yukon?

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam Speaker, I am delighted to see the hon. member's interest in extending French language programming across this country. I think it meets some of the desires which we have indicated in our constitutional position.

Mr. Nielsen: Answer the question.

Mr. Fox: I have made the hon. member's representations known to the CRTC, and I would hope that the CRTC will be able to regulate the situation in the immediate future.

Mr. Nielsen: Rectify, you mean.

Oral Questions

FINANCE

CANADA SAVINGS BONDS—INQUIRY WHETHER INTEREST RATE WILL BE INCREASED

Mr. Don Blenkarn (Mississauga South): Madam Speaker, my question is to the Minister of Finance. The minister will know that he is presently paying 12.4 per cent interest on the 180-day treasury bills and over 13 per cent interest on the one-year to five-year bonds. The minister's budget indicated a rate of inflation of 10.2 per cent. Therefore, with respect to Canada Savings Bonds, the government is barely meeting, at 10.5 per cent interest, the rate of inflation, yet that is not the tenor of the advertising. Will the minister at this point increase the rate paid on Canada Savings Bonds to be more in step with the rate he pays the big banks and financial institutions for treasury bills and bonds so that the ordinary people will have at least a rate of return on their bonds equal to, or better than, the rate of inflation?

• (1440)

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I will give careful consideration to the hon. member's suggestion that I should increase the rate of return on Canada Savings Bonds, despite the fact that at the present time it is a very attractive investment; it is high quality and can be cashed at any time. Quite apart from these positive features, however, I will consider what he has to suggest.

Mr. Blenkarn: A supplementary question, Madam Speaker. If the minister is going to do that, I think a rate of at least 11.5 per cent would be appropriate. On this side of the House we know the cost of selling bonds, we know the redeeming features of them and all the rest. The minister would not even be paying a rate equal to the 90-day treasury bill rate, which is essentially an instant cash instrument, if he increased the rate on those bonds to 11.5 per cent.

Would the minister give the House a commitment that, before the time limit for the sale of the bonds expires, he will be fair to the people who have bought them and will stand behind his advertising which indicates that they are a good deal, when in fact he knows they are not?

Mr. MacEachen: Madam Speaker, when we set the rate for Canada Savings Bonds our objective was not only to make the bonds attractive for prospective purchasers but also to reduce to the lowest possible amount the burden on the public treasury. My hon. friend knows that even a 1 per cent increase in the rate of return involves a very substantial increased burden upon the treasury and upon future payments on the national debt. It was in order to reduce that impact as much as possible, and at the same time to provide for a sale, that we set the rate at 10.5 per cent. I am aware of the points the hon. member has made and I will be giving consideration to them at an early moment.

PENITENTIARIES

DORCHESTER, N.B.—INQUIRY AS TO PROGRESS OF INVESTIGATION INTO CONDITIONS

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, my question is for the Solicitor General who has been receiving letters and questions for weeks about the conditions at Dorchester penitentiary in New Brunswick. I wonder if the minister is now in a position to give a statement to the House indicating what progress has been made in investigating and, we hope, coping with the very difficult circumstances. Specifically, is he able to give us a little more concrete information about the precise circumstances that led to the death of William Morrison, the guard who was killed during the hostage incident some weeks ago?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, as I indicated to the House earlier, three inquiries into this matter are under way. One is being conducted by the RCMP under the provincial contract. That has resulted in charges being laid and I understand that investigation may be continuing. There is another, the special inquiry being conducted by the inspector general's division within the correctional service of Canada, to which had been added, for the first time that I am aware of, an independent outsider to sit as one of the inquiring officers. I will receive that report in the next day or two and, of course, will look at it with great interest to make sure that the recommendations contained in it for improving the security for the institution are implemented. Third, the independent provincial coroner of New Brunswick has indicated that he will be conducting a public inquest in the latter half of November into the death and into the circumstances surrounding it.

In view of all of those inquiries, I do not think that for the time being any statement of facts or official version of facts coming from me would be helpful or that any further action by way of inquiry would be justified until the results of these three investigations or inquiries are available.

Mr. MacKay: Madam Speaker, I appreciate the minister's complete answer. I would ask, however, whether he will give an undertaking of two things. If, at the conclusion of these various investigations, it appears that there is any conflict of interest or lack of full and unequivocal disclosure, will he consider an independent judicial inquiry into a situation which is causing so much concern and has for so long in this institution.

Second, will he at the first opportunity, if he has not already done so, make a disclosure, on a private basis if he wishes, to the family of William Morrison whose grief has been compounded by the fact that they are convinced they have not received a full and accurate account of what actually happened to their son that coincides with the conclusions they have drawn as a result of their own private inquiries?

Mr. Kaplan: Madam Speaker, on the first part of the question, I indicated to the justice committee of this House that a judicial inquiry had not been excluded as a possibility but that nothing I had seen so far justified it. I will certainly

keep that available as an option of something that could be done if the inquiries that I have already referred to do not lead to a full explanation of what had happened and a satisfactory plan to make sure that the possibility of that recurring is minimized.

Second, regarding the representations about the Morrison family, I was not aware that they were dissatisfied with the explanations they had received or had been able to obtain about what had happened at Dorchester. To the extent that I could satisfy them or that the correctional service could before the results of the public inquiry are known, I will be glad to look into it and attempt to do so.

* * *

TRANSPORT

FERRY SERVICE BETWEEN NOVA SCOTIA AND MAINE

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, I should like to direct a question to the Minister of Transport. Some years ago Bowater Mersey Paper Company of Liverpool, Nova Scotia, established a substantially growing market in the northeastern United States for newsprint and lumber via the Yarmouth, Nova Scotia to Portland, Maine ferry service—a service that was subsequently withdrawn, leaving the company with no competitive alternatives to service their customers in that area.

In view of the fact that Nova Scotia has a natural market in the northeastern United States which can be reached by truck-trailer over the vital Nova Scotia to Portland, Maine ferry service, will the minister take steps to provide a reliable cost-competitive year-round link to northeastern U.S. markets for Nova Scotia products?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, there must be confusion somewhere. It is my understanding that two ferries operate from Yarmouth to Portland, Maine. One is a tourist-oriented ferry which operates only in the summertime and actually comes to the end of its operation at this time of the year. The other is a freight-oriented ferry which operates year round. Hence my confusion, because this one is still in operation. It presents difficulty because it operates only at 30 per cent of capacity and costs the federal government $4 million to $5 million per year.

I have brought this problem to the attention of the provincial ministers concerned during my recent trip to the maritimes in the hope that we could look at all these matters in a multimodal fashion. I fail to see, however, where the immediate problem is for the pulp and paper company mentioned.

Mr. Crouse: A supplementary question, Madam Speaker. As the minister has stated, one ferry service only operates for part of the year and provides accommodation only for passengers. The CN ferry service is the one to which I refer, and since it operates at less than a 30 per cent load factor due to the fact that present ferry rates are simply too high to attract business, would the minister encourage CN officials to reduce the rate presently charged in order to encourage more use of this ferry? CN could thereby increase revenues somewhat in the manner of Laker with the service provided from Britain.

Will the minister also encourage CN to show some interest and flexibility in the development of business, especially in western Nova Scotia, which could lead to the ferry being used to full capacity?

Mr. Pepin: Madam Speaker, I will certainly do that as it seems to make sense. However, occasionally when I have done something like that I have been reminded that simply lowering rates does not necessarily increase the loading. This might be one of those instances. I will check, however, and do my utmost to help.

* * *

SMALL BUSINESS

INQUIRY RESPECTING ELIGIBILITY FOR DEVELOPMENT BOND PROGRAM

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, I have a question for the Minister of Finance. Last week one sector of Canadian society that was very distressed and dejected at the budget was the very crucial small business community. That community has been especially hit by the high and increasing interest rates and, of course, the high and increasing inflation rate across the country. I think the small business community had the impression that the government had done something for it and that legislation would be forthcoming to offset these high interest rates.

Would the minister tell the House, when he brings in the small business development bond and extends the program for an additional three months into 1981, what percentage of the small business community will actually be eligible for relief under this program?

• (1450)

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I will be glad to provide the hon. member with the information he has requested, maybe before we proceed with the debate on that particular measure and the extension of that measure. I have decided to extend the measure for an additional three months, not only for the reasons that the hon. member has given but also because of the uncertainty which prevailed for several months this year as to whether that bond would come into effect. It offers very substantial aid to the small business community. Indeed, if it were not for the rather large expenditures involved, I would be tempted to extend it for a longer period of time; but the three-month extension, in addition to the period in effect already, will cost the treasury about an additional $50 million.

Mr. Riis: Madam Speaker, I think the minister's response was somewhat off the track. My research indicates that of the 930,000 small businesses in Canada, about 95 per cent will not

be eligible because of the restrictions, qualifications, exclusions and limitations that have now been placed on this legislation. The program does not include the funding of working capital. It does not recognize sole proprietorships. Does the minister really say to this House that the majority of Canada's small business people will be positively affected by this proposed legislation?

Mr. MacEachen: Madam Speaker, it is obvious that small business welcomes this measure and regards it as a very important and substantial way of assisting small business. I cannot tell the hon. member offhand the proportion of small business which is affected, but it is quite substantial. The program has been requested by the representatives on behalf of small businesses in Canada. Even though there have been some exclusions in order to reduce the cost, the cost is still very substantial. To finance that program for a single year will cost $200 million, and that is a very substantial assistance to small business in Canada.

RECOMMENDATIONS RESPECTING REGULATIONS AND REDUCTION IN PAPER BURDEN

Mr. Jim Schroder (Guelph): Madam Speaker, my question is for the Minister of State for Small Businesses. Since there are over 640,000 small businesses in Canada and small business is a very important part of our economy, can the minister tell us what has happened to the much-touted recommendations designed to reduce the red tape, paper burden and regulations with respect to small business?

[*Translation*]

Hon. Charles Lapointe (Minister of State, Small Businesses): Madam Speaker, since the inception of the Bureau for the reduction of paper burden, we have been able, with the co-operation of all departments involved, to reduce the paper burden for businesses by some $300 million a year. Recently, I had the honour to announce that 58 new measures were put forward in order to reduce this burden even more. All departments, particularly Statistics Canada, have willingly co-operated by abolishing a number of forms and integrating them to other forms in various departments, and even by using the telephone on a much more regular basis than before, in an attempt to really reduce that cost. With the announced measures, it is believed we can reduce by some 20 per cent the paper burden now required by federal regulations. Also, as you are aware, Madam Speaker, there is a House committee which is now working on the matter and trying to find the best means to deregulate as much as possible various areas of our industry.

[*English*]

TRANSPORT

CROWSNEST PASS FREIGHT RATES—GOVERNMENT POSITION

Mr. Jack Murta (Lisgar): Madam Speaker, my question is directed to the Minister of Agriculture. In the first part of last week the minister made a speech in Vancouver to the Canada Grains Council, in which he said, and I quote:

> —probably a decision will be made in early 1981 to raise the rates paid to the railways for transporting grain . . . Although some system must be devised to raise (grain) freight rates, the Crowsnest rate cannot be wiped out immediately . . . But a subsidy on grain transportation is necessary in some form.

What form was the minister talking about? Was he talking about wiping out the Crowsnest Pass rate over some period of time or a gradual change that will be made to the freight rates?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, the hon. member has read the notes I used for a speech in Vancouver to the Canada Grains Council. I said that some form must be developed to compensate for the rates. I understand the hon. member had a suggestion and was reprimanded for it, intimating that it is a luxury we cannot afford. We have received many suggestions about what should be done concerning the Crowsnest Pass rates. We are all anxious to bring this to a conclusion and hope to be able to do that in early 1981, which is what I said.

REQUEST FOR ASSURANCE CROWSNEST PASS RATES WILL CONTINUE TO BENEFIT FARMERS

Mr. Jack Murta (Lisgar): Madam Speaker, it is obvious the Minister of Agriculture did not know what he was talking about when he made the statement, if that is the only answer he can give me on this very important issue. I will direct my supplementary question to the the Minister of Transport. With regard to any change that is being contemplated, can the minister enlighten the House as to when we may see a position paper put forward by the government? Also, will he assure the House that the Crow benefit being given to western grain farmers at the present time will remain, regardless of any change that takes place in the grain transportation area?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I read some press reports of what the distinguished Minister of Agriculture said in Vancouver. He was addressing the Canada Grains Council, which is the think tank of the grain industry. As usual, the minister was challenging, explosive and informative. The fact is that the policy with regard to the Crow rate is presently in the decision-making pipeline. I hope the government will be in a position to indicate its views in the coming months. With regard to the Crow benefit, I would think this would be one of the foundations of the policy to be announced.

ENERGY

INQUIRY RESPECTING MANDATE OF PROPOSED ENERTECH CORPORATION

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, my question is to the Minister of Energy, Mines and Resources. It relates to the formation of the new Crown corporation, Enertech. Can the minister advise the House what exactly its mandate will be and how it will relate to the many other areas of energy, research and development and conservation that are now being looked after by the Department of Energy, Mines and Resources, the National Research Council and so on?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): First, Madam Speaker, I am happy to repeat that Enertech Canada will have its headquarters in the nice city of Winnipeg.

Some hon. Members: Hear, hear!

Mr. Lalonde: I hope that this corporation will be a significant and positive contributor to the economic development of Manitoba in general and of Winnipeg in particular.

As far as the mandate is concerned, the corporation is going to be responsible for development of new forms of energy and renewable energy. It is not going to embark upon the area of conservation per se. That is already part of government programs under the responsibility of my department. Rather, it will be engaged in research and development and in the marketing of new forms of energy, renewable energy in particular. It will work with existing corporations in the field. It will consider the possibility of joint ventures, and support of existing corporations as well as conduct its own activities. It will start as a subsidiary of Petro-Canada, but as soon as possible it will be set up as an independent Crown corporation.

Mr. Gurbin: Can the minister tell us when he expects this Crown corporation to begin to function? Specifically in an area where we have $20 million for funding and a $70,000 position for a manager, or president if you will, who does the minister expect to get to perform this function for that kind of money?

Mr. Lalonde: Madam Speaker, I am happy to know that my friend is supportive of increasing the salary to more than $70,000. I would hope we could get outstanding candidates to apply for such a position. We have been looking for and interviewing people for the last few months. I must say, however, that it is disappointing to find there are a number of individuals who consider that $70,000 is not good enough.

● (1500)

Mr. Paproski: Not if they were working for you.

Some hon. Members: Oh, oh!

Mr. Lalonde: I see that some of my NDP friends are eager to jump at the job. We will see if they have the qualifications, which is another question, however.

Some hon. Members: Oh, oh!

Mr. Paproski: It is you, Marc.

Mr. Lalonde: At the present time we are interviewing possible candidates, and I hope to get this corporation into operation very soon indeed.

* * *

[*Translation*]

NORTHERN PIPELINES

NATURAL GAS LINE TO MARITIMES—REQUEST FOR PROGRESS REPORT

Mr. Bernard Loiselle (Verchères): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources. Further to the announcement made by the Minister of Finance to the effect that the federal government was going to support the construction of a gas pipeline to the maritime provinces, the Quebec government indicated that that decision on our part would jeopardize the Gros-Cacouna project and favour that of Canso. To throw light on those attacks, can the minister tell us where plans stand on the regasification project, and also exactly when a final decision will be reached in that regard?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Yes, Madam Speaker. I must say, first of all, that the decision to extend the gas pipeline to the maritime provinces was taken independently from the regasification project. To our mind, it is imperative that the gas pipeline be extended to the Maritimes without any delay, as quickly as possible, to reduce the dependence of those provinces on oil imports. With regard to bringing gas down from the Arctic to eastern Canada, that project will be submitted by Petro-Canada to the National Energy Board which will be studying it next year; I expect we should have the decision of the Board by the end of 1981.

With regard to the possibility of building a plant either in Quebec or in the Strait of Canso, that decision will be made by Petro-Canada and the National Energy Board. The cabinet will examine the recommendation of the National Energy Board in due course; but I do want to stress that we are dealing here with a project that depends on the Government of Canada, on Petro-Canada and not the Quebec Government, naturally. In addition, as far as we are concerned, we will see to it that the decision reached will really be in the interest of all Canadians as well as economically sound.

Point of Order—Mr. Clark

[*English*]

POINT OF ORDER

MR. CLARK—CONSTITUTIONAL DRAFT RESOLUTION

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I rise on a point of order with regard to government business concerning what I gather is going to be a change in the approach which the government is taking to the constitutional resolution. The Prime Minister (Mr. Trudeau) indicated during the question period that he does not want Britain meddling in Canada's affairs, which is the position we have been urging upon the government for some time. May I ask the government House leader whether that statement is a demonstration that the government intends to amend the draft resolution so that the British will not be deciding Canadian questions of rights and freedoms?

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, in answer to his question, I should like to point out to the Leader of the Opposition that our constitutional endeavour entails a proposed resolution that will be studied by a committee of the House in coming days. It will be up to members of the House of Commons of Canada to approve or reject the text of the resolution. This document will be considered in a third stage by the House of Commons after the committee has submitted its report, and then again, members of Parliament from all areas of Canada will have the opportunity to debate the issue and to approve or reject the provisions contained in our constitutional package.

What parliamentarians in London will have to approve finally is simply the wish expressed by Canadian members of parliament after discussion and debate in Canada of each and every proposal included in our constitutional package.

So what the right hon. Prime Minister (Mr. Trudeau) said today does not clash in any way with the very nature of the action we are taking, which requires the participation and approval of all the members of the Parliament of Canada before London ratifies, as a matter of form, what will be decided here in Canada.

[*English*]

Mr. Clark: Madam Speaker, I do not intend to prolong this discussion, but I gather from what the government House leader said that it remains the intention of the Government of Canada to have the parliament of Great Britain decide questions relating to Canadian rights and freedoms.

[*Translation*]

Mr. Pinard: Madam Speaker, because of the present system we want change for reasons of dignity and self respect. Several times in the past when we wanted to amend our constitution we have had to go through this humiliating procedure of asking for Westminster's permission. We want to put an end to that situation and get rid of the last traces of colonialism. Why then should the opposition leader get upset about such a noble course of action?

ROUTINE PROCEEDINGS

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 424 to 435 inclusively, 753 and 859.

I ask, Madam Speaker, that the remaining questions be allowed to stand.

[*Text*]

STATUS INDIANS—AGE AT DEATH

Question Nos. 424-435 incl.—**Mr. Orlikow:**

No. 424

1. For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the average age at death for (i) male (ii) female status Indians in the province of Manitoba?

2. For the same years, what was the average age at death of (a) males (b) females for the rest of the population in the province?

No. 425

1. For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the average age at death for (i) male (ii) female status Indians in the province of British Columbia?

2. For the same years, what was the average age at death of (a) males (b) females for the rest of the population in the province?

No. 426

1. For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the average age at death for (i) male (ii) female status Indians in the province of Alberta?

2. For the same years, what was the average age at death of (a) males (b) females for the rest of the population in the province?

No. 427

1. For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the average age at death for (i) male (ii) female status Indians in the Northwest Territories?

2. For the same years, what was the average age at death of (a) males (b) females for the rest of the population in the territories?

No. 428

1. For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the average age at death for (i) male (ii) female status Indians in the Yukon Territory?

2. For the same years, what was the average age at death of (a) males (b) females for the rest of the population in the territory?

No. 429

1. For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the average age at death for (i) male (ii) female status Indians in the province of Ontario?

2. For the same years, what was the average age at death of (a) males (b) females for the rest of the population in the province?

No. 430

1. For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the average age at death for (i) male (ii) female status Indians in the province of Quebec?

2. For the same years, what was the average age at death of (a) males (b) females for the rest of the population in the province?

No. 431

1. For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the average age at death for (i) male (ii) female status Indians in the province of Newfoundland?

2. For the same years, what was the average age at death of (a) males (b) females for the rest of the population in the province?

No. 432

1. For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the average age at death for (i) male (ii) female status Indians in the province of New Brunswick?

2. For the same years, what was the average age at death of (a) males (b) females for the rest of the population in the province?

No. 433

1. For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the average age at death for (i) male (ii) female status Indians in the province of Nova Scotia?

2. For the same years, what was the average age at death of (a) males (b) females for the rest of the population in the province?

No. 434

1. For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the average age at death for (i) male (ii) female status Indians in the province of Saskatchewan?

2. For the same years, what was the average age at death of (a) males (b) females for the rest of the population in the province?

No. 435

1. For the years (a) 1976-77 (b) 1977-78 (c) 1978-79, what was the average age at death for (i) male (ii) female status Indians in the province of Prince Edward Island?

2. For the same years, what was the average age at death of (a) males (b) females for the rest of the population in the province?

Mr. Doug Frith (Parliamentary Secretary to Minister of National Health and Welfare): See charts below.

NOTE: There is no information available on Indians' average age at death as the present information system does not record deaths by single years of age. A statistical breakdown of male and female deaths by age grouping compiled in 1978, including the total number of deaths with comparative rates for Indians and the Canadian population as a whole is below.

Please see the list below giving the required national and provincial breakdown of ages at death for male and female Canadians who are not status Indians.

Average Age at Death by Sex

		Can.	Nfld	PEI	NS	NB	Que	Ont	Man	Sask	Alta	BC	Yuk	NWT
All Other* Population														
1976	M	64.3	62.7	66.3	65.6	63.6	62.2	65.1	65.5	67.5	63.2	65.8	52.5	40.7
	F	70.1	67.7	74.5	71.6	70.7	68.0	71.5	71.0	71.2	67.8	71.1	46.9	35.8
1977	M	64.2	62.6	64.7	66.5	63.7	62.3	65.1	65.4	66.8	63.2	65.0	54.2	41.0
	F	70.2	69.3	71.5	72.4	70.7	68.2	71.4	70.7	70.9	68.1	70.5	53.8	33.6
1978	M	64.5	63.3	66.7	65.7	64.2	62.6	65.2	66.7	67.0	63.1	65.6	49.9	44.7
	F	70.6	69.8	76.6	72.7	70.7	68.8	71.7	72.3	71.1	68.1	70.9	54.3	40.7
Indian Population		Not Available												

*Source: Statistics Canada: 84-206

Deaths by Age Group and Sex*
Indian—1978

Age Group	Sex	Number	Rate (Indian)**	Rate (Total Can.)***
0-1 Years	M	99	26.6	13.5
	F	93		
1-4 Years	M	48	3.2	0.7
	F	44		
5-9 Years	M	21	0.9	0.4
	F	15		
10-14 Years	M	24	0.9	0.3
	F	12		
15-19 Years	M	86	3.7	1.0
	F	46		
20-24 Years	M	102	5.1	1.1
	F	41		
25-29 Years	M	61	4.3	1.0
	F	31		
30-34 Years	M	61	5.0	1.1
	F	23		
35-39 Years	M	64	7.6	1.6
	F	38		
40-44 Years	M	50	8.0	2.5
	F	37		
45-49 Years	M	42	8.2	4.3
	F	33		
50-54 Years	M	49	11.2	6.6
	F	36		
55-59 Years	M	64	17.5	10.4
	F	42		
60-64 Years	M	52	18.5	16.0
	F	38		
65-69 Years	M	79	28.1	24.3
	F	46		
70-74 Years	M	69	40.6	37.6
	F	53		
75-79 Years	M	85	48.4	58.7
	F	37		

Deaths by Age Group and Sex*
Indian—1978

Age Group	Sex	Number	Rate (Indian)**	Rate (Total Can.)***
80+ Years	M	130	92.5	126.7
	F	102		
Total	M	1,186		
	F	767		
			6.9	7.3
Total	M/F	1,953		

*Source: Medical Services Branch Annual Report 1978.
**Rate is based on the 1977 Registered Indian Population by age group—DIAND.
***Statistics Canada—1976

POLICY AND MANAGEMENT CONSULTANTS

Question No. 753—**Mr. Shields:**

Since August 1, 1978, how many (a) administrative (b) policy consultants were under contract to the Department of Fisheries and Oceans and/or any boards, commissions or corporations reporting to the minister and, in each case, what amount was paid to them?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): We do not have any records of consultants under that specific title; however, we do have contracts issued under management consultants as follows:

Number of contracts—117

Total costs —$1,806,434.64

See reports below.

In so far as the Freshwater Fish Marketing Corporation is concerned: none.

In so far as the Canadian Saltfish Corporation is concerned: none.

In so far as the Fisheries Prices Support Board is concerned: none.

Management Consultants Contracts

Name	Number of Contracts	August 1, 1978 to April 30, 1980 Total Cost
Department of Supply and Services	1	$ 3,937.50
S.H. Scott	1	2,000.00
Harry Shorten	3	94,261.02
Roche & Associés Ltée	2	19,800.00
Gaston Drouin & Associés Ltée	1	15,400.00
Hough, Stansbury & Michalski Ltd.	1	50,000.00
I.B.I. Group	1	29,500.00
Arthur Anderson & Co.	3	52,033.50
Pacific Rim Consultants, B.C.	1	600.00
P.S. Ross & Partners	1	14,433.85
G.L. Grant	1	19,650.00
Federal Systems of Canada	1	11,177.66
PLB & Associés	1	12,800.45
Bailey & Rose	2	30,512.50
W.L.C. Myers	1	12,104.66
Clarkson & Gordon	1	17,450.00
R. Smith	1	3,875.00
C. Levelton	1	3,271.20
E.A.C. Amy & Sons	1	3,500.00
K. Dormaar	1	10,662.25
K. Knight Management Ltd.	3	62,133.82
H. Urion	2	13,269.67
D. McKinnon	2	25,671.25
I.W.D. Resource Management Consulting	1	21,592.88
S.A. Kelly Management Consulting	4	8,000.00
E.J. Cooper	1	13,282.52
M. Shepard & Associates Ltd.	1	25,735.60
F.J. Doucet	1	5,665.30
Econolynx International Ltd.	2	8,196.82
Marketing Services Ltd.	1	2,072.70
Helgar Project Management	4	27,928.00
Baynes Communications	2	20,282.00
Eric Miller Consulting Group	1	28,670.91
Stevenson & Kellogg Ltd.	1	29,000.00
Ms. J. Thompson	1	4,007.50
Dr. C.L. Johnson	1	4,326.92
Caird Wilson & Associates Ltd.	1	1,960.00
Technomic Consultants	1	31,978.00
Melvin G. Clark & Associates	1	350.00
Market Facts of Canada Ltd.	2	25,499.00
OMI Operational Management Inc.	1	13,816.42
Dworkin Communications	1	1,599.45
R. Fahlman	1	875.00
Development Partners (Fisheries) Ltd.	1	14,734.70
Woods Gordon & Co.	1	15,000.00
Aura Services	2	25,000.00
L. Bermbach	1	1,824.01
B. Bowler	1	802.75
B.C. Institute of Technology	3	63,074.29
Campbell Consultants Ltd.	1	13,050.00
Canadian Facts	3	15,445.00
DSS Bureau of Management Consultants	1	3,850.00
DPA Consultants Ltd.	4	90,455.44
D.B. Lister & Associates Ltd.	5	112,123.56
D.J. Davies	1	13,836.23
M. Glover	2	8,303.57
L.W. Hindle Consulting Ltd.	1	58,537.70
P. McCart Biological Consultants	2	88,665.00
W. McKay	3	10,850.97
W. Mair	1	319.50
Pro-Admin Enterprises	1	14,120.31
H. Paish & Associates	1	3,962.00
D.W. Ross & Associates Ltd.	2	53,312.56
M. Shaffer	2	10,619.94
Systems Engineering Associates	1	8,950.00
S. Steele	1	2,880.00
L. Straight Consulting Ltd.	2	58,171.47
Simon Fraser University	3	35,358.36
G.W. Sinclair & Associates Ltd.	5	249,505.65
Swissco Services	2	13,084.20
A.W. Sterritt Ltd.	2	37,714.08
	117	$1,806,434.64

INDOOR AND OUTDOOR PARKING

Question No. 859—**Mr. Halliday:**

For each department with offices in the Ottawa-Hull area, how many (a) indoor (b) outdoor parking places with electrical outlets are there available?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council):

Agency/Department	Indoor (a)	Outdoor W/Outlets (b)
Agriculture Canada	43	—
Communications	92	—
Consumer and Corporate Affairs	184	—
Employment and Immigration Canada	283	—
Energy, Mines and Resources	51	—
Environment Canada	213	4
External Affairs	639	—
Finance and Treasury Board	219	—
Fisheries and Oceans	52	—
Health and Welfare Canada	218	3
Immigration Appeal Board	1	—

Indian Affairs and Northern Development	161	—
Industry, Trade and Commerce	298	—
Insurance	12	—
Justice	105	—
Labour Canada	69	—
National Defence	147	405
Northern Pipeline Agency	3	—
Post Office	9	100
Privy Council	151	—
Public Archives	—	1
Public Works Canada	146	18
Regional Economic Expansion	53	—
Revenue Canada	224	—
Science and Technology	19	—
Secretary of State	369	—
Solicitor General (RCMP incl.)	319	19
Status of Women	3	—
Supply and Services Canada	314	10
Transport Canada	366	2
Veterans Affairs	29	—

[*Translation*]

Madam Speaker: The questions enumerated by the hon. Parliamentary Secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed, from Thursday, October 30, 1980, consideration of the motion of Mr. MacEachen that this House approves in general the budgetary policy of the government, the amendment thereto of Mr. Crosbie (p. 4231) and the amendment to the amendment of Mr. Rae (p. 4235).

Mr. George Henderson (Parliamentary Secretary to Minister of Fisheries and Oceans): Madam Speaker, when ten o'clock was called last Thursday evening I was in the process of saying that the 32-cent a gallon increase for gasoline, which would have affected Canadians by the end of this year under the Tory budget of 1979, is a far cry from the 13.3-cent a gallon increase which will affect consumers with our government's budget.

An hon. Member: That is nonsense.

Mr. Henderson: To continue, hon. members opposite who predicted that this government would deindex personal income tax were also proved wrong. This government and this Minister of Finance (Mr. MacEachen) realized that to do away with indexing of personal income taxes would adversely affect the low and middle-income wage earners in Canada.

It is not now, nor has it ever been the intent of the Liberal government to have the little guy bear the brunt of providing

the necessary revenues to ensure the economic viability of this country. The government did not intend to overburden poor Canadians from every province in this country. Make no mistake about it, there are many poor Canadians in the western provinces. Not everyone in the western provinces owns his own home or drives a big car or, indeed, has a summer cottage.

● (1510)

This government will look for the necessary revenue where the money is, in excess of oil and gas industry profits. It will collect additional taxes from the oil and gas industry. This does not seem unrealistic to me nor to a great many other Canadians. A number of members, including myself, when speaking of the constitution, have said that Canadians by their very nature are willing to share. This willingness to share is one of the traits in true Canadians which is to be admired. If this great country of ours, this Canada, is to continue to grow and prosper from sea to sea, I believe that willingness to share must be evident from sea to sea.

In the interests of the social and economic well-being of all Canadians, but more important of poor Canadians, and in the interests of the national unity of this great country, we must all be prepared to share. Every province in this country throughout our history at one point in time has required the understanding, compassion, and assistance of other provinces. This is a fact which no doubt will be a reality for the next 113 years of our history.

Many positive steps have been taken by my hon. colleague, the Minister of Finance, which will have a beneficial effect on the national scene, but I would like to comment, if I may, on some of the more positive steps taken to alleviate regional disparity or, perhaps to be a little more specific, disparity in Atlantic Canada and, in particular, my province of Prince Edward Island.

The extension of the natural gas pipeline system to Quebec City and the maritimes is very welcome news indeed. Portions of Quebec and the provinces of New Brunswick and Nova Scotia being afforded the opportunity to switch from oil to natural gas will lessen the dependency of the Atlantic region on offshore oil. This offshore oil that the Atlantic region must depend on is unreliable at this point in time, and continues to escalate in price.

The fund which will support the conversion of the Atlantic region's oil-fired electrical plants to coal will have a direct and very positive effect. A positive impact on my province of Prince Edward Island, because its requirement is totally electrical energy from oil-fired plants, will also be felt. A consequence of this requirement is that Prince Edward Island has the highest electrical rates of any province in Canada. I speak of provinces. I realize that the Northwest Territories and Yukon probably had, and have, higher oil prices.

This government, realizing that neither Newfoundland nor Prince Edward Island have access to western natural gas, has initiated a program which provides for a major housing retrofit program which includes energy audits, oil furnace retrofits,

and additional insulation. This grant will cover 50 per cent of the costs involved, up to a maximum of $800. That is the cost of the retrofits. This program will also be made available in the Yukon and Northwest Territories. I was pleased that the Prince Edward Island conservation and renewable energy agreement will be extended. The four-year cost of this conservation and renewable energy agreement will be $9 million.

The special emphasis on renewables development in Prince Edward Island, where alternate energies are concerned, reflect the support given to conservation and renewable energies by public action and public policy in my province. In fact, my province is considered to be leading the way in Canada in research of renewable energies.

I am also extremely pleased that the 9 per cent excise tax on the packaging of farm produce will be removed as of January 1, 1981. This was, of course, very welcome news for the potato producers of Prince Edward Island. I had considerable communication about this tax with the hon. Minister of Finance, and obviously the minister has listened and responded not only to the farmers of Prince Edward Island but also, indeed, to farmers right across the country.

Another very important announcement in the budget which affects my constituency perhaps to a greater extent than others was the full indexing of personal income taxes for 1981. In my constituency there is a large percentage of low and middle-income families, and they very definitely would have felt the full effect of any de-indexing program. The rationale used by the Minister of Finance was sound indeed.

Indexing of personal income tax ensures that increases in income which just keep pace with inflation will not force higher income tax burdens on low-income people. Certainly of major importance is that low and middle-income families will receive the refundable tax child credit. The indexing of that child tax credit ensures that its real value to families is maintained.

Opposition members have been quoted as saying that this budget does nothing for the unemployment situation facing Canada. The investment tax credits for new capital investments made in selective regions is being increased from its present 20 per cent maximum rate to 50 per cent in selected regions. These selected regions will be determined on the basis of criteria such as high unemployment and low income levels. Again I say that we should be trying to attract business in areas where there are low income levels. By attracting industries to these regions, quite obviously jobs will be created and fewer people will be unemployed.

I suggest also that the reintroduction of the MURB program will provide a stimulus to the construction industry which will provide employment for large numbers of qualified workers in the construction trades.

Further, the energy policy of this government, if analysed with some degree of intelligence, indicates vast potential for job creation. As a matter of fact this energy policy could, I believe, be accurately described as a job creation energy policy. Just one of the many projects outlined in our energy policy is the extension of the natural gas pipeline to the maritimes.

Mr. Lambert: Don't hold your breath.

Mr. Henderson: Does the hon. member over there believe that a project of this magnitude would require any less than thousands of workers not only in the manufacturing of the pipe but also the laying of the pipe and so forth? A project of this magnitude would produce obvious spin-off effects. This is fact.

This government has reserved $350 million for manpower retraining programs. As hon. members know, there is a large number of people who lack the necessary skills to enter a very competitive labour force. This $350 million will finance manpower retraining programs which will provide people all over the country with marketable skills. It would appear to me that members of the opposition, because their own budget sank with their Jolly Roger, Captain Crosbie, are now grasping at straws and trying desperately to create troubled waters for this government's budget. I can assure hon. members opposite that this budget will not sink. It will steam straight ahead, and Canadians from one coast to the other will enjoy the benefits from it.

In my opening remarks I made reference to the increase of 32 cents a gallon on gasoline in the Crosbie budget of December of last year. I compared that with the 13.3 cents in my colleague's budget. Perhaps we can carry that comparison just a little further. By the end of 1981 the cost of a gallon of gasoline at the pumps in Toronto, with this government's budget, will be $1.36. The Conservative budget of 1979 would have meant a price at the pump in Toronto of $1.56 a gallon, a difference of 20 cents a gallon.

● (1520)

By the end of 1982, again using Toronto as a mean average, the government's budget will mean $1.53 a gallon at the pumps, while the Conservative budget of 1979 would mean $1.75 a gallon, or a difference of 22 cents a gallon.

As we go on, the comparison becomes even more dramatic, Mr. Speaker. By the end of 1983 our budget will mean that the cost of a gallon of gasoline at the pump in Toronto will be $1.71 a gallon. The ill-fated Tory budget of 1979 would mean we would be paying $2.32 a gallon, or a difference of 61 cents a gallon.

Finally, Mr. Speaker, because I know hon. members opposite are becoming somewhat embarrassed—

Some hon. Members: No.

Mr. Henderson: —by the end of 1984, under my honourable colleague's budget, a gallon of gasoline at the pump in Toronto will cost $1.95. Under the previous budget introduced by the hon. member for St. John's West (Mr. Crosbie), a gallon of gasoline would cost $2.63, or a difference of 68 cents a gallon.

While comparing the relative costs of gasoline as a result of the budget presented by the hon. member for St. John's West who, by the way, made quite a speech here the other day—

An hon. Member: A great speech.

Mr. Henderson: Yes, a great speech. Every now and then he would blow, he would take a drink of water. It was the first time that I saw a windmill run by water.

An hon. Member: What are you run by?

Mr. Henderson: While I am comparing the relative costs of gasoline under the budget presented by the hon. member for St. John's West and that of my colleague, the Minister of Finance, I believe it would be appropriate to respond to statements made to the effect that this budget has nothing in it for the farmers and fishermen in this country. This is one of the statements which has been made. It seems ironic that the hon. member for St. John's West should make such a statement, because it was the farmers and fishermen in my riding who could have least afforded the very dramatic forecasted rapid increases in the cost of gasoline suggested by the hon. gentleman opposite.

We have heard statements from the other side of the House about the flight of the wild geese, the plucking of the goose with its wings flapping, and so on. Well, Mr. Speaker, the ill-fated budget of December 11, 1979, the Christmas budget which was brought down just 14 days, not 12 days, before Christmas, was I submit, a turkey budget, a budget which would have had my farmers and fishermen in Prince Edward Island flocking from the sea and the land like a flock of turkeys. I believe that almost every one can live with and benefit from this government's budget. The farmers and the fishermen will feel the effects of this budget because it is designed to ensure the economic stability of this country.

We have also heard from hon. members on the other side of the House statements to the effect that members on this side of the House do not understand the west. I think there is a need for a better understanding of all parts of Canada by all of us in the House, and indeed not only but us in this House but by all Canadians. When I was last out west I heard statements to the effect that we were probably not aware of what was going on out there. But when I got a little deeper into the conversation I found that when they were talking about the east they meant mainly Montreal and Toronto.

When I explained to them—these were mainly working people—that there are four provinces east of Montreal, they began to think and to understand a little bit better what the east really is. When I told them that we in the maritimes rely on industries such as agriculture, fisheries, tourism, small business, and so on, all of them high energy consuming industries, they understood immediately why we could not take rapid increases in oil prices. I believe that is very, very important, because a country can be compared to a chain—it is only as strong as its weakest link. Therefore, if we are to have a strong country, we have to grow and develop together and we have to look after one and other, as provinces have over the last number of years.

When confederation was formed, Atlantic Canada was composed of the "have" provinces, but then the emphasis shifted to central Canada. Of course now, undoubtedly, the emphasis is shifting to western Canada. We must keep this country united and we must ensure that, by allowing a rapid increase in the wealth of one area, we will not allow another area to deteriorate. I submit that we must not allow this to happen.

Before my time runs out, Mr. Speaker, I should like to comment briefly on the government's objectives to achieve at least 50 per cent Canadian ownership of the oil and gas industries by 1990. I have had a number of comments from my constituents in this regard and I have found that, without exception, the general feeling is that natural resources in Canada should be owned and controlled by Canadians. I submit that this general feeling is felt right across this country in all constituencies.

I know that my time is up, Mr. Speaker, so in conclusion I should like to congratulate once again my colleague, the Minister of Finance, for presenting a budget which I think is as fair and equitable to Canadians as we could expect in such difficult times experienced not only in this country but, indeed, in the world.

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, the debate today on the budget and the energy statement of last Tuesday is one of the most important we have seen and will see in the Thirty-second Parliament. It is very significant that it should have followed so soon after the historic debate on the constitutional resolution. The energy policy sets out in very real terms that we have been debating in somewhat abstract terms in the constitutional debate. It shows vividly how, in its greedy and self-centred view of Canada, the federal government is attempting to capture significantly greater power and ever-increasing tax dollars in a unilateral way without regard for the history and the constitutional position of the regions of this country.

The constitutional proposals of the Prime Minister (Mr. Trudeau) would allow the federal government to bypass the legislatures of Canada. The energy proposals show clearly how it would do so. The objectives of the energy proposals show clearly how it would do so. The objectives of the energy proposals are very noble in intent, but the means to achieve these objectives as laid out in the national program are incompatible with the over-all objectives.

As we have said on many occasions, self-sufficiency should be our primary objective, our overriding objective in the energy policy. The precarious position of the Middle East with the current Iran-Iraq war should tell us that. We should be attempting to protect ourselves from shortages in the Middle East and gain from having the increased energy dollars spent here in Canada promoting new investment, new jobs, and new technology, from which all Canadians can benefit.

The government sets out self-sufficiency as the first objective of the energy policy, but the other two objectives, namely, revenue sharing and increasing Canadianization, totally undermine this policy objective. It was generally recognized that the Clark government energy policy could achieve energy self-sufficiency by 1990.

Some hon. Members: Hear, hear!

Mr. Wilson: It is doubtful whether this dog's breakfast masquerading as an energy policy with all its inconsistencies will ever achieve that important goal. It takes direct aim at the two chief partners of energy policy, the producing provinces and the industry. Canadian consumers, many in central Canada and Atlantic Canada, are being asked to pay the equivalent of $1 more for a gallon of gasoline by 1984. Huge amounts of money are being provided by consumers, but for what purpose? The consumer wants to be absolutely sure that the result will justify the cost. Will Canada achieve energy self-sufficiency by 1990? I am afraid not, Mr. Speaker.

An hon. Member: No way under this budget.

Mr. Wilson: The Clark government proposals were costly, I will not deny that, but they had a purpose, a clear goal, namely, energy self-sufficiency. The new Liberal policy has one clear objective, not nearly so clearly stated, namely, more revenues for the federal government. It is a mammoth tax grab to pay for their profligate spending of the past 12 years.

Some hon. Members: Hear, hear!

• (1530)

Mr. Wilson: These words may sound somewhat familiar to Mr. Speaker. On December 11, 1979, the Minister of Industry, Trade and Commerce (Mr. Gray), when he was the finance critic, said that "this Conservative energy package was really a disguised tax increase, a mammoth tax grab from the Canadian people." But let us compare the two proposals, because they are very, very different.

The Conservative budget called for an 18-cent excise tax, a 50 per cent federal share in price increases over $2 per barrel, offset by an energy tax to help those hit hardest by rising energy prices. Net revenues to the federal government for the three years ending March 31, 1984, were projected at $12.8 billion, a large figure. The Liberal budget proposes an 8 per cent production tax, an increasing natural gas excise tax, an increasing petroleum compensation charge, and a Canadian ownership charge. That will produce a monstrous $37.5 billion tax grab for the federal government, about three times "the mammoth tax grab" to which the Minister of Industry, Trade and Commerce objected. The Minister of Finance (Mr. MacEachen) goes hunting with an elephant gun.

Let us put that into perspective because there has been some discussion about the shares taken by different levels of government. With all the increased taxes layered on each other, the cost of a barrel of oil in 1983 will be $32.80, out of which the federal government will take $17.38, or 53 per cent. The House should not let the minister fool it about the petroleum compensation charge.

In 1975 when the Hon. John Turner imposed the 10-cent excise tax on gasoline, which subsequently was reduced to 7 cents as part of an election bribe, he said that it was to offset the growing cost of imported oil. That tax followed an export tax on oil and oil products. Together these two taxes produce today about $1.4 billion in revenue with the clear purpose of paying the oil import subsidy. But we do not hear that any more these days; it has been forgotten. It has been blended into government revenues so that now we have the compensation charge which is the only apparent tax used to offset import costs. As indicated on page 32 of the budget papers, this charge is producing even more revenue than is necessary to meet import costs—a total of $885 million in the years 1982 and 1983 more than is required to offset the cost of imports. Clearly the government is using the energy situation to increase its slice of the economic pie at the expense of the consumer. In that three-year period we will have about a $4 billion increased tax. Initially set out as being to offset the cost of imports, it will go straight into government revenues, and it is not mentioned at all by the Minister of Finance.

Also let me respond to the challenge of the Minister of Finance to my leader to show that the government has placed a greater burden on the Canadian consumer in its budget than would have been the case in the budget of the hon. member for St. John's West (Mr. Crosbie). In spite of claims to the contrary, Liberals have broken their campaign promise not to increase the cost of oil over $4 per barrel. The increase up until this budget was $3, there was the 75-cent Syncrude levy and now there is a further 80-cent tax as a result of the budget, for a total of $4.55, against the increase of $4 of the hon. member for St. John's West.

The increased cost of driving a car under both budgets would be about the same, but because the petroleum compensation charge and the Canadian ownership charge are very regressive and pervasive, the costs of oil heating are up by a total of $128 a year over the cost provided in the "Crosbie" budget. For low and middle-income earners the difference is almost three times that because of the energy tax credit, $337 billion a year. So much for the toothless challenge of the Minister of Finance. The burden on the consumer is clearly greater and the beneficiary is the tax department here in Ottawa, the piranha which attacks the savings of Canadian individuals.

What has happened to the industry? Why is it that oil and gas shares have dropped close to 9 per cent in the immediate aftermath of the budget? Share values are directly related to profitability, but what is profitability? Profitability is the measure of the cash flow, the money which oil companies use to pay for their exploration, development, and production activity. To most Canadians the decline in the stock market signalled a reduction in the ability of oil companies, the Canadian ones too, to find and produce oil and natural gas to free us from dependence on Middle East and other foreign producers.

The budget set out a most burdensome program to reduce cash flows. Natural gas revenues are frozen for a year; consumers will pay more but the increased amount will go to the federal treasury. Oil prices will be lower than those proposed this summer by the Prime Minister. A major portion of the industry, the 70 per cent controlled by foreign companies, will lose all conventional oil and natural gas exploration and

development incentives. These will be phased out by the end of 1983. In addition to that there will be the 8 per cent production tax.

Against this background the United States embarked upon an ambitious incentive program to reduce its dependence on imported oil. Prior to the budget of last Tuesday, that was a major incentive for drilling rigs and crews to move south of the border. That incentive has now increased markedly. Prior to the budget the U.S. netback was about $25—that is the netback to the producer—and in Canada it was about $9.70. That would have been partially offset by a windfall profits tax in the United States of about 15 per cent. But the incentive has now increased markedly to move south of the border, thus removing an important element in our battle to achieve self-sufficiency. The multinationals will not be moving south. Their territory is in Canada. The companies which will be moving capital, equipment and men into the United States will be Canadian companies, the companies the government wants to strengthen, the companies the government wants to play a bigger role in our industry.

Canadianization of the oil and gas industry is a very laudable goal. It is a goal we support and were moving toward last December. But our approach was to do it with the carrot, not the stick. Whatever we think of multinationals, we must recognize one fact: they play an important role in the oil and gas industry. They have brought the expertise, technology and capital resources which have been important elements in our success in Canada. To embark upon such an abrupt change in the rules, as proposed in the budget, will undoubtedly set back our ability to achieve the number one objective—energy self-sufficiency. The reason is that all drilling incentives for conventional oil will be phased out for companies 50 per cent or more foreign-owned by 1983. That represents 70 per cent of our industry.

There is a hidden casualty in this program—the many smaller Canadian oil and gas companies that have encountered increasing costs because of their inability to sell one of their products, natural gas. With no increase in the wellhead price for natural gas until January 1, 1982, a number of these companies will now face the prospect of selling out, perhaps but not necessarily to Petro-Canada.

We want to see more Canadian ownership in this industry, but first and foremost we want our security of supply maintained and improved. The means of achieving that Canadianization goal seem to be designed to undercut the ability of the industry to achieve security of supply. The goal seems to be to force more companies into state ownership, a nationalization of the industry.

● (1540)

What would be the role of Petro-Canada in this plan and what would its mandate be? How much of the industry will it be told to acquire? How much will it spend on the program? To Canadians this was previously a somewhat academic question. But now to buy out Gulf, Shell or Imperial it will cost Canadians 15 cents a gallon for a minimum of a year, and most likely longer. Canadians have a right to know how much it is going to cost them, since they will be paying for it right at the pump.

The differences between the Clark government's approach to Petro-Canada and this government's approach are quite startling. The Conservative plan gave Canadians the option of participating and of directly sharing in the profits. Last year the Clark government proposed to offer Canadians shares in Petro-Canada, partially through a gift of shares and partially through the cash purchase of shares. The cash received would be used to strengthen Petro-Canada and to allow it to acquire one or more multinational oil companies, to quote our press release. The Liberal plan forces Canadians to participate and it gives them no opportunity for sharing in the profits. The Minister of Finance wants to save all that for himself.

The other major partners in achieving self-sufficiency are the producing provinces. In a unilateral, sometimes confrontationist, sometimes devious way, the federal government has moved to exert greater control and to extract considerably more revenues from an asset which, after all, is owned by the provinces. The response has been swift and not unexpected. The provinces of Saskatchewan and British Columbia have proposed court action to oppose the tax on natural gas and the 8 per cent production tax. Alberta has indicated its intention to extend the life of its oil reserves by cutting production by 15 per cent. Let us not forget that the established reserves of Alberta are on a clear declining trend, having declined each year for the past ten years. Alberta has also put a hold on new oil sands projects.

Who is the winner in this conflict? There is no winner—not the Alberta government, not the federal government, not the industry, which is clearly caught in the middle of a squeeze play between two levels of government. I remind you, Mr. Speaker, the last time this happened was 1973-74 when we lost a lot of ground in developing our resources in this country. And certainly the Canadian consumer is not the winner.

The province of Alberta has been a tough bargainer, which we found out last year and which the federal government has found out over the past few months. But an agreement is surely possible, as it was for us last December and should be for the federal government now. I do not see how the federal government can possibly expect Alberta to accept this policy, which is less attractive than the one offered by the Prime Minister this summer.

Since the Lougheed statement on Thursday night the government's first response was conciliatory, it was positive, and encouraging to us on this side of the House. We strongly urged the government not to escalate this conflict further and to negotiate in good faith. How then can they justify the remarks of the Minister of Finance and of the Minister of Energy, Mines and Resources (Mr. Lalonde) that price is non-negotiable? It appears that the government is trying to undermine these negotiations before they get started. So the big loser is Canada—our country. There is tremendous vitality and energy in the west which can be directed to the benefit of all Canada. The Clark government had moved to harness that energy and

strength. This government, whether out of greed, jealousy or envy, has chosen to try to conquer that strength and to force it to submit to the will of Ottawa. That is no way to deal with a partner in confederation who can make such a powerful contribution to our future.

One of the initial responses to this policy is an almost doubling of the support for separatism in western Canada. So I ask you, Mr. Speaker, who benefits from this attack which could lead to a further division within this country?

I move to the area of economic development because there is a close link between energy policy and our economic development. While the budget does promise some welcome, though small, addition to economic development funding, the energy policy may well nullify that.

Non-conventional sources of oil—mainly the major oil sands projects—are projected in the new policy to provide more oil production in 1990 than through conventional sources. These non-conventional sources will provide roughly 50 per cent of our source of supply, which is up from less than 10 per cent last year. These projects therefore are critical to our success in achieving self-sufficiency in oil. They are huge projects and require about seven years to complete. So we must move quickly to bring them onstream.

There are other reasons for moving quickly. These projects will provide tremendous economic development opportunities throughout Canada, not just in Alberta but right here in central Canada. it is estimated that about 42 per cent of the over-all economic benefit will be felt in Alberta. About 38 per cent of the activity will come to Ontario and Quebec through the purchase of steel, metal products, machinery, transportation equipment, and other manufactured goods and various services. We have all seen pictures of the huge scoops used in the Syncrude project. These scoops can now be made in Dundas, Ontario. This translates into many jobs. With an 8.7 per cent projected unemployment rate and over one million people out of work this winter, we must move quickly to bring these projects forward. For every ten people directly involved in the Alsands project it is estimated that ten more will be employed in Alberta and six more in other parts of Canada.

Consumers in other parts of Canada must understand the tremendous benefits to the whole country of these projects. If we are to be asked to pay one dollar more for a gallon of gasoline we want to receive some benefits, both in security of supply and increased economic activity. We want to bring these projects forward. But because so much of that dollar goes to the federal government—and because of its confrontationist tactics—the dollar is not buying us energy security or economic development.

For some years we have been concerned with the importance of developing our talents in areas where we have natural strengths. One of these areas is clearly oil sands development. It will be a tragedy for Canada if these projects are delayed because of the tremendous opportunities there are internationally. The United States and other countries are embarked upon huge programs to upgrade refineries and bring in new energy-producing processes. The availability of process engineers, the engineers who understand how to bring these new processes into production, is critical to do this job. These people are in demand throughout the world because their skills are essential in keeping the huge costs of these megaprojects under control. A grave shortage of these skills is now a real possibility.

If these oil sands projects are delayed further, consumers in all parts of Canada will suffer in two key ways. First, the efforts to reduce our dependence on offshore oil will be delayed. Second, because of these delays we may be forced to rely on less than the best talents. The best talents will have been hired away. We stand a good chance of seeing the costs for these projects climb out of control. That happened before in 1974 and it could easily happen again. It would hit us all directly in the pocketbook.

A side effect of the delay is that other countries will develop their technology in this area faster than we do. Today we are world leaders. The Venezuelans want to involve us in the development of their giant Orinoco sands. Delays will cause them to shift to others who will have developed their skills faster than we have.

There are some nice words in the budget statement on economic development. The envelope will be increased by 22 per cent next year. But in cutting through it all, the impact is either minimal or misplaced. First, we have the western development fund, which is an attempt to buy western votes with the money the federal government has taken away in the energy tax grab. Significantly, only 50 per cent of the fund will be spent before the next election. One wonders if western Canadian voters at the next election will have a gun put to their heads—vote Liberal or risk losing the balance of the fund. Lloyd, I think you should get it in writing.

• (1550)

Without this fund the increases in spending for economic development in the next three years are 15 per cent, 8 per cent, and 8 per cent respectively, less than the projected inflation rate in the final two years. The result is that there is very little left for the three important areas, research and development, export promotion, and industrial expansion. One hiccup from either Chrysler or Massey-Ferguson and it is all gone. I urge the minister to get in there and fight for these worthy projects. More funding is required.

The Minister of Industry, Trade and Commerce has spoken recently of his desire to increase the funding for the defence industry productivity program, DIPP, and of the need for a similar program for non-defence industries. If the money available in the economic development budget is not sufficient to provide for this, the minister will have been badly let down by his cabinet colleagues.

We on this side are also worried about the minister's ability to meet the needs of all parts of this country on such a tight budget. Canadians have many worthy social objectives, many of which have been translated into programs in recent years. We must devote much attention and funding toward our manufacturing industry which is facing major challenges in

expanding its marketplace to be able to afford those social programs. Last year Canada had a $17 billion trade deficit on manufactured products. The $175 million increase in the minister's budget is small comfort to the manufacturing community.

The real weakness of the budget, however, is that it does nothing to improve the environment for industry in Canada. Inflation will continue at a high rate. The federal budget deficit is projected at $14.2 billion, $3.6 billion higher than under our administration. Interest rates are likely to rise and the Canadian dollar will be under further downward pressure. The consensus from economists is that the budget will have a slightly negative impact on an already declining economy.

The results are obvious. Next year unemployment will soar. The rate is 8.7 per cent. Consumers will be hard hit by the increased cost of living and we will be no further ahead in developing this country's resource and labour potential. The province of Ontario has found it necessary to introduce a mini-budget to provide some stimulus to their economy, and if the energy megaprojects do not soon proceed, this sad picture will deteriorate even further. It is interesting to note that the Ontario government has the room to introduce a mini-budget because it has in recent years taken much tighter control of its own spending programs, thus it has this flexibility and the room in which to move at a time like this when such programs are really needed.

To sum up, we have a budget which adopts a stand-pat, do-nothing position. It extends the sorry state of the economy for at least another year. In those areas where there is some sign of positive initiatives, the budget proposals are, at the same time, too vague to judge, and too small to have any impact.

The main thrust of the budget statement is in the area of energy. The stated directions of the energy proposals are good, self-sufficiency, more Canadian ownership and fairness, but the means chosen to achieve these goals are contradictory, punitive and, in fact, will lead away from greater security of supply for Canadians. The proposals will result only in increased taxes to the federal government, less economic development, and to a seriously weakened partnership between Canadians across this great country.

Canadian people are being asked to provide enormous amounts of money, and they are expecting to see security of supply and economic development opportunities. But I am afraid to say that, when they look back in 1985 or in 1990, they will feel a great sense of frustration and anger at the result of this huge tax grab in the name of self-sufficiency which never occurred.

Hon. Donald J. Johnston (President of the Treasury Board): Mr. Speaker, I welcome this opportunity of participating in the debate on the budget to bring to the attention of hon. members the viewpoint as it were of the Treasury Board and the President of the Treasury Board, and to focus on some aspects of the budget which are particularly important from the Treasury Board perspective and from the over-all management aspect of the finances of the federal government.

Hon. members will recall that in 1976 the Liberal government of the day established the Royal Commission on Financial Management and Accountability, headed by Allan Lambert who, at the time, was chairman of the Toronto Dominion Bank. The Lambert commission, as it is commonly known, had very broad terms of reference, and its objective was to improve the over-all management and accountability of the federal government. It was asked to examine and recommend a mutually compatible management system appropriate to government in the interrelated areas of financial management, control and accountability, including accountability of deputy ministers and heads of Crown agencies.

[*Translation*]

The commission's mandate was also to examine interdepartmental structures, the organization of central agencies serving departments and Crown corporations and related procedures, as well as the financial management policy, rules, guidelines and procedures applied by central agencies to determine whether accountability, both within government and to Parliament, is ensured.

[*English*]

As we all know, the Lambert commission produced its final report, containing some 165 recommendations, in March, 1979. The report was well received by all parties in this House. It is a credit to the commissioners and their staff that this was the case.

In April, 1980, the Prime Minister (Mr. Trudeau) asked me to co-ordinate the government's response to the Lambert report. I am pleased to report to hon. members that we have made considerable progress in this regard and are currently working on a target date of the end of the year in terms of a comprehensive response to the Lambert recommendations. I would like to point out that I have been very ably assisted in this work by Mr. W. A. B. Anderson, who was formerly a senior deputy minister of the province of Ontario, and for that I would like to give credit to the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty) who, while minister of state for the Treasury Board, had the foresight to appoint Mr. Anderson to this most important post.

I said that we have made considerable progress in reviewing and implementing the recommendations of the Lambert report and, indeed, we have. Very tangible evidence of this was contained in the budget presented by my colleague, the Minister of Finance (Mr. MacEachen), last Tuesday, October 28, 1980. The expenditure plan contained in the budget is very much consistent with the recommendations of the Lambert commission. For the first time we have been able to set out the agreed planning levels for each major category of expenditure or envelope with a multi-year horizon.

Under the new policy and expenditure management system the policy committees of cabinet will plan their activities over an extended period of years and, within the framework of that plan, will make policy and related financial decisions together.

Policy committees will have to fund new, high priority initiatives from their envelopes, so they will be demanding and will be critical in their evaluation of existing programs within the federal government. In turn, I believe, this will create an increased onus on managers to develop full information and cost implications of their policy proposals and to manage efficiently and effectively within their established limits.

Unlike my predecessor, the hon. member for York-Peel (Mr. Stevens), who kept trying to assume the responsibilities, in my judgment, of the Minister of Finance, I readily acknowledge the lead role of the Minister of Finance in developing the fiscal plan. I recognize, too, the primary and critical role that the Treasury Board of Canada has in supporting the policy and expenditure management system which has come of age with this budget. Let me highlight briefly for you a number of recent initiatives taken by the government which are complementary and, indeed, essential to the success of this new top-down, multi-year system.

● (1600)

The first area is what I would call the process of departmental improvement. In 1978 the government appointed a Comptroller General of Canada. The first Comptroller General, Mr. Harry Rogers, very quickly took some significant steps to define problems and plan improvements in the management processes of the many departments of the federal government. In particular, I refer to the IMPAC surveys with which many hon. members are familiar, and the departmental action plans which have emerged from it. The IMPAC action plan has become the prime executive tool for strengthening management practices in many departments.

[*Translation*]

Most of us are aware of the fact that the IMPAC study was initially concerned with the management pratices of 29 major federal departments. This initial phase lead to a memorandum of agreement between deputy ministers and the Comptroller General on the improvements to be made. The study has now reached the phase at which action plans are being developed and the focus of attention is on the identification of means necessary to bring about the required changes.

The action plans the departments have developed within the study cover several factors such as the establishment of a strict planning process, the development and integration of operational and financial information systems, the monitoring of activities according to plans, the establishment of program evaluation functions and the broadening of internal auditing activities. All these sectors to be improved upon are compatible with the requests made to the departments in the context of the reforms I have just mentioned.

[*English*]

The second element would be regarded as improved reporting to Parliament, which is particularly significant for the members of this chamber.

The government has recognized the importance of providing Parliament and the public with high quality information to assess the major decisions which will emerge from the new policy and expenditure management program. The proposed legislation on access to information, and the project to revise the estimates and the public accounts, are evidence of the effort this government is making to improve the information available to Parliament and to the public.

[*Translation*]

It is not easy, Mr. Speaker, to decide the way in which information is to be submitted. A quick glance at the blue book will show the complexity of the government's programs and activities. At the moment, the office of the Comptroller General is examining a general model for submitting estimates, which is being tried by five departments. The first results of this experiment should be known in the near future.

[*English*]

Another aspect of this approach is program evaluation. As I mentioned earlier, and as the Minister of Finance emphasized in his budget speech, the new policy and expenditure management system creates an incentive to find ways of saving money in existing programs in order to finance new high priority activities. Basically, in program evaluation, the government must answer fundamental questions about a program:

[*Translation*]

Has the program met its objectives? Did it have unforeseen, positive or negative, effects? Could those objectives be reached with the same resources but with different means? Should the program be pursued in its present form?

[*English*]

I am pleased to report that under the guidance of the office of the Comptroller General, departments are well on the way to setting up organizations for the conduct of program evaluation.

Another aspect which must not be forgotten is personnel management for the eighties. I am sure that hon. members will agree that the new policy and expenditure management system, or any system for that matter, will only be as good as the people who run it. At the very foundation of the system is good personnel management—the hiring, training, and development of good people. In this regard I have said publicly on several occasions, and believe strongly, that we are building on strengths within our public service. I have been much impressed by the high degree of competence, willingness, and dedication that I have found in the public service. With this as a strong starting base, I have recently taken several steps in Treasury Board toward better personnel management in the federal government.

[*Translation*]

The federal government is now creating a separate category for senior managers in the federal public service. This innovation has as its main component an integrated evaluation system which provides for rewards or penalties according to the accountability for effective realization of government program objectives.

[*English*]

At the same time we are implementing a staff training and development policy which strengthens the assessment of training needs, improves the content and conduct of training courses within the public service, and ensures post-training evaluation and feedback.

Just last week, I announced a landmark new part-time employment policy designed to foster the use of employees on a part-time basis and draw into the public service much of this unused talent, particularly working mothers. This program will, I believe, be of particular benefit to those who wish to combine a meaningful professional career with important family responsibilities.

Mr. Murphy: Tell that to the translators.

Mr. Johnston: In his budget address the Minister of Finance reaffirmed, as I do, the commitment of this government to keep the general operating expenses of the federal government and person years under close control. This will require the achievement of further increases in productivity. Hon. members will know that it was for this reason that we have resisted demands in some cases for a shorter work week in the public service. Increased productivity is essential for a strong economic recovery and the federal government must take the lead in this regard.

As I just said, this government will, as a priority, continue to keep its general operating expenses under close control. But I would not want to leave the impression with hon. members or with the public that the direct operating expenses of the government, per se, will offer a dramatic source of savings in the coming years. I emphasize the term "dramatic". Over the past five years, as the House is aware, the federal government has done commendably well in controlling its operating expenses, to the extent that there is relatively very little room left for improvement in this component of federal expenditures. Consider the following breakdown of our expenditures:

[*Translation*]

More than half of the expenditures in the main estimates, or about $30 million for the 1980-81 fiscal year, is made up of transfers to other government levels or individuals or of grants.

[*English*]

The two major components of federal transfers, as you well know, Mr. Speaker, consist of transfers to other governments, being equalization payments under federal-provincial fiscal arrangements, and established programs financing. The latter, often known as EPF, covers hospital insurance, medical care, and post-secondary education. These three major programs are administered by the provinces but are financed in part by the federal government.

The largest single element of federal subsidies is payments under the oil import compensation program, first introduced in 1973-74, to provide compensation to importers of crude oil in order to ensure a uniform domestic price of oil that is below the international price. Any unexpected jump in international prices or an unforeseen fall in the exchange rate, entails an increase in the level of expenditures under the OICP program. Roughly, a $1 per barrel rise in international prices, or a three-cent decline in the Canadian dollar, if sustained under that existing regime, would raise outlays by some $200 million. Understandably, my colleague, the Minister of Finance, found it necessary to meet this issue head on in his budget. The major component of federal transfers to persons is payment of benefits to the aged under the old age security, guaranteed income supplement, and spouse's allowances programs. Family allowance payments are another major element of federal transfers to individuals.

• (1610)

[*Translation*]

Second, Mr. Speaker, the interests on the public debt are expected to reach $10.3 billion in 1980-81, which represent 17.7 per cent of total budgetary expenditures.

Third, the payments to public corporations will reach $2.4 billion in 1980-81, or 4.1 per cent of total budgetary expenditures.

Fourth, the government operating and capital expenditures will amount to $15.5 billion in 1980-81, which represents 26.8 per cent of the public expenditures. This is a reduction of 1.4 per cent compared with the percentage for goods and services last year.

All in all, more than 83 per cent of the increase in budgetary expenditures for the present fiscal year will be used for transfer payments to other governments, individuals and Canadian companies, or for public debt charges. Government operating costs, with the exception of national defence, represent only 7 per cent of the total increase in budgetary expenditures for the fiscal year 1980-81.

[*English*]

It seems clear from what I have said that if further significant reductions in federal expenditures are required, they will not be in the area of direct government operations. That does not mean we will not continue to seek out more efficient means of delivering services to the public, but major dramatic savings will not be effected in those areas.

In conclusion, as President of the Treasury Board and member of Parliament for St. Henri-Westmount, I would like to commend the Minister of Finance for the very fine budget delivered last week. All Canadians will welcome the frank and open way in which he has presented his expenditure plan and his medium term economic assumptions.

Also, I am sure that all Canadians will welcome the continuing commitment of this government to expenditure restraint and to further increases in productivity.

While much of the attention during this debate will focus on the issue of energy and other areas of the budget, I hope this milestone will not escape the attention of members, the publication of a multiyear fiscal plan envelope by envelope, which

indeed is a landmark in the history of financial management in Canada.

Some hon. Members: Hear, hear!

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Winnipeg-Assiniboine (Mr. McKenzie)—Pensions Review Board—Inquiry respecting increase in staff; the hon. member for Halifax West (Mr. Crosby)—Air Transport—Decision on Toronto-Halifax route; the hon. member for Burnaby (Mr. Robinson)—Privacy—Opening of mail by RCMP.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the motion of Mr. MacEachen that this House approves in general the budgetary policy of the government, the amendment thereto of Mr. Crosbie (p. 4231) and the amendment to the amendment of Mr. Rae (p. 4235).

Mr. Les Benjamin (Regina West): Mr. Speaker, I found it somewhat amusing in these few days of budget debate to hear members from the government side and the official opposition criticizing one another for bringing in the same kind of budget. Neither one has learned anything from experience or history when it comes to the financial management of this country.

The Tory budget of last year predicted higher inflation and higher unemployment. It predicted it would be giving another $33 billion to multinational oil companies. It could not afford to bring pensioners up to at least the poverty line. It even eliminated the gasoline excise tax rebate to handicapped people.

The Liberals said that was terrible, that the then minister of finance, the hon. member for St. John's West (Mr. Crosbie), was prepared to fight inflation on the backs of the pensioners, the handicapped and farmers. In my opinion the single most important item in the last campaign was the Conservative budget. The hon. member for St. John's West can huff and puff and try to blow this House down, but his proposed budget was rejected by the people of Canada.

What have they got since? They got more of the same, a budget which predicts higher inflation, higher unemployment, housing for wealthy Canadians, more gifts for the CPR, nothing more for pensioners, and funding for social programs that will not keep up anywhere close to the higher inflation rate which the present Minister of Finance (Mr. MacEachen) predicts. There is a sleeper in this budget which bothers my colleagues and me, and, I am sure, the provinces.

The Minister of Finance said the government intends to achieve net savings in social affairs and help finance initiatives in other envelopes. He said that savings are expected to include reductions in federal transfers to provinces relating to areas coming under provincial jurisdiction. The provinces should be warned that, as and when shared cost programs and social affairs come up for renewal, the federal government will expect them to pay more, and it less.

There is another sleeper in this budget. While I am no legal expert, I believe it violates section 125 of the British North America Act. I refer to the taxing of Crown corporations. I presume the Minister of Finance will have another look at that in light of comments he will receive from many of the provinces.

This is mainly an energy budget. There was great talk in the budget papers. I quote from "The National Energy Program":

> Rapid substitution from oil to more plentiful energy sources . . . To reduce the use of oil in each of the residential, commercial and industrial sectors in every province to no more than 10 per cent of total energy used in those sectors.

I want to dwell on how the Minister of Finance and the Minister of Energy, Mines and Resources have missed the boat. They forgot transportation. I am sorry the Minister of Finance has left. Perhaps the Minister of Justice (Mr. Chrétien) will point this out to him. I would like to remind the minister that in government you have to differentiate between what is the cost to government and the taxpayer and what is an investment. Public investment in productive national assets is self-financing. We should be investing now to create jobs today that will save energy tomorrow, to renew and redirect the industrial structure of our country. That kind of investment is not a cost or deficit to government.

I remind hon. members that in 1944 in the bankrupt province of Saskatchewan a newly elected CCF government established the books of the province on the basis of what was deadweight debt and what was self-liquidating debt. The self-liquidating debt in the 20-year period from 1944 to 1964 amounted to borrowings in excess of $1 million for power, telephones, and several other projects. Those were the kinds of investments that were made through borrowings, much of it foreign capital, but it was loan capital not ownership capital.

● (1620)

In that 20 years we put something over $700 million into power and telephones alone, all of which has since been repaid. We own our power and telephone systems. They were self-liquidating debts. Moreover, we provide one of the best and

lowest cost power and telephone services anywhere in Canada. That is what we mean by an investment program that should be included in this budget.

We should be investing in increased research and development. We should be electrifying transportation. We should be retooling for small cars as well. We should have a massive increase in investment in housing, particularly low cost housing for lower-income families. That is an investment. It is not a cost. It is not a deficit to the taxpayers. Instead of relying on foreign shipping we should be investing in a Canadian merchant marine and in Canadian coastal services, which are either non-existent or totally inadequate. We can build and own our own ships which can fly the Canadian flag.

We import 91 per cent of our farm machinery when we should be building most of it here. Our trade deficit of $16 billion in finished goods is not a sign of a healthy economy or of a Minister of Finance who has learned a damned thing from the history of budgets in this country.

Can we afford to do this? But the real question is can we afford not to? In the 1930s, up to the beginning of the war, we showed modest deficits, although in proportion to today's moneys they would be horrendous. During the dirty thirties $100 million, $200 million or $300 million a year deficits were shown by all governments. During the seven years of wartime budgets there was then what was called a total of something in excess of $8 billion in government deficits. However, most of this $8 billion went into investments to rebuild and expand an economy which had just come through the great depression. We mobilized this country into industrial production with a capacity unimaginable prior to that. The result of that investment was more than repaid because, in the years following the war, with the rebuilt productive capacity, surpluses of governments—federal and provincial in Canada—amounted to the same $8 billion. Taxpayers were more than repaid for money expended during wartime to make guns and bullets. We submit the same kind of thing can take place now—not a declaration of war, but a declaration of peace.

I want to outline an area where I have said the Minister of Finance and the Minister of Energy, Mines and Resources (Mr. Lalonde) have missed the boat. The transportation share of Canadian oil consumption under this budget will grow from 47.6 per cent to 58.6 by 1990. Transportation under this budget would remain almost 100 per cent dependent on liquid fuel. Residential and business net oil consumption is to be reduced. But the biggest user of oil, transportation, is projected to roll merrily along, gobbling up 870,000 barrels a day, which is the status quo—do nothing, in other words. This is a serious threat to our mobility and to our trade. The budget does not even pay lip service to electrification and upgrading railway lines. It does not even mention—that I can find—urban transit systems.

Buses and trains are twice as energy efficient as sub-compact cars, and they are six times as energy efficient as a fully loaded 767 jet, the brand new economy jet which is coming on-stream. Buses, subways and streetcars are twice as efficient as a fully loaded subcompact car in a city. I suggest that massive investment is needed to electrify urban transit, for railway systems, in addition to transit diesel buses. Our public transportation systems carry 3.5 per cent of our passenger traffic compared to 6 per cent 12 years ago. Unless we start to reverse that trend, transportation will still continue to gobble up those depleting or more expensive liquid fuel requirements.

We suggest that over the next 15 years, and we should start with this budget, we must electrify 250 miles of rapid transit lines and 160 miles of trolley bus lines. We also suggest that 10,000 miles of railway track in Canada, which is less than 20 per cent of our miles of railway lines, be electrified. This 10,000 miles of main line trackage carries 75 per cent of rail traffic. The cost would be $2.5 billion in 1979-80 dollars. By doing those things; we would save more oil than the Alsands plant will produce for a $6.7 billion investment.

I am not suggesting the Alsands plant not proceed. But in terms of shifting our energy requirements from diesel fuel to an alternative source of energy, surely this is a much wiser investment and will cost a heck of a lot less money. If we were to electrify that amount of rail line, which handles 75 per cent of our traffic, we would save 11 million barrels of oil a year. That is enough diesel fuel to seed and harvest two crops in the three prairie provinces.

If, during the course of that 15 years, only 20 per cent of the increasing volume of traffic, freight, express and passenger, were transferred to rail and bus from highways and airlines—just 20 per cent—to diesel buses and electrified railway lines, there would be a saving amounting to a total of 58 million barrels of oil each year thereafter. Think what that would do, Mr. Speaker. It would produce all of Canada's food for 2.4 years; or it would plant and harvest ten prairie crops; or it would provide for a nine-month demand for all home heating requirements in Canada; or it would run all of the diesel buses in Canada for 25 years; or it would be the equivalent of four Mexican oil deals.

What a fuss about deficits when there is no distinction made as to what portions of these deficits are self-liquidating debts and which are not. We submit that the budget should make a fundamental change in the practice of old line party governments which we have had over the past 113 years. Those kinds of investments would require a national investment policy, both public and private. Private investors would have to be encouraged and asked to agree that for certain periods of time we do not need any more luxury hotels, A & W's or McDonald's. They would have to be persuaded that the return on their investment would be reasonable—it would be a good return—and that it should go into projects other than some of the fluff on which billions of dollars are invested in Canada today when all these other things in our economy are so badly needed.

● (1630)

If we are to have an industrial strategy of any kind, Liberal, Tory or New Democratic, and if we do not have a transportation system which is functioning efficiently, the industrial strategy will not get off the ground very well, if at all. Surely it

is time to take a leaf out of the books of many other nations in the world. This is not socialist dogma I am providing to the House. Countries of all political stripes in the industrial world, both free and communist, have been investing in transportation systems at a startling rate since the end of the Second World War. For example, the Soviet Union has electrified over 100,000 kilometres of railway lines. Every country in western Europe and Japan has been doing the same thing. For that $2.5 billion we put into a 50,000-volt overhead catenary system, the beauty of that kind of system is that it can be run either by electric or diesel locomotive over the same track.

For openers this budget should call for the beginnings of a 400-mile section or 500-mile section of line from, let us say, Winnipeg to Calgary, Thunder Bay to Winnipeg, or Edmonton to Kamloops. It could be done not as a way of experimenting, because the technology is already there. Canada has the technology and the expertise. We sell electric and diesel locomotives to other countries. The Canadian Institute for Ground Transportation suggests a 30-year period, and I submit that it is at least twice too long. I think the objective should be a maximum of 15 years. We might be able to do it in ten. Perhaps by the time we get to the end of the 15 years, inflation taken into consideration, that $2.5 billion might end up to be a total of $3.5 billion, but I repeat that the amount of liquid fossil fuel which would divert to other needed purposes from transportation for half the investment of one Alsands project surely makes the investment worthwhile.

I know both our publicly-owned and privately-owned railroads resist this kind of fundamental change in their operations, but it seems to me that they have to be given one of two choices: it is either compulsory, or they have to. Similarly, if this budget began this year with $100 million in it for urban transit and $100 million for each of the succeeding four years to our urban municipalities to get into electrification of rail lines, trolley buses, trolley streetcars, electric streetcars and diesel buses, that would be a substantial investment, the return on which could be seen in the savings of oil and the diverting of oil to other uses like food production.

I notice that the budget says: "to extend eventually the natural gas pipeline to the Atlantic provinces". We agree with that. I do not think there is any disagreement or ever has been. It has been talked about for years. What I find degrading is that, as a nation, we continue to allow increases in exports of natural gas outside Canada to the United States when we have not seen to it that we have properly supplied our own fellow citizens first. The mythology which is continually peddled by this government, the previous government, and by private petroleum corporations, is that we have a surplus of natural gas. That is a myth. Whether we are talking about 25 years or 125 years, we need all of that natural gas. We will need it all ourselves.

The new additional exports approved by a Liberal government and a Tory government of 3.4 trillion cubic feet over and above what we were exporting before, would heat one million homes in Atlantic Canada and eastern Quebec for 25 years. Surely that is something to be ashamed of if you are a Liberal or a Conservative. Surely that is neglect of our fellow citizens in eastern Canada. Surely it is not a proper priority to go out for extra quick, fast bucks from exported natural gas. Our grandchildren in 25 years, or our great-grandchildren 50 years down the road, will pay the price. Surely the priority should be to begin the investment now. The cost of the pipeline would be a self-liquidating debt. There should be a massive and urgent project carried out in a minimum period of time.

All these suggestions we have made for investment would not be costs to the taxpayer. The return to the people of Canada and the national and provincial treasuries would more than cover them. The return would be excellent. Let us think about the jobs this proposal would create.

Electrifying and expanding urban transit over five years with a $500 million investment would mean 70,000 jobs. Those 10,000 miles of railway lines over a period of 15 years would mean 300,000 jobs. If we were to implement the balance of the Hall commission report, we would be looking at another 70,000 jobs.

Let us consider a Canadian shipbuilding industry, a Canadian merchant marine, a coastal service, ferry services on our coasts which are worthy of the name, and heavy oil upgrading plants. I am glad to see there is one mentioned in the budget. That is a priority and a commitment of the national government. We will need three or four more of those, not just one. Let us think about massive housing construction and home insulation and what they mean in jobs. If we had all that, we would not have a budget from either one of the old-line parties which continues to forecast higher inflation and higher unemployment. Surely this fundamental change in the way we finance and direct our financial affairs has to come about if we are going to get away from this continual cycle of minor booms and major busts which have been going on since confederation.

We believe the things we are suggesting and proposing would be a challenge to the Canadian people and would excite them to produce more. Revenues from taxes and royalties to governments and revenues to the private sector would more than compensate for those investments. Through the initiative of national and provincial governments and our Crown corporations we would achieve immense benefits not only for ordinary citizens but also for the private sector, which has to do the manufacturing, contracting, construction and distribution, and provide the transportation. Surely this is the kind of priority which should be in a budget today. We should not have a 1930-31 budget of R. B. Bennett. We should not have the budget of Charlie Dunning, who said that money does not grow on gooseberry bushes. We need a budget for the eighties.

We should not have a budget based on the conventional wisdom of the traditional old-line parties. It should be a budget for the modern times. It should be a budget that takes into account what is required in our industry, in transportation and in housing, what is really required by low income families, pensioners and veterans. These are typical old line parties, eighteenth century Tories and nineteenth century Liberals who continue to use the same ideas, the same philosophy and the

same ideology in planning—if you want to call it that—further destruction and further busts. This is all I can say for it. It has not been democratic socialism that has brought to this country the difficulties it is facing now, and it has not been a balanced economy that has done it. It has been the laissez-faire free enterprise, so called—as Tommy Douglas said, neither free nor enterprising.

● (1640)

They are the first ones to have cried "too much government interference", "leave us alone", "let us make a profit", "we will do the job for you", "we will put people to work", etc., but the minute they are in the slightest bit of trouble, who are in the front end of the line with their hand out? It is the same old free enterprisers. They are working hard to prove that Karl Marx was right, that capitalism will destroy itself. I suppose that in some respects that would put democratic socialism in the position of trying to save at least the better parts of free enterprise. But the way the old parties have operated in this country over the last 100 years or so in carrying out these outmoded, obsolete theories of private enterprise, is what has caused us all this trouble.

Who has caused the high unemployment? It was not the socialists. Who is seeing to it that our veterans and old age pensioners have an income lower or just at the poverty line? It is not the socialists, it is the free enterprisers.

Canada is a country of forests and of hydroelectric power, of vast resources. It is only the organizational genius of the Liberals and Tories that could have ensured that none of them is properly distributed to the people of this country. They have the imagination of a doorknob, and they are afraid. They sit in their little towers worrying about little things; they are men of little minds working with little ideas. Surely they could change if they took a look at the experience and at the results of what they have been doing, if they took a look at what this country could do when there was a declaration of war.

Prior to the war they said, "There is no money so there are no jobs", but as soon as war was declared and it was time to kill people, money was found, and so were jobs. I was paid a dollar a day, but they gave me a uniform and a gun. Why not then do the same thing in terms of a declaration of peace with the same kind of energy and marshalling of our people, our resources and our financial capacity to turn this economy around and make it into a much better nation, to bring about real co-operative federalism, to bring about unity in this country, and cease this mindless, incoherent babble coming from 20 directions in the Tory ranks, and the mindless confrontation of Liberals who think they are the only ones fit to govern and to sit down with the premiers and talk with the Canadian people? Why not come up with projects that will turn this nation around and make it the kind of country it can be?

[*Translation*]

Hon. Pierre Bussières (Minister of State, Finance): Mr. Speaker, I am very happy to have this opportunity to take part

in the budget debate, more especially since, as everyone knows, I work in close co-operation with my colleague, the Minister of Finance (Mr. MacEachen). I would say I am in complete agreement with the Quebec finance minister, Mr. Parizeau, who noted the remarkable cleverness shown by the finance minister in his budget.

To me this is more than a clever budget. It is in fact a responsible budget, a realistic budget. The tax measures it contains are the answers to the present economic situation, to this period of economic recession as well as to the challenge we face in this new decade. The Minister of Finance avoided the traps of short-term vision of cyclical economic events, into which the opposition parties fall. He is avoiding the pitfalls that await the right-wing and left-wing experts for whom the consequences on low-income wage earners have little importance.

The Minister of Finance did not indulge in any sleight of hand to make the people believe that the unemployment and inflation rates could be reduced overnight. This is a responsible and realistic budget, because in avoiding those pitfalls the Minister of Finance paves the way for medium and long-term economic development while minimizing the impact of a short-term recession. In acting in this way, he not only gives our country an industrial strategy, but he enables us to free ourselves from our dependency on foreign oil supplies and gives us, Canadians, control over the important sector of oil and gas exploration and development. It would have been quite irresponsible to adopt extreme attitudes in the field of taxation. It would also have been irresponsible to try to play the magician and, as I said earlier, the minister chose the path of responsibility and realism.

● (1650)

The economic difficulties that have arisen during the last decade clearly show that we must adapt a long term rather than a short term economic strategy if we want to meet successfully the challenge of the eighties. The problems linked to the objective of energy self-sufficiency, those linked to the reduction of the rates of unemployment and inflation, the need to regain a more satisfactory rate of growth in production and productivity as well as the increased competition on international markets for products of current technology are as many challenges which compel us to a search for durable, efficient, medium-term and long-term solutions. The possible solutions to these problems will not be recognized as such so easily. The desirable solutions require a judicious combination of structural, industrial, regional and also well-oriented fiscal and monetary policies. This medium term economic development is based on the critical energy sector which will occupy a more important part of our industrial base and will help us achieve our goal of energy self-sufficiency.

Mr. Speaker, I should like to deal briefly with the components of the energy strategy which will contribute to the

economic development in the 1980s. I do not wish to run again over each and every measure in the national energy program. The budget speech itself and the most interesting remarks made by the Minister of Energy, Mines and Resources (Mr. Lalonde) have fully explained this national program. This energy policy to which the government and all Canadians involved in this area of our economy are committed will contribute fully to industrial development as well as research and development, increase demand for skilled labour, and provide extremely important capital over the next decade.

The government makes known clearly and in no uncertain terms its intention not to forgo this opportunity to develop our resources. Therefore, the government is contemplating the possibility of getting involved more and more in the development of oil and gas through Petro-Canada, a corporation which belongs to all of us as Canadians. The government will also make sure that the private sector and more, particularly, Canadian private corporations are encouraged to work more in this sensitive area of our economy. The fiscal incentives which will be made available to them through subsidies amounting to up to 80 per cent of their development costs are proof of the government's wish to secure the the private sector's successful participation.

It is the government's intention to change the energy consumption habits of Canadians and to this end it will improve the distribution system for alternate forms of energy and encourage the consumption of natural gas by a wise pricing policy. The extension of the gas pipeline from Montreal to the maritimes will make western natural gas available to those regions along the pipeline, from Montreal to the Maritimes, and will allow them, for instance, to change from heating oil to natural gas. I want to indicate that according to the pricing policy there will be one price only for gas for consumers in Montreal, Quebec City or Halifax, and that that price will be 65 per cent of the blended price for oil. That price will therefore make gas particularly attractive to the consumer who will want to convert his oil heating system to that form of energy.

The energy pricing policy is the crucial aspect of this energy strategy. The energy revenue-sharing aspect does not have unanimous support. However, this revenue sharing, as proposed by the Deputy Prime Minister and Minister of Finance, is quite fair. Previously, the federal government found itself in an unbearable situation. It had to assume its national responsibilities and carry the better part of the financial burden tied with the increase in energy prices while, on the other hand, receiving but a small share of the oil income.

The new formula will increase the share of the federal government from 10 per cent now to 24 per cent. The provinces, on the other hand, will receive roughly the same amount they did before. In fact, the losers are the industries that explore and develop oil and gas resources, since their share is reduced from 45 to 33 per cent; it is in that difference that the central government will find the funds needed to guarantee the national good which manifests itself, first of all, in the objective of achieving self-sufficiency by 1990, and then, in that of greater Canadianization of the industry that operates in the fields of oil and gas exploration and development.

This brings me to the last, but not least, of the aspects of the energy policy I want to deal with. It concerns the security of supplies and long term prices of oil and gas. Contrary to the Progressive Conservative approach, ours is specific about what oil and gas price increases are planned until 1983 and the rest of the decade. Moreover, the diversity and abundance of our energy resources will enable us to achieve self-sufficiency by 1990. Those elements of certainty are of considerable advantage in planning, and Canada is one of the very few industrialized countries that can offer firm energy guarantees to both its citizens and businesses. Obviously, that advantage will give an edge to our competitiveness and will encourage diversification of our industrial structure.

● (1700)

This budget has been criticized for failing to meet the challenge of reducing unemployment. The creation of better paid jobs and the maintenance of existing jobs have always been a major concern of this government, and this budget shows that this concern is still present. This budget contains many job-creation proposals. I shall only mention the fact that the Minister of Finance has accepted a much higher deficit than he would have wished for and that he has given priority to the growth of economic development programs. The government thus reasserts its will to reduce the deficit in an orderly manner. The economy is now showing signs of recovery. However, it is too early to assess the importance of this recovery. It is therefore necessary to maintain the deficit at its present level and to avoid as much as possible an increase in unemployment. Spending cutbacks or tax increases would only weaken the total demand for goods and services and increase unemployment proportionately. We are not the ones who should be criticized for being inactive in the fight against unemployment, but rather the Progressive Conservatives.

The budget of the hon. member for St. John's West (Mr. Crosbie) forecast higher unemployment than what we have had, because he gave way to the temptation of reducing the deficit by cutting back arbitrarily public spending without any regard for the capacity of our economy and without considering the needs of the population. As I have just said, the economic development envelope will increase by 22 per cent in 1981-82. This rate of increase is by far the highest compared with the other budgetary envelopes. This is a clear indication of the will of the Minister of Finance to create an environment which should promote economic recovery.

Among the new expenditures, I would like to emphasize the investment tax credit of 50 per cent which was developed in

co-operation with the Minister of Regional Economic Expansion (Mr. De Bané). This program covers new manufacturing investments in the designated areas of the country characterized by high unemployment and an underdeveloped manufacturing sector. In Quebec, for instance, the entire region north of the 50th parallel will be able to benefit from this 50 per cent tax credit.

And a while ago, I heard the hon. member for Gaspé (Mr. Cyr) emphasize the importance of this 50 per cent tax credit which will apply to the whole of the Gaspé peninsula and the lower St. Lawrence area, which will be east of Notre-Dame-du-Portage, if my memory serves me well, Mr. Speaker.

Now, if you look at those regions where tax credits will be granted on investments, they are areas with a high rate of unemployment, and with a tax credit of such magnitude and unprecedented generosity, new manufacturing jobs will be created, so that the people from the Magdalen Islands, the Gaspé peninsula, the Matapédia valley, the lower St. Lawrence or the north shore instead of flocking to Montreal or Quebec City in search of employment, thereby increasing the unemployment rate in those communities which have already been highly urbanized, will be able to stay home, find a local job, reinforce the local economy and boost the economy of those villages which unfortunately have been dwindling over the last thirty or forty years.

And I believe, Mr. Speaker, that the judgment passed by the hon. member for Gaspé on this measure, namely, that it would bring significant benefits to his area, is very realistic.

The new funds allocated to economic development will encourage new investments from the small business sector. These new funds will promote housing starts and in particular with regard to the so-called MURBs. It is to be hoped that in the regional centres of the country where the needs are being felt the most the promoters will use this approach in order to provide housing for those who need it. There is also the special allocation of $350 million over four years to promote industrial restructuring, manpower retraining as well as the qualification of our manpower, especially the young workers coming on the labour market, so that they may rise to the challenge of the energy development.

With regard to inflation, a flare up would be disastrous in terms of the sacrifices which would become necessary some day to reach an acceptable level of inflation. The government is deeply concerned with this aspect of inflation because its high cost at this time is somewhat slowing down the economic recovery and its satisfactory level of real growth which is what we all want. Obviously, the present rate of inflation is unacceptable and that is why the government, through the Minister of Finance (Mr. MacEachen) does not intend to put forward tax measures which might cause inflation to flare up again.

The basic cause of inflation, Mr. Speaker, still remains a rate of growth of the money supply higher than the rate of growth of production over a continuing period. In this respect, the Minister of Finance has already announced that he supports the Bank of Canada in its effort to restrict the growth of the money supply. So far this policy has proven to be the most effective in fighting against the basic causes of inflation.

However, there remain several other factors which in some way contribute to inflation. Examples are numerous: the increase in the world oil prices, the faster increase in the cost of some food products and periods where the total demand for goods and services produced is growing faster than the normal production capacity of these same goods and services.

There are also other factors which are not inflationary per se, but result in slowing down the decline of prices and production costs, and this decline is necessary to reduce the rate of inflation. In this regard, growing salary demands play a major part. Inflation is now deeply rooted in the behaviour of all economic agents, and people quite normally try to protect themselves against inflation, which results in growing salary demands to maintain the purchasing power and escalating prices of goods and services by the whole business community. All these attitudes combined have the effect of maintaining high inflation rates and of delaying the return to an acceptable rate of inflation. Given these circumstances, as was indicated by the minister of Finance, the government alone cannot reduce the rate of inflation without help from the private sector, without a sense of discipline and of responsibility on the part of every economic agent.

It will be through consultations among governments, unions and the business world that inflation will definitely be controlled. The example of the Federal Republic of Germany should guide us in this endeavour. Having fewer natural resources than us, yet undergoing the same external pressures, that country has been able to achieve through the discipline and co-operation of all its citizens a rate of inflation that is quite inferior to those of its European neighbours and even ours.

Moreover, in its budget, the government reaffirms its intention to limit the growth of over-all public spending below the tendency growth rate of the gross national product. This is a firm commitment on the part of the Minister of Finance and the government. This commitment indicates to the people that the government is assuming its responsibilities in the area of governmental fiscal management and by reducing the growth of its spending rate in a responsible and realistic manner. There is no intention of reducing the rate of spending by a few hundred million dollars just to please a few specialists. Too drastic spending cuts would have baneful effects on employment, and in that respect, the government does not intend to sacrifice employment to satisfy the experts. On the other hand, massive spending cuts would not solve the problem of inflation this year. Inflation control requires sustained policies and a concerted effort of all economic agents, as I explained earlier.

The orderly reduction of government spending should therefore be extended over a longer period than the coming year.

The policy on energy pricing plays a key role in that fight against inflation. One has only to point out the inflation rates anticipated by the Progressive Conservatives last December. Our policy on energy pricing reduces the anticipated inflation rate in 1980 and 1981 by at least 1.2 per cent yearly compared to the Progressive Conservative inflation rate.

The government is not in favour of a further inflationary tendency, and if it occurred as a result of excessive demands in the private sector under the form of wage demands, abusive price increases of goods, the government would then consider enforcing stricter policies. I will now deal with the challenges to increase real development and productivity. I sincerely believe that the energy program and the fact that the government firmly intends to prevent further inflation are the guarantees of a more satisfactory economic prosperity.

I believe, Mr. Speaker, that the ineffective criticisms of the official opposition about the solutions suggested in the budget to cope with the economic problem are wasted efforts. The Progressive Conservatives failed last year in their attempt to bring down a realistic and responsible budget. At all levels, the energy policy, the fight against inflation and the creation of jobs, the challenge for the future and for an economic recovery through an industrial strategy based on the backbone of the economy, the development of our oil and gas resources, make of this budget introduced by the Minister of Finance a far better budget than the one brought down last year by the hon. member for St. John's West.

● (1710)

[*English*]

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, it is certainly a privilege for me to say a few words on this budget, whether or not it is, in the eyes of many, a budget. I read with interest an article in *The Globe and Mail* of November 1, by Hugh Anderson. The heading on the article is "Clever Budget is an Exercise in the Politics of Wilful Deceit". It goes on to say:

> Federal Finance Minister Allan MacEachen received much praise from some quarters on budget night for what was seen as political cleverness. If politics is merely the art of fraudulently misleading one's listeners, which is a doctrine dangerously in vogue, the praise is justified.
>
> But, if some fleeting glimpse of honesty is to be preached in the financial management of Canada, it is necessary to demonstrate just how far such political practitioners as Mr. MacEachen have gone—with their use of smoke and mirrors to confuse rather than illuminate.

I am sure that many hon. members are aware of the Biblical quotation, "Let us now praise famous men". Certainly, I cannot dispute the fact that the Minister of Finance is, at times, a famous man and, at other times, probably infamous.

Mr. Blenkarn: Most of the time.

Mr. Darling: The article goes on to say:

> But the figures from 1982 onward all give the balance of the doubt to the government. In some areas they verge on fantasy. Notably, a merchandise trade surplus of more than $12 billion is forecast for 1985.

I wonder what seers or magical sorcerers helped the government. With a figure like that, it was probably the northern magus.

Mr. Blenkarn: Not magus, maggot.

Mr. Darling: I have heard that expression and I have also heard the expression "The northern magpie". The article goes on:

> —Mr. MacEachen's promise to support the Bank of Canada's monetary policy. Perhaps this is not too surprising, though, seeing that the government has not responded to the central bank's appeals for greater restraint in spending policies.
>
> Such cynically misleading exercises hardly seem likely to restore credibility to the federal government's handling of its financial affairs.

This government has been in office for eight months. I cannot help but wonder when the Minister of Finance (Mr. MacEachen) will bring down a real budget. His so-called budget of October 28 was more on energy policy than a budget. This has been pointed out not only by people on our side of the House but by knowledgeable people in the fields of finance, energy, and so on. I do not wish to imply that everything in the budget was bad. There were a few worthwhile recommendations.

We on this side of the House were particularly pleased that the government chose not to deindex personal income tax. This is a topic upon which we on this side have been hounding the government for a number of months, and we are pleased that the government made no changes with regard to the Registered Retirement Savings Plan and the Registered Home Owners Savings Plan. However, there was very little else in the budget for the average Canadian consumer. Certainly there was nothing in the budget to force those in the higher income brackets to pay more taxes. The tax loopholes are still there.

Clearly, the budget discriminates against people in the lower income brackets. It is a known fact that people in the lower tax brackets spend twice as much of their income on heat as they do on transportation. Many of the people in this bracket do not even drive an automobile. The 18-cent gasoline tax proposed by our minister of finance, the hon. member for St. John's West (Mr. Crosbie), in his budget last December, would have only collected money from the users of automobiles, trucks and so on, but the present Minister of Finance will collect a great deal more from a great many more people.

In the Crosbie budget the energy tax credit for those people earning under $21,000 a year was $80 per adult and $30 per child. It would have meant a saving of $220 for a family of four. Certainly there is nothing, as I mentioned earlier, in the minister's budget to assist those people, excluding the fact that he did nothing to the deindexing program. One choice item in the budget is the reactivation of the Multiple Unit Residential Buildings program. It means the return of tax incentives for MURBs, a program which had been phased out last year, and

it becomes effective for all construction which started after the budget date, October 28, up to 1982; so it will have a two-year run. The objective is to reduce the shortage of rental units and introduces a scheme that will offer tax write-offs against other income for investments in rental units. Whether it will be any great boost by providing additional housing remains to be seen.

Mr. Blenkarn: It will really help the rich guys, though.

Mr. Darling: That is right; them that has gets, and them that do not have, loses what they already have.

• (1720)

The small business development bond program has been extended for three months until March 31, 1981. Money was also available for the CHIP program and I commend the government for this—but with reservations. The increase in the budget was from $80 million to $265 million to assist the program to reach its objective of upgrading 70 per cent of Canadian homes by the year 1987. Let me point out, however, that this grant is not free, because it is added to the taxpayer's income. The only places where it is an outright grant are in Prince Edward Island and Nova Scotia where it is tax-free. In my view the government should give serious consideration to extending this generosity to the rest of Canada. There are many old homes in other parts of Canada where the climate is colder that could benefit from such a grant, and I feel that the CHIP program is under the jurisdiction of the Minister of Energy, Mines and Resources (Mr. Lalonde).

The other item that I should like to comment on is the Multiple Unit Residential Buildings program, MURBs. I spoke of this previously.

Another item is the mandatory mileage standards for new cars. I understand this will provide standards for mileage efficiency in cars. These have been voluntary until the present time. Measures will be enforced which are expected to reduce fuel consumption of passenger vehicles by 20 per cent between now and 1984. In contrast, the United States has had mandatory controls since 1975.

One of many major criticisms of the budget is that it has done nothing about the real economic problems that currently face the country. What is the purpose of a budget if it is not to address the economic problems currently plaguing the nation? This budget has ignored the unemployment problem in the country. Despite the figures issued by the Department of Employment and Immigration, I am sure, counting the people who are no longer in receipt of benefits and a great many who want to work but cannot find jobs, that we will face this winter with at least one million people unemployed. That is an absolute disgrace.

The budget has done nothing to bring down government expenditures, which was one of the things that the Prime Minister (Mr. Trudeau) promised before the February 18 election. We know now what a misstatement that was.

The budget has done nothing about the horrendous inflation problem. Again, we should remember the words of the Prime Minister—I am not sure whether it was in 1974, but several years ago he said, "We will wrestle inflation to the ground." He is not much of a wrestler because he has had little success with that! Yet the Canadian people accepted that and many other promises made in February, 1980.

An hon. Member: He also said that separatism was dead in Quebec.

Mr. Darling: That is another of his wise statements. A great many people say that the Prime Minister speaks *ex cathedra*—absolutely infallible. Some years ago he stated that separatism was dead in Quebec. Well, Mr. Speaker, if it died, it certainly had a resurrection.

An hon. Member: He also says it is now dead in the west.

Mr. Darling: It is far from dead in the west, thanks to the Prime Minister and the budget presented by the Minister of Finance.

The Minister of Finance has admitted that federal spending will rise this year by 13.2 per cent to nearly $60 billion. He stated that unemployment will continue to get worse before it gets better. That is a great and profound statement. Another thing he said is that inflation will continue in the 10 per cent range next year and that the massive $14.2 billion deficit will be reduced only slightly in 1981. This is not acceptable, Mr. Speaker. It is abundantly clear that the record of this government is a record of failure.

What is even worse, Mr. Speaker, is that the government refuses to come to grips with these problems. This is a majority government, so there will not be an election for at least another four years. The way the Prime Minister operates, however, he will probably hang in until the last minute, so it could be five years before there is an election. Why would the government not be courageous and tackle these problems head on? The longer the problems are shoved under the carpet, the worse they will get. There is no excuse for the government not endeavouring to do something to diminish the severity of these problems.

It is interesting to note what the Prime Minister had to say during the last election campaign. He promised energy prices below those proposed in the Progressive Conservative government's budget. It is estimated that over four years the difference will be five cents per gallon. Of course the Prime Minister would have Canadians believe this government's increase is considerably less than that which would have occurred under the Progressive Conservative budget last December.

Since this government took office eight months ago, there have been no less than five increases in the price of gasoline. This is the government that promised to keep energy prices down. Remember, Mr. Speaker, that in the few short months the Liberals have been in office they have presided over price increases at the gasoline pump totalling, in central and western Canada, 14.8 cents per gallon, and in eastern Canada 15.5 cents per gallon. I think that is ironic, because I recall very well that a year ago gasoline cost $1 or slightly under. Just

yesterday I bought unleaded gasoline in my riding and paid $1.42 for it. Gasoline has gone up in price by 50 cents per gallon. I should like to hear the government refute that. It is well and good to come up with fancy figures, but when taxpayers see today's prices at the gasoline pumps they realize they were sucked in to vote us out of office on February 18.

An hon. Member: Power at any cost.

Mr. Darling: On January 12 at the Liberal campaign college in Toronto the Prime Minister promised to hold the line on government spending. He stated emphatically that under a Liberal administration growth in government expenditure would not exceed the rate of the gross national product. We know what a lot of baloney that was, and that is being charitable.

Over the next four years the Liberals will have total cash requirements of $12.7 billion more than was projected in the Conservative budget. To meet these requirements the government will have to either borrow more, thus driving up interest rates, or print more money, thus driving up the rate of inflation. By 1983-84, government spending will be $6.2 billion per year higher under the Liberals than it would have been under a Conservative government.

Mr. Jarvis: Ten billion.

Mr. Darling: My colleague, who is a financial expert and an outstanding lawyer, the hon. member for Perth (Mr. Jarvis), says $10 billion. I see the President of the Treasury Board (Mr. Johnston) paying attention but I do not know whether he is agreeing or not.

Mr. Jarvis: He agrees.

Mr. Darling: The Prime Minister promised that the government deficit would be reduced in a phased and orderly fashion. The deficit in 1983-84 will be $500 million larger than last year's deficit, and $2.7 billion larger than the deficit projected in the Conservative budget.

The Prime Minister promised to enhance the security of the individual by helping those who need assistance. By the end of 1984, Canadians will have been hit with increases in the price of oil and gas equivalent to over $1 per gallon. Is this enhancing the security of the poor? Is this assisting those who need assistance? What is the government doing to bring down the rate of inflation so that home owners will not be forced out of their homes because they cannot meet the mortgage payments? What is the government doing to assist small business in this country? Just last week the Minister of Finance told this House there was nothing the government could do about high inflation. The government did not have the resources to initiate any more new programs. Despite the shortage of cash, they are now talking about buying oil companies. One of the suggested companies is Imperial Oil. A recent article in one of the foremost daily papers indicates what it would cost to buy Imperial Oil. I quote:

> Analysts put the shares, based on asset value, at $64 each. If we bid for all of them (and our security law says we must) and got them, it would cost $10.5 billion. Accountants Touche Ross and Co. figure that we would have to pay $4 a barrel for all oil reserves to gain control of any company. That would add $4 a barrel to the cost to consumers of oil, it would add not a single barrel to our oil reserves—

● (1730)

This money, if we have such money hidden under the carpet, should be spent to find new supplies of oil and gas.

Permit me to say something about the new grant program for the conversion from oil to gas or electricity. I commend this idea. It is a good idea. It is the hope of the government that this new program will contribute towards a meaningful reduction in oil consumption in this country over the next few years. The amount of the grant is to equal one-half of the cost of conversion up to $800, and the program went into effect on October 28, 1980. Regrettably, many of the details of the program have not yet been worked out. Listen to this, for example. The office of the Minister of Energy, Mines and Resources informed me that application forms for this new program are not presently available for distribution and will not be available until March or April of 1981. Isn't that wonderful?

Home owners who expect to take advantage of this program are asked to retain all the receipts of costs directly related to the cost of conversion. When the application forms are available, they can then apply for the grant. Some will probably have to borrow money from the bank in order to proceed. One would have expected the government to have ensured that application forms were available within a reasonable time.

With regard to retroactivity, there seems to be a great deal of confusion about the program being retroactive. Evidently this is one of the details the government has not worked out yet. I was informed by the minister's office that the program is not retroactive, that anyone who started the conversion process prior to midnight, October 28, is not eligible to apply for the grant. I have been informed by the office of the Minister of Energy, Mines and Resources that the program is retroactive. Who is right and who is wrong? The persons who began to convert from oil to gas or electricity prior to the announcement of the introduction of the program by the Minister of Finance in his budget will be eligible to apply for the grant, provided the final safety inspection did not take place prior to midnight, October 28, 1980. Who does one believe—the office of the Minister of Finance or the office of the Minister of Energy, Mines and Resources?

The government has had eight months in which to work out these details. This is just another illustration of the ineptitude of ministers opposite. There is absolutely no question that unless the government makes a concerted effort to have the application forms available within the next few weeks there is no way anyone will receive payment before the end of next summer. It is conceivable that the grant could end up costing people money, particularly if they have to borrow to pay for the conversion.

There is another aspect of the program that is disturbing. It appears the government is so eager to encourage home owners to switch from oil to gas or electricity that it has offered to pay

one half the cost of the conversion bill, up to $800. However, the government goes on to say, and this is the kicker, that, the grant, whatever the amount is, will have to be declared on income tax for income tax purposes. Again they will get their greedy claws on a good bit of that grant money.

What is the government doing? It is giving with one hand and taking away with the other. As the Bible says, the Lord giveth and the Lord taketh away. In this case, it is MacEachen who giveth and MacEachen who taketh away and continues to take away.

Also, the government is going to impose an excise tax on natural gas which will be equivalent to 12½ cents a gallon by the year 1984. Talk about deceptiveness and trickery. This government certainly gains full marks for that. On the subject of trickery, I am reminded of one of our cabinet ministers who attended a gala event. An outstanding comedian was present. The cabinet minister said to him, "If you are a comedian, make me laugh." The comedian looked at him and said, "You are a politician, tell me a lie."

I also want to bring to the attention of the House the 50 per cent tax credit for new manufacturing. This investment tax credit program sounds wonderful. It will help certain industries by allowing a 50 per cent write-off of the tax credit against liability. As I understand the program, the object is to promote industrial development in those parts of the country most adversely affected by economic disparity. The 50 per cent investment tax credit applies to eligible capital costs on assets acquired for manufacturing. Certain of them are eligible such as fish, sawmilling and metal fabrication. A great many more are not eligible. There is no limit to the project size.

The eligible period is a five-year period commencing October 28, 1980. A building started before the eligible period may qualify for those costs incurred after October 28. Eligible assets are those devised under the Regional Development Incentives Act. The point I want to stress is that it is no help to the constituency of Parry Sound-Muskoka.

I see a former minister from the last Liberal government here. I do not think it will be a hell of a lot of good to him, either, because it applies only to north of the 50th parallel. I ask the President of the Treasury Board to pay special attention—he represents the province of Quebec. Ontario has a population of 8,576,000. This will only benefit .29 per cent or 24,271 people in the province of Ontario. Where does the 50th parallel go? It is north of Timmins, Cochrane and Moose Factory. The only town shown on the map is Fort Hope—not Port Hope, my illustrious friend. Isn't that a great benefit to the people of Ontario? In a lot of the western provinces it covers quite a bit.

Mr. Reid (Kenora-Rainy River): Mr. Speaker, I wish to tell the hon. member that in the constituency of Kenora-Rainy River, which I represent, there are a number of communities which will be able to take advantage of this provision, in addition to a number of Indian reserves; towns like Sioux Lookout, Hudson, Pickle Lake, Deer Falls, Red Lake, Balmerstown, Madsen—

The Acting Speaker (Mr. Ethier): Order, please.

Mr. Darling: Therefore, you are part of the 24,000 people. I did not say specifically who they were. I am delighted to know that at least one riding will benefit. I presume there will be many factories in that northern area to help my friend from Kenora-Rainy River.

● (1740)

There is no question that there has been a great deal of uproar over the energy items in the budget. The government has slapped a tax on the export sales of natural and domestic gas, in fact, on all gas. The government imposed a new oil and gas pricing regime on the producing provinces. As we are well aware, the price of gasoline has gone up under this government and it will continue to go up in the future. The cost of this Liberal energy plan will be a major drain on every family and individual income in this country. Canadians should be under no illusions about that.

I might mention that a prominent member of the Ontario legislature represents the riding of Muskoka in my area. He is certainly well known, because he is the treasurer for the Ontario government, the Hon. Frank Miller. As I recall, during the election in February and prior to that time, Mr. Miller made some comments about our budget. Many of his comments were quoted at length by my Liberal opponent. However, the minister has looked at last week's budget and found considerable fault this time with the Minister of Finance (Mr. MacEachen). In retrospect, I think he is wishing that he had been listening instead of talking last December.

An article in the *Citizen* for Friday, October 31, 1980 reads in part:

> Provincial Treasurer Frank Miller accused Finance Minister Allan MacEachen of ignoring Ontario's ailing economy, while pumping billions of dollars into the West.

The article continues:

> Miller said he was "deeply concerned" the budget will only worsen Ontario's growing recession by treating unemployment as a low priority.
>
> Increasing unemployment insurance premiums by 33 per cent will cost the provincial economy $300 million next year.

These are additional premiums.

I was listening to the remarks of my distinguished colleague from Mississauga who said the additional cost in unemployment insurance premiums will cost Canadians over $1.1 billion next year. However, speaking outside of the Ontario Legislature, according to the *Citizen* article:

> —Miller estimated an average Ontario household will pay up to $2,500 more in energy costs over the next five years.

Imagine what that amount will be over the tenure of this government. The Lord have mercy upon us is all I can say about that.

It was also pointed out that all these costs will cost Ontario an extra $10 billion a year. There are about 2.5 million households in Ontario, so that is a reasonable figure. This statement of $2,500 a year or more gives a lot of us a great deal of worry.

Mr. Miller delivered a paper at a finance meeting on September 19 and it was known then that MacEachen had oil problems to face but he had to worry about two things—

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the hon. member but I must advise him that his allotted time has expired. Nevertheless, he may continue with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Darling: Thank you, Mr. Speaker. I want to thank my colleagues also. In closing, let me point out to the good people of Ontario, and in particular to the people in the riding of Parry Sound-Muskoka, that the electors of Ontario who voted for the northern magus—or the Prime Minister (Mr. Trudeau)—got a government which flies in the face of massive public opinion. For example, it rammed through the metric system when a great percentage of the population was against such a system. Second, was its measure concerning gun control; we know what the great majority of Canadians feel about that. Third is the unpopular bilingual program. This has cost literally hundreds of millions of dollars and a great many people are still unhappy about it. Fourth, the unilaterally shoving through of the constitution over objections by seven of the ten provinces with certain of the Prime Minister's "pet" amendments to be added before it comes to Canada.

Little or no help for small business is forthcoming from the present government. I heard the Minister of State for Finance (Mr. Bussières) commenting on what has been done for small business. I can tell you that small business is being throttled by red tape, and government bureaucracy until small business people are almost ready to shoot I do not know how many of the civil servants. There is not too much in the budget to help small business.

With one-third of the total population, the people of Ontario should take special note of the amount of money which comes into the province of Ontario as compared to what the province of Ontario pays. This way people could see what grants are paid to Ontario. Assistance has been requested for the tourist industry through several departments, particularly the small harbours branch. DREE payments to Ontario amount to $20 million a year compared to over $100 million a year to the province of Quebec.

I have mentioned the great increase in gas prices. The Prime Minister said in 1974 that there would be no wage controls. He said he was absolutely against that. He told us he was resigning, but he was resurrected from the political grave thanks to the wily Cape Bretoner. The CN tracks were going to be twinned from Winnipeg to the coast. Have we seen or heard anything about that? Next we might hear the ridiculous statement that the post office is self-sustaining.

So I come to the Post Office, which does hot have a nickel for its deficit shown in the budget. It is just as if it were on its own and self-sustaining. That is the stupidest thing I have ever come across. The Post Office deficit last year was $400 million. Will we now be faced with a charge of a dollar for a stamp? This is just another example that comes to mind.

I can see a great scenario unfolding. Certainly the wily, prince Machiavelli from Cape Breton has done a masterful job. I say to every Liberal member that he or she should get down on his or her knees every night and thank God that he is on that side of the House. But the Cape Bretoner will have to be repaid in some way. I forecast that he will be the next prime minister when the northern magus retires. Mind you, it will be for a short period of time. He will probably look across to the NDP who are going to lose their seats next time. Probably righteous Robbie might be put in the Senate and made minister of finance for a period of time. Then I foresee a leadership convention and the hon. member for Saint-Maurice (Mr. Chrétien) will become the next prime minister. But I can tell you that this side of the House will be moving over there. A Conservative government will be the next government, and I am looking forward to that.

Some hon. Members: Hear, hear!

Mr. Gary F. McCauley (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Postmaster General): Mr. Speaker, it is a pleasure to participate in this debate and to follow such a distinguished speaker as the hon. member for Parry Sound-Muskoka (Mr. Darling). He is an entertaining speaker but I do not put much faith in his crystal ball gazing.

An hon. Member: You are against MacEachen, are you?

Mr. McCauley: This is an historic moment in our country's life. Canada runs the risk of becoming the most highly educated third world country in the world. Our energy bills are strangling us. Our work force lacks technical skills. Our economy is largely controlled by foreign interests.

This budget is making the right moves to alter those trends and to put us back on the track. By concentrating on our energy problems, the budget will help solve other problems. If we develop our national energy potential, we will no longer be in debt to, or at the mercy of, OPEC. We will create thousands of jobs and train workers in valuable skills at the same time. In addition, we will develop new energy technology and expertise that can be exported. Thanks to Petro-Canada, more of the money that goes for energy will be kept right here in Canada.

Despite what we hear from opposition benches, this is a good budget. It is fair to people, to industry and to the provinces. Obviously there are some who disagree with that assertion. I am afraid they are inclined to use political rhetoric to encourage divisive forces in various regions of the country.

• (1750)

The hon. member for St. John's West (Mr. Crosbie) and his colleagues in this debate so far have been spending a lot of time taking us all on a verbal stroll through the graveyard of Tory budget proposals laid to rest by Canadians last February. The hon. member and his colleagues are arguing over tombstones. In his doomed December budget the ex-finance minis-

ter tried to bludgeon the people of Canada into conserving energy with an 18-cent excise tax on gasoline. Even now the hon. member does not seem to think that tax on transportation fuel would have hurt low-income Canadians very much. That is nonsense. Low-income Canadians still have to get to work somehow. They have to be able to get around, to shop and to pick up the kids. They would have been hurt—and hurt badly—by that tax. To add insult to injury, that tax would have shown up in the cost of goods transported to the regions of the country. That would have meant a further chunk out of the pay cheques of Canadians.

With their holier-than-thou act the Conservatives are now glorifying their December proposal to give low-income earners an energy tax credit. It was a scheme to help cover the cost of heating oil, but how would Canadians have paid for this scheme of tax credits? Well, very simply, with the money paid into the Tory treasury through the excise tax. What a sham, giving the poor people of Canada their own money back to heat their homes, taking money with the left hand and giving the same money back with the right hand. Yet this government is accused of playing a shell game.

The hon. member for St. John's West has been giving nicknames to various other members of this House ever since he arrived here. We on this side of the House have been having a little contest so that we can return the compliment. So far the best suggestion is the "Nervy Newfie" because of the gall he has in this debate to complain about heating oil costs. He did not mention what the family breadwinner would have paid for heating oil under his budget in 1984, $1.96 a gallon. Under our government's proposal by 1984 it will cost a maximum of $1.51 a gallon. That is difference of 45 cents. There are similar differences between our prices and Tory prices for natural gas and for gasoline.

Instead of sly manoeuvring between excise taxes and energy tax credits, this government has taken a long range look at ways in which we can become independent of the OPEC robber-barons. We want to be off imported oil, and we will be off imported oil by 1990. But no government can do that alone. We have to signal to consumers that they too have to work toward this end.

It is no secret that Canadians were receiving conflicting signals during the past decade. We were told about wastefulness. We heard dire predictions about rationing and about how short supplies were getting. But oil was so cheap. Rare things are expensive, so oil could not have been getting as rare as governments were trying to tell us. Well, it is rare, and it is getting harder, to find, particularly in terms of conventional sources. Therefore, it will be, and must be, more expensive in the future. So no more conflicting signals.

Oil costs money, so we will have to pay for it, and in paying more we will think about conservation more. We will turn down the thermostat, take the bus and wear a sweater.

We must also take the initiative to insulate our homes and convert to wood or natural gas or other alternatives. The government has provided programs of assistance in these areas which will have lasting effects in terms of conservation. There are $800 grants to cover up to 50 per cent of the cost of moving from oil use to gas or wood or other alternatives, and the budget for the home insulation program has grown by 300 per cent, to $230 million.

We recognize that even with all these programs some segments of the population will be hard pressed to pay for heating oil, so the Department of National Health and Welfare of this government has increased by $35 the Guaranteed Income Supplement and spouses' allowance for seniors. The same people who will receive an additional $420 under these increases would only have received about $160 under the Tory tax credit scheme. That is a big difference and one well worth pointing out. We have provided for these low-income Canadians much better with the $35 per month increase than the Conservatives would have given through their heating oil tax credit.

We could have offered subsidies for heating oil, but in doing so we would have defeated our purpose of trying to get people to kick the energy habit, and we would have had to pay such subsidies each winter. This way, consumers only have to insulate once. They only have to convert their furnaces once. And let us not forget that in 1985 gas will cost the equivalent of oil costs this year.

This honest, effective and long-term approach realizes that we are going to have to tough it out until we are independent of imported oil, but the way we are toughing it out means we will develop our own national resources, invest in our country, create jobs here and develop technology here which can be exported.

So this is not just an energy strategy. This is an industrial strategy. Energy caused our economic woes. Let it provide the solutions as well.

The Atlantic region of this country in particular will benefit from the national energy program, contrary to remarks made by the hon. member for York-Sunbury (Mr. Howie) in this debate. He accused the government of using regional expansion programs to increase regional disparities. Not only is that a ridiculous contradiction but it is also irresponsible.

In this budget we have a $500 million commitment to building a natural gas pipeline for the maritimes and Quebec, which means we in Atlantic Canada will have an alternative to imported oil.

Should we find enough gas off our shores to justify tapping it and passing it on to the rest of the country, we will have the transmission lines in place to do so. The beauty of this project, and of the whole national energy program, is that it will create jobs, rev up our industry and use a vast source of fuel. Extending the pipeline was the object of one motion made at the Liberal convention in Winnipeg last summer which received the full support of the New Brunswick delegation. Our action proves that this government listens to the grassroots of the party.

Although the pipeline proposal has not yet been finalized, we can get an indication of how it will benefit the maritimes from an earlier proposal by Q & M Pipe Lines. The total net

income which would have been generated for New Brunwick, Nova Scotia and Quebec under that proposal would have been $1.7 billion in 1979 terms. Average annual employment for the three provinces would have been over 4,000 jobs. Most benefits would have gone to New Brunswick. The total increase in income to the province from the transmission line alone would have been $601 million. Another $220 million would have come from the pipeline distribution system. That is a total of $821 million in income increases to New Brunswick, not to mention the 2,000 jobs which would have been created in that province.

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

The Acting Speaker (Mr. Ethier): It being six o'clock, I do now leave the chair until 8 p.m.

At 6 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

The Acting Speaker (Mr. Blaker): Order, please. When the debate was interrupted at 6 p.m., the Parliamentary Secretary to the Minister of Consumer and Corporate Affairs and the Postmaster General (Mr. McCauley) had the floor.

Mr. McCauley: Mr. Speaker, when the debate was adjourned, I was discussing the benefits to the provinces of New Brunswick and Atlantic Canada of the building of the natural gas pipeline to that part of the country. I want to pick up on that and to talk about the problems which Newfoundland or P.E.I. will have, because they will not have access to western natural gas but they will benefit from yet another conservation program which will allow for energy audits, oil furnace retrofitting and additional insulation.

This program will operate in much the same way as the $800 off oil conversion grants and will apply to the Yukon and the Northwest Territories as well. Other federal energy initiatives, such as research, conservation and industry incentives, will total over $290 million in New Brunswick over the next four years. That is almost $400 per person in that province alone. Yet the opposition critic for the Atlantic development program says there is nothing in the budget to strengthen the economies of the region.

We on this side of the House put greater stock in the opinions of such august bodies as the Atlantic chamber of commerce which reacted favourably to the budget. They are particularly pleased with the 50 per cent tax credit for certain new capital investments in disadvantaged areas. Business people will also benefit from programs like the small business development bonds. As we all know, they have been extended for three months into 1981.

But, speaking of energy, ultimately we have to get away from non-renewable sources. Even coal and natural gas will run out one day. Realizing this, the government has set up a new Crown corporation called Enertech Canada. As a member of the special parliamentary task force on alternate energy and oil substitution, I am especially pleased by this move.

Enertech Canada will be a subsidiary of Petro-Canada and will focus on supporting commercial production of renewable energy and conservation technology. Also, since 1978, there have been a number of programs operating in this area. The use of wood and other biomass fuels has been encouraged, as has research and development in wind and solar technology, all part of a $380 million package which was started in 1978 and will run for another five years.

All these alternatives hold real promise for Atlantic Canada which, at least for now, has no domestic source of oil and gas. But the program which can benefit us the most is the conservation program. Again, as a member of the alternate energy committee, I have heard it said innumerable times that the most valuable barrel of oil is the one we save.

To help industry improve energy efficiency, there is a $30 million fund which has been set up exclusively for the Atlantic provinces. It will cover up to half the cost of conservation measures. If we succeed in this program, we will be less vulnerable to energy price increases and we will be more competitive in national and international markets.

People who use electric heat in the maritimes will be relieved to hear that utilities are being encouraged to change from burning oil to burning coal for generating power. One hundred and seventy-five million dollars has been set aside for this task. Coleson Cove, New Brunswick and Tufts Cove, Nova Scotia, should be two of the first utilities to benefit from this fund.

Conversion projects involving coal must be environmentally acceptable to be eligible for the grants. We do not want to worsen the acid rain problem. Technology for using coal efficiently and in a way that is environmentally benign will be encouraged with a $50 million three-year program. Another $100 million may be added to the fund in 1984-85.

• (2010)

This is yet another example of how the government will use solutions to our energy problems to solve our economic problems as well. There will be jobs in Cape Breton coal mines once again. We will be tapping a vast source of energy there and we will be developing new coal utilization technology. Other nations are also turning to coal. Our new-found expertise will be exportable and our energy dollars will stay in Canada. Despite opposition criticisms I think most Canadians see that this budget will benefit all regions of Canada. I think people in Atlantic Canada will use the opportunities given them through the budget to become more self-sufficient, not only in energy but also economically. I believe deep in my heart that the people of western Canada are really willing to contribute to the total country's welfare, contrary to what certain politicians are saying. If we stop listening to politicians and start listening to people, we may get a few surprises in terms of western Canada.

Some hon. Members: Hear, hear!

Mr. McCauley: For example, *The Calgary Herald* polled Albertans and found that most expected a gas price hike and did not think it was excessive. The president of the Alberta Chamber of Commerce said that converting from oil to gas should be beneficial to Alberta and all of Canada. The *Edmonton Journal* carried an editorial which said the budget would not reduce Alberta's income in the immediate future. It predicted faster growth after 1984. The *Journal* also predicted the heritage fund would continue to grow at a healthy rate, oil sands plants could go ahead, conventional oil and gas would flourish, and the over-all economy would grow. Also deep in my heart I believe Albertans appreciate that being part of Canada is something like being subject to progressive income tax—"The more you make, the more you contribute". They feel more allegiance to confederation, the Canadian experience and national welfare than certain members of the Conservative opposition give them credit for. The dark mutterings of the Tories about western separation are in many instances attempts to play off one region against the other.

The hon. member for Edmonton East (Mr. Yurko) said in a recent speech:

> The nation can stand considerable stress and strain. It is constantly proving this. It is a durable nation and will survive the constricted wisdom and political demagoguery of those who will rave and subtly give credence and substance to national cleavage and dismemberment.

The hon. member was participating in the debate on the constitution when he made those remarks, but I am sure he would agree his words apply equally to this debate. Certainly there is western alienation, not only political and economic, but even geographical and physical. By the time British Columbians get up in the morning, the stock markets in Toronto and New York have been open for hours. Decisions affecting them have already been made half a continent away. Even during an election, the results have usually been decided long before the polls close on the west coast. No wonder westerners feel everything is decided for them in some mythical place called central Canada. But they are not the only ones who feel that way. The people of Atlantic Canada have the original patent on alienation. For years they have felt they are just drifting along behind the rest of the country. Whether we live in Atlantic Canada, Ontario, Quebec or the west, we know from time to time that all of us have contributed to the growth of this great country. John Diefenbaker from the west gave us a bill of rights; Tommy Douglas from the west introduced the first provincial medicare plan. The west has a fine tradition of grass-roots politics which has made their governments very sensitive to how the little guy on the street feels, until now. Now certain politicians for their own political purposes are trying to appeal to the worst in westerners, saying the east and central Canada are robbing them of their resources.

The hon. member for Vancouver Centre (Miss Carney) estimated that British Columbia will lose $30 million annually on exports of natural gas because of a tax on that fuel. She did not mention the $4 billion that will be heading west from the federal government to help that region diversify its economy. If western Canadian companies cannot sell their gas south of the border, the federal government will buy it. These measures, plus the provincial share of the export tax on oil, should more than compensate the region for any ill effects that may be felt in the export market. Westerners are reasonable people; the federal government is taking heed of the region's aspirations and is sharing the nation's wealth with it and all other parts of Canada. That is the task of a truly national government.

Some hon. Members: Hear, hear!

Mr. McCauley: It hurts me to hear irresponsible statements like those of opposition members who say this government has declared war on the west. As I said, irresponsible statements just encourage the worst in people.

The New Democratic Party has shown it can put its constituents' interests in the west before its political interest. The hon. member for Yorkton-Melville (Mr. Nystrom) said our actions on this side of the House on the natural gas tax show we sincerely hope to gain support in the west. Certainly westerners have gripes. Don't we all? But westerners have not been ignored by the federal government to the extent that some of their representatives would have them believe.

Take resource benefits, for example. The Canadian provinces get a higher share of resource revenue than any other state in the world: more than double the share Texas gets from its federal government; more than triple the share which goes to the state of Victoria in Australia. What about all the money the federal government has passed up in favour of tax incentives for oil and gas exploration in the west? The provincial governments have earned a considerable sum in royalties from projects which might never have begun without federal tax incentives. As for the weeping and wailing of the oil industry, let us remember that federal price and tax policies have provided the industry with the cash flow necessary to finance its expenditures. This means the oil consumer and the Canadian taxpayer have financed virtually all the substantial expansion of this industry. Surely Canadians have the right to be more involved in the energy industry, which has realized such fabulous growth in the past few years.

Some hon. Members: Hear, hear!

Mr. McCauley: After-tax profits in the industry reached $4.7 billion last year, up 53.8 per cent from 1978. We have a good thing going in the energy sector, and it is time Canadians as a whole began to profit from it. The multinationals are not likely to throw in the towel tomorrow and quit investing in Canada because of the national energy program. Where else can they go? To Britain, where the government has first claim on over half the offshore oil production? Compare that to Petro-Canada's new claim to only 25 per cent of energy finds in the Arctic and offshore. The multinationals will not be too interested in going south to Mexico because the state gets 100 per cent of the finds there, and Norway claims 50 per cent to 70 per cent of the share in its jurisdiction. It is not as though we are buying assets from them which Canadians do not deserve or have not contributed to; not at all.

As for the NDP notion that we are pushing Canadianization of the oil industry for the benefit of those who are already rich, let me repeat what the energy minister said. His department has had talks with credit unions, caisses populaires and wheat pools that want to diversify their investments.

● (2020)

The NDP had a similar argument against extending the MURB program. It is the Multiple Unit Residential Buildings incentive plan that will get the construction industry out of the doldrums. The New Democrats have branded it as merely a tax haven for the rich, and some members of the official opposition have used the same language. This program, like any other, is for those who want to take advantage of it. It will create about 10,000 jobs. It will alleviate the housing shortage in cities like Vancouver where zero vacancy rates have been recorded.

Creating jobs, training workers and developing our economy—we will do it all and at the same time find some answers to our energy problems. This is not the big, bad budget everyone was expecting. We did not de-index personal income tax. We did not raise those taxes or corporate taxes. Registered Home Ownership Savings Plans are still available. There is a whole raft of things we were expected to do but they would have been contrary to our Liberal philosophy. We are encouraging business but we are not going to let multinational oil companies continue to take us to the cleaners. This is a many-faceted budget which looks far into the future. It makes that future look very bright for all Canadians, no matter where they live—east, west, north or south. This is a budget of which we can all be proud.

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, it is customary for members to begin a speech of this nature by saying it is a pleasure to rise and speak on the subject before them. I must say that when I look at this budget I can hardly say it is a pleasure to speak on it. I listened with some attention to the hon. member for Moncton (Mr. McCauley) who has been sharing his views with regard to the budget and the reaction to it. He kept referring to what he called the irresponsible criticism of the opposition.

Anticipating that kind of reaction on the part of the government I thought I would go to the newspapers of the land and look at the headlines the day after the budget had been laid before us in the House. These newspapers are really not promoters of the Tory party so I think that may serve to make their comments a little more objective. One newspaper says the budget is the "Biggest move since Second World War" and "Energy policy is massive nationalist intervention". One columnist says: "Mackenzie King lurks in MacEachen budget". I do not think that headline would be thought to be too complimentary. Another one in the *Gazette* says of the budget: "Taxing the energy firms a curve ball to the taxpayer". Geoff Stevens talks about "The cunning of MacEachen". Another columnist talks about "New natural gas levy slap in the face for the west". Another one said, "Budget worse than appears". "Slick and sly MacEachen left 'em gasping", says one newspaper, while another says it was "Imprudent, insulting". Finally, one columnist said, "Tone of reason is deceptive".

The two adjectives which I found sadly missing in the descriptions of the budget in the national press were "good" and "honest". Nowhere does the press say it was an honest budget designed to meet the needs of Canadians. As a result, we have a budget which evokes those epithets thrown at the Minister of Finance (Mr. MacEachen) and we see a reaction which cultivates cynicism in the land and distrust of the government by the public. And we do not need any more of that.

I noted with interest that the hon. member for Longueuil (Mr. Olivier) rose in his place last Wednesday during the question period and put a question to the Minister of Energy, Mines and Resources (Mr. Lalonde) in which he was throwing back to the minister the line the Prime Minister (Mr. Trudeau) uses all the time about the need to be sharing in Canada.

An hon. Member: Redistributing the wealth.

Mr. Friesen: Redistributing the wealth, the hon. member says. I would like to ask the hon. member for Longueuil to examine the concept of federalism in the way the government defines "sharing". In his question he was asking about investment in Quebec. But the Prime Minister has always talked about sharing the energy resources of the west with the rest of the country.

And since we are talking about those kinds of investments I would like to ask the hon. member if he has asked about the way Quebec Hydro shares the wealth it gets from the investment that Newfoundland has made in the development of hydro electric energy Quebec sells it to the United States. I understand that the contract the province of Quebec has with the province of Newfoundland is somewhere in the range of a 65-year contract. It was made by the former premier of Newfoundland, Mr. Smallwood, because he could not get a better deal with Quebec. He had to sell that energy at fire sale prices to the province of Quebec which in turn, having no investment in the project at all and being nothing but a broker, re-sells that energy to New York State at world prices. And that is a 65-year contract. I ask you: is that sharing?

I am wondering about sharing in terms of Ontario's gold mines. I know that the energy resources in Alberta, Saskatchewan and British Columbia are attractive because the value is now inflated because of petro-dollars, but so is the price of gold. Just a few years ago gold was valued at $35 an ounce and now it is valued at between $600 and $700 an ounce. I would say the price of gold has been inflated. What about the price of gold and its value to the province of Ontario? Since Ontario and the federal government want Alberta to sell their oil to the rest of the country at one-half the world price I wonder if the province of Ontario would sell its gold or its uranium at half the world price.

I am wondering about the protective tariffs and the quota system which is in effect. It has been here for the past hundred years and people across Canada have accepted it. It was put in

place to protect the industry of central Canada in order that it might thrive because the economies of scale are just non-existent in Canada. Nevertheless, those same tariffs have increased the price to the consumer by an average of 30 per cent.

Hon. members will remember that several years ago this government put a quota system on the shoe and textile industries so that those retailers in Canada would have to buy Canadian products first. But those same industries could not supply goods to western Canada. It meant that shoe stores in British Columbia went out of business because of a policy designed to support industry in central Canada. We do not quarrel with this but it drove businesses into bankruptcy in western Canada. I ask members opposite; where is the concept of sharing when it comes to the quota and the tariff system in Canada? I say flat out to members opposite that sharing is not sharing if it is compulsory.

● (2030)

When the Prime Minister talks about sharing and then imposes a budget which forces the provinces to sell their product at below world prices, that is not sharing. That is the work of a stick-up artist of the highest calibre. When Alberta lends to other provinces at favourable interest rates or when it agrees to build port facilities in Prince Rupert, that is sharing. When Alberta sells energy at half the world market price when it could just as easily transport that petroleum to the port of Vancouver and ship it overseas to be sold at the world price, that is sharing.

On the other hand, the energy which Quebec Hydro purchases from the province of Alberta is used to generate electricity in the province of Quebec, which then sells that electricity at the world price to the United States. Is that sharing? The budget introduced by the Minister of Finance has put further strains on confederation. The hon. member for Moncton just said that westerners are reasonable people, and I agree. We have been reasonable for 100 years in the face of some very unreasonable demands. The time has come to ask ourselves how long we ought to be reasonable, how long we should pay 30 per cent more for the products and the privilege of buying Canadian while at the same time we receive 50 per cent less for our raw resources for the privilege of being Canadian.

How long should we pay higher freight rates to send raw materials east so that the products can be manufactured there and so that we can buy them back again? Yes, westerners are reasonable. If it were turned around and easterners moved west for one year, they would see how long they could be reasonable living out west. The hon. member for Moncton over the dinner hour graciously sent everybody a copy of his "Householder." I found on pages six and seven a short constitutional dictionary. It is somewhat more convoluted than Webster's. In fact, the definitions are a series of questions. There is a whole paragraph written to define the amending formula, but it never defines the amending forumla. I wonder what his constituents will say six months from now when they find out that New Brunswick has been snookered out of an equal share in confederation and been made a second-class province by the amending formula imposed by the Prime Minister.

The people of the west know that the Prime Minister believes that the western provinces are second-class provinces. We found that out. We have also found out how much the New Democratic Party sold out in the famous deal. I notice that members from the House of Commons have been appointed to the joint committee and that there are two members of the New Democratic Party on that committee. The people of British Columbia sent more members of the New Democratic Party to Ottawa than any other province, 12 members, yet there is not one New Democratic member on that committee from British Columbia.

The great New Democratic Party has dealt the people of British Columbia out. I can understand why they did not send the hon. member for Burnaby (Mr. Robinson); it is because they cannot trust him to vote the way the leader wants him to vote. I can understand why the hon. member for Winnipeg North Centre (Mr. Knowles) insisted that he be a member of that committee. Of course, the hon. member for Yorkton-Melville (Mr. Nystrom) is a member of the committee because he is the party critic on federal-provincial relations. I suppose the hon. member for Winnipeg North Centre will sit next to the hon. member for Yorkton-Melville to instruct him to say the right things and to vote the right way when it comes to the constitutional proposal, particularly section 42.

Why is it there are no members of the NDP party from British Columbia on that committee? Does British Columbia not count? The master for western Canada, the Leader of the New Democratic Party (Mr. Broadbent), arranged with the Prime Minister to make sure that resources were permanently entrenched in the charter of rights in the constitution, but he could not arrange for a member of his party from British Columbia to be on that committee. That really shows his interest in western Canada.

I have followed the debate on the constitution very carefully. In fact, until closure was invoked, in my estimation, it achieved probably the highest level of debate I have ever heard in this House. Two weeks ago we struck a new low. I can recall very clearly sitting here listening to the speech of the hon. member for Dartmouth-Halifax East (Mr. Forrestall) who was giving a very emotional and impassioned description of the problems we face in western Canada and Newfoundland with regard to separation. And what did he receive that night? He received one of the loudest guffaws from members opposite I have ever heard in this House. I remember the hon. members for Lac-Saint-Jean (Mr. Gimaïel), Champlain (Mr. Veillette), and another hon. member, among others, laughing.

I said to myself that night that the problem of confederation is not a problem of sharing. I recalled the concern which members opposite felt for the referendum debate in the province of Quebec. We all shared that concern. Party leaders were pairing wherever possible so that members of government could campaign for the No forces. We passed a unanimous resolution in this House urging Quebec to stay in confedera-

tion. The combined forces of all parties won the day. But just six months later when concern is expressed with regard to the same kind of feeling in western Canada and Newfoundland, members opposite laugh. That is the problem of confederation.

Hon. members opposite wonder why there is this feeling of separation in western Canada.

Mr. Laniel: In Quebec it is not a question of wealth.

An hon. Member: Get serious, Benno!

Mr. Friesen: I welcome the hon. member's participation, but whether it is a matter of wealth or not, we do not deserve to be laughed at.

Mr. Laniel: I did not laugh at you.

Mr. Friesen: If the hon. member wishes to hear who was laughing, he can listen to the tapes. He will hear the laughter all over the House, and I make no bones about the matter. When the west is taxed, supposedly, equally with the rest of the country, we can accept that situation. Let me read an article from one of our western papers, the Winnipeg *Free Press*, a paper which is not one of the staunchest supporters of the Tory party—It has been moving toward the Liberal party lately. The article was in the October 31 issue in the form of an editorial entitled, "Billions Down the Drain", and it reads in part:

Lloyd Axworthy, western Canada's minister of everything else, paused in his most recent round of announcing parks and defending constitutional initiatives, to set things straight about energy policy.

● (2040)

It goes on to say, in the closing paragraph:

The real objection to the federal government's oil policy is not that it proposes to take wealth from the west and spend it in the east. Resources revenues, like those from any other source, ought to be used to benefit all of Canada. It is that the government proposes to take money from the west and pour it down the drain where it will help no one and, in the long run, will make all areas of Canada economically weaker and more vulnerable to the uncertainties of the world oil market.

That is what the Liberal newspaper in Winnipeg has to say. It is not that people object to paying tax; that is part of the family arrangement and taxation ought to be equal and it ought to be fair. But when there is overtaxation there is trouble. That means trouble for the consumer.

I might add, parenthetically, Mr. Speaker, that I happened to pick up a copy of today's *Globe and Mail*. In the business section there is an article which quotes a gentleman named Denis Ouellet, who is an analyst with Lévesque, Beaubien Inc. of Montreal. The article quotes him, comparing the budget before us with last year's budget, as follows:

'I see one irony in the budget,' he said. 'Consumers may have voted against the Clark budget, but they will find that collectively they will have about $2.5 billion less to spend in 1981 under the Trudeau budget last week.'

I did not say that, Mr. Speaker; the Tory party did not say that; our research office did not say that. A consultant firm in Montreal said that; consumers will have over $2 billion less to spend this year as a result of this budget. The government will soon know all about that. Overtaxation of the consumer means he cannot save money for retirement. It means that when he reaches retirement he will be totally dependent on the government. That robs him of a sense of dignity to which he is entitled in his senior years and of the ability to look after himself rather than depending on the government for support.

A couple of months ago a widow came to my office. She had moved to British Columbia from Montreal. Her husband had invested in an annuity which she found was not paying very good dividends so she cashed it in. According to the Income Tax Act the proceeds became part of her income for that year and she was liable for income tax on the lump sum. She had to pay something like $700 in extra tax—except that she did not have $700. What was she to do?

Mr. Blenkarn: Go to jail.

Mr. Friesen: That is about it, Mr. Speaker. It seems to me there is a conscious understanding on the part of people that a government is entitled to a legitimate share of their earnings in order to undertake legitimate government services. But when the government moves into areas that are either unnecessary or extravagant, the people will find a way to rebel. When a government taxes beyond the level that citizens feel is fair and right, they will find ways of rebelling. By overtaxation, the government invites dodging and people find ways to get around paying the taxes. It irritates me and infuriates me that the government spends so much time revising the Criminal Code but seems to forget about white collar crime which is not covered in the code. The Bank Act will soon come before us but there is precious little in it to protect the consumer against fraud. The government is very busy with the Criminal Code, however.

When there is overtaxation, Mr. Speaker, there is a reduction in labour. I recall going to one of the sawmills in my community where the manager told me that he found it very difficult to keep a full crew on Friday evenings. The men knew that one day's earnings per week was simply turned over to the government and felt it did not pay them to work on Friday as it would increase their tax. As a result, productivity was reduced.

Overtaxation also has an adverse effect on business by inhibiting expansion. A few nights ago in this House one of my colleagues told us about an oil company in Alberta which found at the end of the year it had $19 million to invest in exploration and expansion. When it ran the budget through the computer and applied it to the financial picture of the company, it found that rather than having $19 million to invest it was left with $2 million. If hon. members found that their disposable earnings available for reinvestment were reduced to that degree, I wonder if they would consider working worthwhile?

A grocery in my constituency complained to me about tariffs. He is charged 15 per cent or 16 per cent tariff on some items he imports. His mark-up on resale is only 14 per cent and he did not see why the government should make more than he does. That seems to me a fairly reasonable rule of thumb,

because the government is at no risk. It has not invested anything except man hours so why should it make more money than the entrepreneur? What we have is a disincentive because of overtaxation.

There is a final aspect of this situation that bothers me, Mr. Speaker. The government ought to know by now that the taxpayer's willingness to pay is directly related to the way the money is spent. If he is called upon to be prudent in handling his resources then he feels he can call upon the government to be prudent as well. When he sees a budget of $60 billion this year, a deficit of something like $16 billion and interest on the deficit amounting to about $1 billion, he feels justified in asking whether the government is prudent in the way it is using that money. The taxpayer cannot look kindly on a government that is guilty of such extravagance; he wants a return on investment.

This budget does not solve the country's problems, Mr. Speaker. It is a budget which attacks the consumer, a budget which calls on the consumer to pay. It is an attack on the reinvestment possibilities for companies, which in turn means a reduction in job opportunities. It will be seen as an attack on the rights of citizens to save for themselves, to invest for themselves and to plan for their own future rather than having the government do it for them.

Some hon. Members: Hear, hear!

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): Mr. Speaker, it is indeed an honour for me to take part in such an important debate.

As I was listening to the Minister of Finance (Mr. MacEachen) deliver the budget speech on Tuesday, I was reminded of how fortunate Canadians were to live in a country endowed with so many human and natural resources. Throughout our history, Canada has managed to respond and adapt to worldwide economic and political developments like no other industrialized nation in the world.

Developments such as the world oil crisis which have severely handicapped some of our closest allies, have only inflicted a minor wound on our economic performance. Canadians today are fortunate to have before them a budget which does not in any way severely affect their lifestyles, such as would have been the case with the ill-fated Tory budget of 1979. Over the next few years Canadians will have to make only modest sacrifices in the way of higher domestic oil prices. When one considers the price of oil in the United States, and especially in the western European countries, these sacrifices will appear insignificant.

● (2050)

What we have before us tonight is a very sound and realistic budget which will provide us with the right ammunition to deal with our economic problems in the short term and, at the same time, provide us with some of the key policy objectives for the complete implementation of our national energy program in the longer term. The budget in itself is non-discriminatory and very selective. What we are attempting to do is to concentrate on those sectors and industries which, on the one hand, can best support tax increases and which, on the other, can be the most equitably taxed to benefit all Canadians. These are the industries and resources which for the moment, and in the foreseeable future, figure more prominently both internationally and domestically, and also assume socioeconomic proportions of national significance.

We are not, as some members opposite have accused us of doing, picking on certain provinces or on certain industries and resources. If today we are taking steps to collect more revenues from oil and natural gas production, it is not because we want to fill up our coffers at the expense of certain provincial governments. It is because we, as a national government, must participate more actively in developing and protecting these valuable instruments of national growth and progress.

The opposition has argued many times that, regardless of their value in the world markets, oil and gas resources should be treated no differently than any other resource; that they are provincial property and should be treated as such, in much the same way, for instance, as is potash, iron ore, or hydroelectric power. Our government respects the provinces' rights to levy direct taxes and collect royalties on natural resources found within their borders. In fact, we offered the provinces the right to levy indirect taxes on resource production, as well as the right to engage in interprovincial trade. However, we must, as a federal government, resort to the use of our own powers by way of indirect taxation to carry out our national responsibilities.

By imposing a tax on natural gas, applicable to Canadian consumers and foreign customers alike, we are not in any way intruding into provincial jurisdiction. Our taking action in this field is completely within the established constitutional powers of the federal government.

Provincial politicians have, it appears, historically taken a position against our using this, one of our rights, to tax their natural resources. Premier Lougheed has accused us of singling out oil and gas resources unjustly for taxation. However, he must not forget that there was an export tax on hydroelectric energy in the years from 1926 to 1968 when the federal government considered such a tax to be in the national interest. The truth of the matter is that the federal government has exercised this right to indirect taxation on natural resources on previous occasions in our country.

From 1947 when a major oil find was made in Leduc until the mid-1970s, imported oil was cheaper than domestic oil from Alberta. It was the national government which, through its policies and its construction of a TransCanada Pipeline, helped and encouraged the growth of this vital western Canadian industry.

[*Translation*]

Mr. Speaker, when natural resources or any other sector of the economy takes on a national significance, and when the well-being of all Canadians depends on a single natural resource, it is then important for the federal government to intervene in a positive manner in the economy. The federal

government must ensure that the cost and benefits related to the development of that resource be shared by all Canadians. The national government of any country must get an adequate share of the revenues generated by the most prosperous sectors of the economy. It must play a more direct role in the economy so that its citizens are not threatened by forces they cannot tolerate.

[*English*]

Canadians must realize that we could not wait any longer before going ahead with our national energy program. We have attempted over the years to arrive at a just and fair agreement with the producing provinces over the price of oil and gas. These talks have always ended in failure, because at the negotiating table, the provincial premiers could not understand that we, as a national government were representing the interests of all Canadians, not simply the interests of the non-producing provinces. If the roles were reversed and oil and gas reserves had been found in Ontario and Quebec, for instance, rather than in Alberta, westerners would expect us to move in exactly the same way to provide for and guarantee their energy security.

Because of geographical and geological factors, major hydrocarbon reserves are located within the territorial boundaries of the three westernmost provinces, and because of external developments, beyond the control of Canadians, petroleum, in international markets, has assumed such political and economic significance that we today must develop these resources with the national interest in mind.

The question is: should Canadians have to pay the world price for oil, or bear the burden of energy insecurity, when we as a nation are fortunate enough to have massive conventional and non-conventional oil and gas reserves. We can achieve energy self-sufficiency without at the same time having to make an enormous sacrifice in order to meet this end. So, therefore, what is our government proposing in the budget before the House?

We are, on the one hand, attempting to ensure that Canadians across the country benefit from our wealth in both conventional and non-conventional oil and gas resources. On the other, we are putting forward a scheme to "Canadianize" our petroleum industry, so that we can all reap more of the benefits from the development of these resources.

Obviously, we cannot expect to fulfil these national objectives under the present revenue sharing arrangements between the federal government, the producing provinces, and the petroleum industry. The federal government must obtain a larger share of petroleum revenues in order to implement its national energy program. We are therefore proposing to increase our stake in total production revenues from a modest 10 per cent to a more equitable 24 per cent, drawing from the oil companies, not the provinces.

To increase its revenues from energy our government will levy taxes on production. Alternately, we could have passed the cost of this energy program on to the Canadian citizen by imposing a massive tax on the consumption of petroleum, as would have been the case with the budget drawn up by the Conservatives last December. Such a move would have been both socially regressive and economically unwise. We took a decision against such a move when it was introduced in the House last December, and we are abiding by it in this budget.

• (2100)

The government of Alberta insists that oil prices in Canada must rise rapidly to near world prices and that they, together with the multinationals, should continue to collect the lion's share of the revenues from petroleum resources.

Our government realizes that conventional oil is indeed a rapidly depleting resource and that measures should be taken to divert Canadians away from oil consumption to other forms of energy. Alberta is suggesting that rapidly increasing prices is the only route to take. We feel that such a move would not be in the best interests of Canadians. It would result in sudden price increases which would severely handicap both the Canadian consumer and the economy as a whole.

We have proposed phased-in price increases which would allow Canadians enough time to convert to other forms of energy consumption. Given a larger share of petroleum revenues, our government could introduce programs aimed at developing new sources of energy to offset these phased-in price increases and help Canadians convert to more abundant sources of energy, such as natural gas.

What we are actually doing now is approaching this problem from two sides. Canadians can continue to consume oil at realistically set prices and we can work to develop other sources of energy without having to impose harsh taxes on the consumer. It is understood, of course, that we can only hope to achieve this if we manage to garner a larger share of the revenues from the production of oil and gas.

Let us not fool ourselves for one instant by thinking that energy self-sufficiency and a just pricing policy for all Canadians can be achieved simultaneously without the federal government taking a more active role in the energy sector.

When the federal government indicated it would increase its share of revenue collecting to 24 per cent, some provinces took offence at the proposal. The Premier of Alberta retaliated by announcing that his province would cut back oil and gas production to fellow Canadians forcing them to turn more and more to foreign suppliers. It is indeed a shame when one stops to consider the implications of such a move, Mr. Speaker. Here we have a provincial premier who is attempting to disrupt the federal government's national energy program. This premier has taken it upon himself to dictate the terms of a new energy package which will adversely affect all Canadians.

I do not think the government of Alberta has the right to dictate the terms of the federal government's national policy under any circumstances. The Premier of Alberta appears to have taken upon himself the task of speaking for western Canadian interests. I cannot honestly find anything in Mr. Lougheed's statements of last Thursday night to convince me that Alberta's proposed actions to curtail production will

benefit Manitobans, who have very limited gas and oil resources of their own and must depend on the federal government for their energy security.

In fact, Manitoba's natural resource income was only $23 per capita in 1978 compared to Alberta's $1,874 per capita. Last week, the Manitoba finance minister openly condemned the federal budget as being an "energy grab" by the federal government at the expense of the western provinces. All I can suggest is that the Manitoba minister consult his economic advisers because there are no energy resources being grabbed—or to grab—in Manitoba. On the contrary, the federal budget will benefit Manitoba which, because of its lack of fossil fuel resources, is lagging behind the other western Canadian provinces.

I will now go over some of the benefits which will accrue to Manitobans through the federal budget. Under the national energy program, grants will be provided for conversion or replacement of oil-fired heating systems to enable homes and businesses to convert to other forms of energy. Some 60,000 homes in Manitoba are currently oil heated. The program target is the conversion of around 23,900 homes by 1990, all of which are eligible for 50 per cent of the costs incurred, up to a maximum of $800.

Under a federal-provincial agreement, Manitoba will also be eligible for a share of the funds which the federal government will make available over the next four years to assist in the financing of expanded distribution systems for propane, natural gas, electricity and perhaps other forms of energy.

The Minister of Employment and Immigration (Mr. Axworthy) announced last week the establishment in Winnipeg of a new Crown energy corporation called Enertech, which will promote and participate in business ventures; producing, distributing and marketing renewable energy, and developing new energy sources. This new corporation will be a definite asset to Manitobans, and to all Canadians. It will greatly assist Canadian businesses in shifting to new forms of energy sources.

In addition, there is the $4 billion western development fund which will be used to fund a series of economic development initiatives in the four western provinces. Such a fund will particularly benefit Manitoba which does not have enormous revenues flowing into its treasury from petroleum, as is the case in the other three western provinces. Manitoba will be able to use its share of this development fund for infrastructure improvements, to promote and encourage industrial development and diversification; to upgrade rail lines in the west and to introduce new agriculture and water programs.

The proposals contained in the federal budget certainly attest to our government's concern for western Canadian development. The revenues collected as a result of our levying taxes will be poured back into the energy sector, a large part of which will be used to diversify western Canada's energy base. In short, the budget will add a new dimension to western Canadian development.

In September of this year members of the Standing Committee on Transport travelled from coast to coast to familiarize themselves with the needs of all of the provinces. In each province we visited we were told that over and above all the functions of the various ministries of government, over and above unemployment insurance, national pension programs, medicare, social services, national defence, etc., it was up to the federal government to provide national transportation linking our country from coast to coast by land, water and air. We met representatives from governments, municipal offices and so forth. We were told that better railways, better passenger and freight trains were needed; that new rails or heavier rail lines should be constructed; rail lines must be retained and relocated and rail lines that are to be maintained in the system were to be rehabilitated. New intermodal stations were needed and better rolling stock, engines, hopper cars and so forth were to be provided. When it came to marine centres, we were told that container terminals, wharves, search and rescue facilities, coast guards, ports and port development were all needed. We were told we had to look after the port of Churchill and the St. Lawrence Seaway. When it came to cities which required airports, we were told better runways, more runways, cargo facilities, terminal buildings, traffic control centres, radar equipment and instrument landing service were all needed. They wanted assistance for their urban transportation program. They wanted assistance for the transportation of the disabled. I could go on and on. The Ministry of Transport has an expenditure budget per year of $1.2 billion, but the demands by the various provinces for all these facilities, which would be administered by the federal government, would run into the billions of dollars. When we look at the other side of the coin, at our ability to provide our nation with these facilities, it becomes evident that income is required. But when we turn around and say to the provinces that it is their turn to give something so that we can attempt to meet the needs of the nation, they say, "Yes, but you cannot have it from us; we are keeping ours; what is ours is ours". We cannot build a nation on those grounds.

● (2110)

In the budget before us the federal government is proposing to enter into a partnership with the provinces which will, it is hoped, help us improve the political and economic balance of Canada. The budget will indeed give us the opportunity as Canadians to pull together in times of insecurity and demonstrate our ability to shape our destiny as a nation.

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, when I awoke on the morning of October 29 I, along with several million other Canadians, was suffering from what I refer to as the yo-yo syndrome. I felt tremendously relieved that the horrible things which had been forecast to happen to us actually never came to pass. I refer to such things as the phasing out of the indexing of personal income tax, the elimination of the $1,000 income tax deduction for interest income, the ending of the Registered Home Ownership Savings Plan, the reduction of tax deduction limits for contribu-

tions to registered retirement plans, the reduction in the dividend tax credit scheme, the reduction of capital gains, the increase in the 33.3 per cent small business rate to the standard corporate rate of 50 per cent and many other things which had been leaked, "reliably", from the Department of Finance to the pundits in this country, who reported them. It was a little like the wife who came home with a piece of the cheque her husband had given to her saying, "Look at all the money I saved you, dear; I did not buy that new hat or that new bird cage", and so forth. That was the relief part of it.

However, on the other hand, after I had an opportunity to analyse what actually had taken place, I was filled with a kind of disgust at the blatant contradiction we had witnessed. I was disgusted at the contradiction of the terror tactics the Minister of Finance (Mr. MacEachen) had imposed secretively on this country during the previous few weeks in anticipation of things which were supposed to be very bad. I felt sickened by all of this. It was a slick, sadistic scenario.

Along with many people in this nation, I feel this budget has done more to polarize the nation and more to harm honest efforts toward constitutional change than any other documentation we have seen put before this House, with the exception of the constitutional matter. Debate on the constitutional matter on the floor of this House was denied to the majority of us here. There is an unhealthy correlation between the budget of the Minister of Finance and the attempts of the Prime Minister (Mr. Trudeau) to redefine and reshape this country in his own image.

If indeed we are ever to have constitutional reform in this country, it will be much more difficult because of the budget of the Minister of Finance. There are those who believe, with justification, that there has been a deliberate attempt through the introduction of this budget on the part of the Minister of Finance and his cohort the Prime Minister to alienate the east from the west. After all, if the issue can be clouded, what difference do the votes in the west mean to the party which sits opposite? The answer is only too obvious.

It has become apparent that there has been a dramatic increase in talk of separation in the western parts of the country, and with good reason. A few short months ago it was said that only a handful of people in the west were talking about separation. A poll in the last few days showed that because of the alienation the west now feels that number has increased to about 25 per cent—and this is in the early stages. It does not bode well for constitutional talks.

The west is not the only region where there is talk of separation or fear of separation. I heard talk of separation in the east as recently as this morning at the airport where people were seriously talking about where we as eastern Canadians are going to turn for our political affiliations. The British North America Act of 1867 assured co-operation between the partners of this affiliation or confederation. Co-operation was the byword and the foundation upon which the British North America Act was based. The Prime Minister, the first minister of this land, should not act unilaterally to bring that constitution back from Britain without agreement on an amending formula and without agreement generally between the provinces, the partners of this confederation which, after all, have a substantial stake in the nation.

I speak as a Canadian and as an Atlantic Canadian. I speak as a New Brunswicker when I say that the Prime Minister is wrong in his approach to patriation of the constitution. It is wrong that one man can dictate to this country to satisfy his ego and an obsession caused by his own fanaticism. He is determined to change the course of the history of this nation whether it be for better or worse, as long as it is changed in his image, as he envisions it and without consultation.

The Minister of Finance has brought in a budget which, in the opinion of many of us, will again act to alienate the regions of this country more than to bring them together. Will he, too, act unilaterally? Will he force an end to this debate? Of course, the procedure of the House demands that the debate end, but on an issue as vital to the nation as this and in view of the fact that a good number of people in this House have been denied the opportunity to speak on the constitutional matter, I believe the period of debate on this budget should be extended so that all of those who wish an opportunity to speak on a matter which is so vital to the future of the nation may have that opportunity.

● (2120)

History will show that neither the Minister of Finance nor the Prime Minister, contrary to what they may think at this time, will go down in the pages of Canadian history books as great men. This House of Commons has been betrayed, its members have been betrayed, the future of the country has been betrayed and, most of all, those Canadians who voted last February for this government have been betrayed. They are, for the most part, good, honest Canadians who believed that the constitutional issue was fundamental to the future of this nation. They were people who believed that those they had elected should have the opportunity to rise in their places in the House and speak on this issue. The people who elected me expected that I would have the opportunity to rise in the House and to speak on this fundamental issue. But I was denied the opportunity, along with a good many other members. I believe history will show that to have been wrong.

Let us look at the budget. Let us consider the terrible things that did not happen to us. Deindexing was the big issue which we had talked about for so long. Thanks to the Minister of Finance, Canadians were spared deindexing. But the minister left the door open. He stated in part that if continued indexing is interpreted as a readiness to accommodate unlimited inflation rates, he might be "faced with no alternative but to impose some limit on the indexing factor." He said to the people in Canada that if they cannot hold down their inflationary ways, then they should watch out because next year they might be subjected to the sort of thing with which he had been threatening them this year. However, apparently it is not going to be this year, and I am sure the people of Canada are grateful.

There are no new taxes in this budget, according to the Minister of Finance, but we see, on examination, an increase in employer-employee premiums for unemployment insurance. That will raise $1.1 billion for the federal coffers, which is more than twice the amount contained in the Crosbie budget for an increase in UIC payments. Yet the minister says there are no new taxes. Who is going to pay for this increase in the payroll of this country? It sure as heck is not going to come from the government. Or is it? We shall have to wait and see.

What about the immediate and future increases in the taxes on liquor and tobacco products? There are no new taxes, according to the Minister of Finance, but somehow or other he slipped up because there are to be some future taxes on liquor and tobacco products. There is a sales tax on advertising and an extension of the manufacturers' sales tax on certain marginal manufacturing operations. If there are no new taxes, who is going to pay for this? We know where the money will come from. It is going to be raised on the backs of the little guys, the same as the bulk of the UIC payments, the $1.1 billion. It is going to be raised by the working people of this country.

And where are the offsets, where are the benefits, where are the easing measures in this budget to help the little fellow cope with these additional taxes? We should be asking this of our friends to the left, the NDP. Where are the offsets? It is the party to the left which made it possible for all these wonderful things to happen to Canadians that we have recently witnessed in the Minister of Finance's budget. We do not hear too much from them these days. They are all huddled together rereading "The thoughts of the Chairman" and muttering to themselves "but this is not the way it was supposed to have happened."

Let us examine briefly the energy package, Mr. Speaker. You will recall what brought these people to power after the NDP made it possible for them to run the election. They came to power on an energy package by condemning the 18-cent tax which was included in the Crosbie budget, and they said, "No, we will not raise our price of energy as much as the Tories intend to do because we do not believe you can afford to pay 18 cents for your power and fuel." What do we find in the package of goodies of the Minister of Finance? According to the Crosbie budget, a barrel of oil was going to increase by $4 by the end of 1980. According to the budget of the Minister of Finance, it is going to increase by $3.80, a difference of 20 cents. That translates into about half a cent difference per gallon. My soul, how fortunate we are as Canadians to have such a compassionate group over yonder looking after the welfare of the Canadian car owner and driver!

Take a look at what is going to happen to us all. Under the Tory program, by the end of 1983 we would be paying $23.80 more for a barrel of crude oil. Under the Liberal program, we would be paying $22.05. What does that $2 a barrel translate into so far as a gallon of gasoline is concerned? This also includes the terrible 18-cent excise tax. It translates into approximately two cents a gallon, or a little less, but I will give them the benefit of the doubt. The taxpayers of this nation spent $60 million on a two-cent election! It is not the 18-cent election any more.

What about the energy tax package? What about the other things we were talking about prior to the defeat of the last government? What about that program which was called—

Mr. Cullen: On a point of order, Mr. Speaker. I was listening to the hon. member very carefully. He mentioned the figure of $79 a barrel in 1977. Was he misreading his notes or was that the figure he meant?

Mr. Corbett: No, Mr. Speaker, I was not misreading my notes at all. It is very clear here. One thing I do quite well is print.

Mr. Cullen: I was not wondering how you read.

Mr. Corbett: The refundable energy tax credit was a very important part of the Crosbie budget. What that would have meant to Canadians earning under $21,380 is that an average family with two children would have had a tax rebate cash credit of $220. The two cents a gallon more in the cost of gasoline under the past government's program would have worked out to about 600 gallons a year at 12,000 miles per year, assuming your automobile gets 20 miles to the gallon, which works out to about $12 a year, give or take a few miles. The fact of the matter is that an average family of four would have been the recipients of about $220 in a cash credit under the old program. This means that under the Crosbie budget, the average Canadian family, at the end of 1983, would have been $208 better off per year than under the present minister's budget.

What else do we have in that package? We also have those nefarious little goodies which were referred to as the Canadian ownership charge. We have not been told much about the Canadian ownership charge, except that it is one to which we will all contribute so that we all end up owning some grandiose multinational oil company, getting into the oil business in a big way and becoming real social democrats. There are one or two other programs which are not defined as well. It is hard to say just exactly what it will mean. Before it is all over, I suspect that the 18-cent excise tax which defeated the Conservative government last February 18 will look like a Sunday school picnic in comparison to what we will have to pay under the present government.

• (2130)

Does anyone in the House of Commons recall the present government telling the people during the last campaign that it would increase the taxes on heating oil? I did not hear them, and no one I talked to on the street heard them either. But it is a fact of life. The fact is there has been an annual tax on heating oil which by the end of 1983 will amount to 36 cents per gallon more than would have been imposed under the Crosbie budget. It will mean an additional increase of approximately $286 per annum for the average family. Do hon. members opposite realize that? I bet it did not appear anywhere in their campaign material. Certainly it did not appear in any newspaper advertisement which I read. No, they did not

mention that type of thing, but we are used to that approach by the government.

What has happened to the program for the conversion of oil to gas? This is probably one of the more positive points of the budget, one I would like to take a few minutes to address. It is outlined in the book entitled: "The National Energy Program". Page 56 reads in part as follows:

> For conversions from oil to gas, electricity, renewable, and other energy sources, a grant of 50 per cent of the conversion cost, up to a maximum of $800.

It goes on to say:

> However, the program will take account of special situations in individual provinces. For example, the dependence of the Atlantic provinces on oil for electrical generation, although declining, precludes financial assistance for conversion to electricity at this time.

The last sentence of the third paragraph on page 57 tell us:

> No one should delay action to convert away from oil.

I can only presume from this that even maritimers in this particular instance are not being regarded by the government as second-class citizens. I am very thankful for that. The sentence before that one reads as follows:

> When the program is operational, compensation will be paid.

I think that is a positive step. I look forward to many maritimers, many New Brunswickers, taking advantage of the program.

Under the section dealing with the Atlantic provinces, we read on page 86:

> Assistance will be provided to consumers, as in other provinces, to switch from oil to other fuels. Assistance for conversions to electric heating will not be immediately available in the Atlantic region, however.

In the province of New Brunswick more than half of its generated power comes from sources other than oil. Yet, according to this, for some reason or another New Brunswickers will be denied this program to convert to electricity from oil, despite the fact that less than half the electricity produced in the province of New Brunswick comes from oil. I should like the minister to take notice of this.

I understand that over the weekend there was a Liberal rally in my constituency of Fundy-Royal, at which time the Minister of Public Works (Mr. Cosgrove) attended as the guest speaker. A resolution was passed at that particular rally asking that the Minister of Public Works contact the Minister of Finance and implore him to allow the Atlantic region access to the same program as the rest of Canada. Obviously the implications were that they had not taken the time or bothered to read the national energy program to determine that Atlantic Canadians are indeed entitled to compensation for switching to other forms of energy with the exception of electricity. Perhaps the good minister would like to take their suggestion under advisement. I hope he will allow Atlantic Canadians the same opportunities in this nation as other Canadians. But I doubt that this will actually be a fact of life.

The minister represents a part of the country which is very rich in coal. Apparently he has lots of money to deal out and has become very generous with the part of the country he represents, Cape Breton. I think that is laudable, it is very noble of the minister. It has been a hard pressed area in the past, and I am thankful and pleased for the people of Cape Breton that the minister has taken cognizance of the fact their coal reserves should be developed. But there are other regions in the maritime provinces which have coal as well.

In my constituency the regions of Minto and Chipman have coal reserves. Last May 2 I asked the Minister of Energy, Mines and Resources (Mr. Lalonde) if it was his intention or the government's intention to aid in the extraction, production and/or marketing of coal from the Minto and Chipman areas. The answer was no, that the department had no plans to aid in the extraction, production and/or marketing of coal from those areas of New Brunswick at that time. I can assure the minister that the miners and their families in the Minto and Chipman areas of New Brunswick like to eat just as well as the miners of Cape Breton. I think they should be given the same opportunities and favouritism as the minister has shown to the people residing in his constituency.

There are energy resources in New Brunswick besides coal. In Albert county there is oil shale which has been producing oil since 1922. Also there are gas reserves in that county which have produced natural gas for use in the Hillsborough area for a good number of years. Where is this mentioned in the budget or in the national energy program developed by the Minister of Finance for the Minister of Energy, Mines and Resources? It is conveniently forgotten, like the commitment to DREE. The government was committed to eliminating regional disparities, but it did not take into consideration doing anything additional for the Department of Regional Economic Expansion. He talked about the manufacturers' investment tax credit. This was done in consultation with his good friend and old crony, the minister. This was for specifically designated areas. Indeed, it will be interesting to see where those specifically designated areas are.

• (2140)

There was no mention of the national parks in this country. We have a beautiful park in Fundy-Royal, which is suffering from a lack of attendance and has been over the last few years. I would have liked to have seen some attention brought to the plight of parks such as Fundy in order to increase attendance. But, no, not a word about it. Today it is appropriate to bring up the subject of national parks because we have park superintendents from all across this land visiting us here in the nation's capital. I would have liked to have seen some thought addressed to the plight of parks such as Fundy, but there was nothing.

What about the farmers of this country? There was hardly a mention made of farmers. The farmers are one of the most maligned groups of individuals in the nation. Yet there was hardly a word. The same thing can be said of fishermen.

And what about all of the poor people of this country? We do have them, in case the minister is not aware. There are poor people in this country who find it difficult to make ends meet and to get a meal. Where are the breaks for the little guys? Again, I should be asking the NDP who made all the rest of this possible for the people of Canada.

Where are the programs such as the mortgage interest and property tax credit plan which was included in the Crosbie budget? Where is the energy tax credit plan that would have helped the little guy absorb his new taxes? No, they are not there, Mr. Speaker. What about the heating fuel increases? These are the types of things we should be considering. We have only the assurance of higher inflation, higher taxes and more government spending. It is a one-man medicine show and a poor one at that. It is a spoof on professional quackery and this government, this minister, should not be allowed to get away with it.

Mr. Garnet M. Bloomfield (London-Middlesex): Mr. Speaker, it gives me a great deal of pleasure to participate in this debate, which is on the first budget of the 1980s. This budget is the first of its kind in that it combines two priorities which are of increasing importance to this country. They are finances and energy. The link between has become such that it is impossible nowadays to separate them. Energy and finances will dominate the 1980s and our ability to effectively deal with them will have a direct bearing on whether or not we survive this century as a united federation.

This budget is the logical conclusion of our election campaign of last winter. Unlike some of the opposition members, who believe in instant cures to complex problems, we did not go charging off around the country making empty promises to the people of Canada which we could not keep. Rather, we anticipated the future. We realized that the people of Canada sought and demanded a government that could put the country of Canada back on its feet. We are a government which realized that election promises were just like any other promises made in good faith—they are made to be kept.

Just what did we promise the people of Canada? We promised them three things. First, we promised energy security at a fair price to all Canadians. Second, we promised to keep government expenditures within the rate of growth of the economy. Finally, we promised an orderly reduction of the deficit. Well, Mr. Speaker, we delivered on each and every one of those promises. This budget is a Liberal budget in every sense of the word. It is fair to all Canadians. It sets forth an energy program that will help Canadians reach energy self-sufficiency at a fair, made-in-Canada price. It holds the line on government expenditures while providing aid in those areas that need it most. In short, it lends direction to Canada at a time when it is crucial that this country should realize where it is going and the best way to get there. This budget calls to mind something which was said over a hundred years ago by Thomas D'Arcy McGee. He said:

> The government must lead as well as save; it must march as well as fortify; it must originate plans for the future, as well as correct the errors of the past.

I submit, Mr. Speaker, that that quotation describes as well as any what this budget does for Canada.

It is important to realize that it is virtually impossible to separate energy policies from fiscal policies when constructing a budget. Perhaps this is the case in Canada more than in any other western country. Economics and energy are the meat and potatoes issues of the 1980s. By dealing with both at the same time the government is prescribing a complete comprehensive remedy for the country's current malaise. During the previous election we campaigned on these fiscal reforms and we were elected to this House as a majority. To fail to present this type of budget would be to shirk our responsibilities to ourselves and, most important, to the people of Canada.

As I said earlier, the government's expenditures program will be aimed at helping those who need help most. They are the senior citizens of Canada. To this end we have already raised the guaranteed income supplement by some $35 per household. That is what we promised in the last campaign. That is what we delivered in the first session of this Parliament.

Another group which desperately needs help is the small businessman. In the past we have been dedicated to helping the small businessman in various ways, one example of this being the ceiling raised on the small loans legislation from $75,000 to $100,000. In this budget the small business development bonds program has been extended. This will help reduce the costs of small business corporations. In all sectors of the industry I cannot think of any that is more important, more fundamental or more vital to Canada than the small business sector. It is the backbone of our economy, the birthplace of innovation and the focal point of industrial ingenuity. We, as Liberals, are aware of the important function the small business entrepreneur plays in Canadian society. We are committed to providing a healthy environment in which small business can grow and flourish.

In the field of economic development we have allocated some $350 million, a 22 per cent increase, to aid research and development and to supplement industrial restructuring. Also, a program designed to increase Canada's pool of domestic skilled tradesmen will be implemented. I might add that these training programs could have been avoided had the provinces recognized Canada's needs for a skilled labour force instead of encouraging all of their young people to attend university.

With respect to research and development I am happy we are allocating some funds to deal specifically with that issue. It is very interesting to note that Canada leads her economic summit partners in terms of government sponsored R and D expenditures as a percentage of gross national product. However, she lags behind in industry-sponsored research and development. In my view, this should be changed. Canada needs more research and development, whether it be government or privately sponsored. This helps Canada maintain her international competitive edge in terms of manufacturing. However, we must not allow ourselves to become complacent about our commitment to research and development. Germany and Japan have become considerably more successful in their conquest of world markets. Our high technology, communications and nuclear industries must continue to strive for excellence if we are to maintain our already prestigious international reputation. I look forward to the increased co-operation between government and industry to achieve this goal in the future.

We, in Canada, cannot forget the fact that we are, in many ways, one of the most fortunate peoples on the globe. We are not starving, as they are in southeast Asia. We are not living in the shadow of communism, as are the peoples of Afghanistan and Sweden. Nor are we subjected to the tyranny of a dictatorial regime, as are people in other parts of the world. It is important that we do not forget our international duties in terms of aid to countries which are less fortunate than we. Accordingly, this government is committed to increase our foreign aid to .5 per cent of our GNP by the end of fiscal 1984.

● (2150)

In the field of national defence, we will be increasing our expenditures by 3 per cent in real terms and this will apply directly to our NATO commitments. I heartily embrace this policy. I, for one, do not believe in starting a war with anyone. Neither am I of the opinion that we in the free world should let our defences crumble and decay at a time when Soviet aggression has never been so flagrant. Our western defence capabilities must not become suspect.

Through these programs, Mr. Speaker, we have shown Canada a path to economic recovery; a path that balances fiscal restraint with industrial incentives which will, if combined with our energy program, guarantee a stronger Canada in the future.

The new energy policy will, when fully implemented, ensure that, indeed, Canada will no longer have to depend on a foreign cartel for our oil. Allow me to quote from the national energy program highlights:

> Three basic objectives guide our decisions:
>
> (1) Security of supply and ultimate energy independence;
>
> (2) Opportunity for Canadians to participate in energy industries, especially oil and gas;
>
> (3) Fairness in pricing and the sharing of revenues among governments and industry.

This is just what we told the Canadian people we would do. Through such existing government agencies as PetroCan, and other new ones, we will be able to provide Canada and Canadians with both economic stimulus and petroleum products that have a made-in-Canada price. This is a bold, courageous new program and one that most suits Canadian requirements. It is the type of program that promises to leave Canada in a good position to become self-sufficient in oil in the foreseeable future.

This debate is designed to present, in a logical manner, the goals of our national energy program. In doing so, it is hoped we will alleviate the reluctance of the western provinces to go along with our proposals. Basically, we believe that Canadians should be treated fairly and equally across the land and that it is the federal government's responsibility to make sure that this happens. Until 1973 there was no problem in maintaining this equality and fairness. When there was a world surplus of oil between 1957 and 1970, the federal government pursued policies that required industry to increase their use of domestic, higher cost crude oil even though cheaper imported oil was readily available. For this and other reasons, the pipeline from the west to Ontario was built.

In 1973 when the price of imported oil skyrocketed, the federal government concluded a new oil pricing agreement witht he producing provinces and undertook to compensate non-producing provinces for more expensive imported oil. During this time, the producing provinces amassed huge revenues as the Canadian government went deeper and deeper into debt through equalization payments. At the same time the foreign multinationals also increased their revenues. The old formula of revenue sharing, which saw the provinces and oil companies each take 45 per cent of the revenues, left the federal government with a meager 10 per cent to support the non-producing provinces.

At present the system is nearing complete breakdown. Without wanting to intrude on provincial revenues, the federal government must find new sources of revenues if the equalization system is to continue. This brings us to the present. The multinationals control a disproportionate amount of the revenues. Through the sale of Canadian petroleum products and through various tax shelters, they are shipping $4 of every $5 out of the country at Canada's expense. The profits that they are reaping are truly incredible. For example, the six largest oil companies in Canada, all foreign controlled, represent 71.7 per cent of the Canadian petroleum industry. Internal cash flow for these companies rose 43.6 per cent in 1979. After tax profits were up 53.8 per cent from the previous year.

Mr. Speaker, I do not mind a pig, but I hate a hog. We must stop this flow of capital out of the country and start back on the road to recovery. Through PetroCan and other government agencies we can commence an orderly Canadianization program for the petroleum industry. Such a program is not unknown in the world today. In Norway, Statoil controls from 50 per cent to 70 per cent of that country's petroleum industry and in Australia at least 25 per cent of the industry is domestically owned. The list continues.

It is important to keep in mind the fact that by Canadianizing the industry, the provinces have little to lose. We propose a new split of 43 per cent to the producing provinces, 33 per cent to industry, and 24 per cent to the federal government. On top of this the producing provinces will receive many economic benefits to help diversify their economies and prepare for the future when oil and natural gas reserves are depleted.

The western development fund is a program aimed at achieving this goal. Four billion dollars, of which $2 billion will be allocated between now and 1983, will be set aside to fund projects selected jointly by the federal government and the governments of the producing provinces. Another commitment made by the federal government is the creation of a natural gas bank. This will provide smaller, Canadian-owned companies, with an early market for their natural gas. As well, it will help generate their cash flow in order that they may continue exploration and development. Coupled with this is the promotion of a conversion program to help Canada move off oil to natural gas.

In order to provide the producing provinces with new markets for their natural gas while stimulating Canada's economy at the same time, a network of pipeline construction will be

initiated by the federal government. Most notable of these is the Q & M pipeline which will ultimately bring western natural gas to the maritime provinces. I would suggest that if eastern reserves are proven, as they are, this pipeline be designed to bring eastern oil westward.

In putting together this comprehensive energy package, it becomes glaringly evident that the producing provinces, indeed all of Canada, will benefit considerably. The producing provinces stand to gain $38 billion, with Alberta receiving $31 billion. The petroleum industry will collect $30 billion and the federal government will collect $24 billion. Canadians will no longer be subjected to OPEC price shocks and we will be able to plot a course towards oil independence.

Through the expansion of PetroCan we will progress from a country dominated by foreign multinationals to a nation that is both self-reliant in energy and self-assured in the future. The Canadian energy industry will be more responsive to Canadian realities and requirements. The decision to implement this bold, new energy fiscal policy is the culmination of many months of careful planning and analysis. If successful, it will provide Canadians with substantially less-than-world energy prices and lend a tremendous edge to our other industries. Once implemented, it will then be up to Canadians to grasp the ball and run with it; without the co-operation from every citizen in the land, Canada runs the risk of squandering this unique opportunity to fashion her own destiny. This would be most unfortunate.

We are entering a new era, a time when opportunities such as this rarely present themselves. I urge all Canadians whether they be from the west, the east or the centre of Canada, to put down their regional barriers and come together under this plan for the future. Together we are stronger; united we cannot be subjugated by external economic forces. Let us embrace each other as brothers in this blessed country called Canada and become that for which our forefathers toiled so hard; one nation, rich in our diversity, but ever cognizant of the mutual goals that bind us.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

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

● (2200)

[*English*]

PENSIONS REVIEW BOARD—INQUIRY RESPECTING INCREASE IN STAFF

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, on October 17 of this year I requested that the acting Minister of Veterans Affairs bring the Pensions Review Board up to strength. I am happy to say that the minister took immediate action after I raised the matter in the House. I hope he will

take such swift action in regard to the Bureau of Pensions Advocates which is also understaffed.

In a letter to the chief executive officer of The War Amputations of Canada regarding the Pensions Review Board the minister stated, in part, as follows:

—the board is now at full strength. With extensive training for the next two months, Mr. Jutras expects to have all members fully operative. By late fall the board should be in a position to do better than meet the current demand.

I should like to quote from the Veterans Affairs Annual Report 1978-79. Under the heading "Years Activities" there appears the following:

During the fiscal year the board received 1,374 appeal applications (including 24 applications to vary previous decisions), compared with 1,286 the previous year. It heard a total of 1,076 cases, including two interpretation hearings. The total for the previous year was 874. It rendered 1,071 decisions (in 1978, 878). Approximately 86 per cent of its decisions confirmed the decisions of the commission, about the same percentage as in the previous year. The decisions dealt with a total of 2,115 disabilities—

This means, Mr. Speaker, that the board is approximately 27 per cent behind in its work of reviewing applications. That being the case, the two additional board members will certainly help the situation. As it takes about two years to train a board member, I should like to suggest to the minister that the Pension Act be amended to permit the appointment of two additional temporary board members for a period of years until the time taken to process appeals is back to normal. These two members would be in addition to the seven provided for in the act.

The Canadian Legion, army, navy and air force veterans, and The War Amputations of Canada are deeply concerned about the delays in processing claims. In a recent letter to the late minister of veterans affairs, The War Amputations of Canada pointed out that a large number of war amputees died before their pension appeals could be reviewed. Over the past eight years 370 applicants died before their applications could be processed.

There were also delays in Ontario in the processing of claims for increased pension benefits. District DVA offices throughout Ontario are encountering problems in securing departmental files from the regional office in Toronto. The Royal Canadian Legion has discussed this matter with the deputy minister. For months, assurances have been given that everyone is trying to correct the staffing problem which is seemingly the root of the situation at the regional office in Toronto. I hope the minister will take steps to see that appropriate action is taken. I am presently working on a case where the veteran has been waiting seven months for a review of his claim.

I hope the minister has good news for us tonight regarding these very lengthy delays in the processing of veterans claims, Mr. Speaker.

Hon. J. Gilles Lamontagne (Minister of National Defence): Mr. Speaker, I thank the member from Winnipeg-Assiniboine (Mr. McKenzie) for the opportunity to clarify the staff situation at the Pensions Review Board.

As hon. members may know, the board was established under the 1971 amendments to the Pension Act. It is exclusively an independent appeal tribunal reporting directly to Parliament through the Minister of Veterans Affairs. The Pensions Review Board has authority to determine any question of law or fact as to whether a person is entitled to an award under the act, and the amount of any such award, and the decision of the board is final and binding for all purposes of the act.

In a letter dated October 17, 1980, I informed the chief executive officer of The War Amputations of Canada that the Pensions Review Board is now at full strength. With extensive training for the next few months, the chairman of the Pensions Review Board expects to have all members fully operative. By late fall the board should be in a position to meet the current demand of cases. Hon. members may recall that in 1977 the Pension Act was amended to provide an additional two members to the board. The board presently hears five to seven cases per day and this number is expected to rise slightly when all members are fully trained and operative. I can assure all members that the board will work as quickly as possible, keeping in mind the necessity to ensure each veteran appealing a claim the best service possible.

● (2205)

The Bureau of Pensions Advocates provides a free legal aid service to persons seeking to establish claims under the Pension Act and the Civilian War Pension and Allowances Acts. Presently the bureau is operating at full strength with the possibility of one vacancy occurring in one of the bureau's field offices early next year. With the known and anticipated claims for pensions from veterans and widows, the chief pensions advocate is confident that the work load will be handled with the same degree of care as the bureau has consistently demonstrated over the years. If delays are still experienced in spite of what I just mentioned, we will take steps to correct the situation as soon as we can.

AIR TRANSPORT—DECISION ON TORONTO-HALIFAX ROUTE

Mr. Howard Crosby (Halifax West): Mr. Speaker, on June 27, 1980, I asked the Minister of Transport (Mr. Pepin) to conduct an inquiry into regional air policy. My reason for requesting a review by the minister was that the cabinet had just that day announced a decision whereby it had overruled a decision of the Canadian Transport Commission in respect of the right of CP Air to fly between Halifax and Toronto. The result of the cabinet decision permitted Eastern Provincial Airways to fly direct on the Halifax-Toronto route.

While I agree with the substance of that decision, I was concerned, as were others, that the whole difficulty arose from confusion about regional air policy. It is very important that such an inquiry be made and that the minister review all aspects of the regional air policy.

The minister indicated in the House on June 27, 1980, that he did not propose to make a specific and formal investigation. He subsequently indicated he was asking government departments involved, the air carriers and others involved in the air industry, to express their views on regional air policy. I would like to take a few moments to outline some of the concerns that must be related to a new regional air transport policy.

The importance of the regional air transport industry to Nova Scotia and Atlantic Canada should not be underestimated. Let us start with the Halifax international airport which today has 75 daily commercial flights. It handles on an annual basis about 1.5 million passengers. It is equal in that respect to Mirabel, but I hope it is not the same in other respects. There are 1,700 employees who work at the Halifax international airport and the work force is building on a daily basis as new inquiries come in.

A recent report by the task force on airport management recommended more local autonomy for airports. This is a big factor in the future expansion of our airport business across Canada, that there be more local autonomy—not that the federal Department of Transport be allowed to escape its responsibilities in the air transport field. In Halifax we have a great port which is promoted by locals. It involves trade sojourns across the world to attract business. We could use this kind of activity in relation to our airport.

I want to take a moment to commend Eastern Provincial Airways on the work they are doing and the contribution they are making to the local economy, employing over 900 employees in Atlantic Canada and spending $10 million in the Halifax area alone. One of their ambitions is to be involved in the takeover of Nordair which is now controlled by Air Canada and which has a $30 million price tag on it. Others in the bidding include Quebec and Ontario interests.

The Minister of Transport said there must be a balance of interest. I hope he will see his way clear in the future to give complete consideration to the bid made by Eastern Provincial Airways because this could be a big contribution to the air transport business in Atlantic Canada and put it on a firm base.

CP Air has now decided to take up the decision of the Canadian Transport Commission and exercise its right to land in Halifax. We welcome CP Air to the east coast. We hope it will make a real contribution. They should be reminded that what we require is employment and local-based activity, not just simply flights from Toronto and Montreal with landings in Halifax. I know they will take this into consideration. I hope they will be able to expand into the international markets. In that connection also we welcome British Airways to Halifax and Halifax International Airport. It was announced in September, 1980, that British Airways had been granted landing rights in Halifax and we hope that this will expand international trade.

● (2210)

Of great importance to our air transport economy in Atlantic Canada is Air Canada. We are proud of the contribution made by Air Canada and its local employees in Halifax West. We are proud that the dedicated staff at the airport provide

such good service. We welcome the recent addition to the airport facility and staff of over 180 flight attendants. We hope that within the near future Air Canada will see fit to locate pilots and other flight crew members in the Halifax area.

However, something is happening nationally to Air Canada which is of great concern to all of us. International, Air Canada is slipping in rank. It is ranked fourteenth by North American passengers. Many complain that Air Canada's service is deteriorating. Evidence before the Dubin inquiry indicated that air safety is sometimes compromised and many of us are concerned as to how Air Canada is being operated. There are those who even suggest that language qualifications take precedence over skills in some areas. I fear that Air Canada's request for greater revenue and a reduction of expenses is at the root of these complaints. I warn Air Canada that if it compromises passenger safety by cost-cutting measures, Canadians will rise up and complain as a group, and action will have to be taken.

We want Air Canada to play a role in the regional air transport service. We want Air Canada to be successful as a national and an international carrier. However, it will have to clean up its act, give better service and contribute more in the future.

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the hon. member's question in the House on June 27 appeared to indicate that he was not dissatisfied with the minister's announcement that EPA would be granted the Halifax-Toronto route. He confirmed that this evening.

In announcing the decision, the minister stressed the need to improve EPA's economic potential by allowing it to broaden its route structure. He also noted that CP Air would have access to Halifax from any point on its transcontinental licence, except Toronto. Those features would benefit Atlantic Canada by providing better access and promoting tourist traffic in the region.

As the hon. member knows the decision was well received in the east. Furthermore, as he indicated this evening, after an initial hesitation, CP Air has decided to take advantage of the opportunity and recently announced a Montreal-Halifax service to begin in March 1981.

In his question, the hon. member mentioned the current review of regional air carrier policy. The review was undertaken as a result of fundamental changes in the structure of the domestic air carrier industry, for instance, the merger of PWA and Transair, the extension of Nordair services to Winnipeg and the potential effects of the resale of Nordair to the private sector, just to mention a few. Such a review can be a lengthy process. The decision on the Halifax-Toronto route obviously could not be put off indefinitely. It is the minister's hope that the review can be completed in the coming months so that uncertainties of this kind can be minimized in the future.

I will relay to the minister the concerns which the hon. member for Halifax West (Mr. Crosby) has expressed this evening. I can assure him that it is the policy of the Ministry of Transport and of Air Canada never to reduce concern for the safety of passengers for economic reasons.

• (2215)

PRIVACY—OPENING OF MAIL BY RCMP

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I rise to follow up a question I asked in this House on April 28 last of the Solicitor General (Mr. Kaplan) with respect to the question of mail opening by the Royal Canadian Mounted Police. In doing so I referred to yet an earlier question, at which time the Solicitor General indicated that there would be a report forthcoming with respect to certain evidence as to the advisability of permitting the RCMP to engage in the opening of the mail of Canadians.

I might say that, unfortunately, I believe, we witnessed undue haste on the part of the Solicitor General in stating that in his view the RCMP did need this particular power. It was within a few days of being sworn in as Solicitor General that the present Solicitor General stated he was convinced that the mail of Canadians should be subject to opening by the RCMP, a practice which, as we have seen through evidence at the McDonald commission, has been taking place on an illegal scale for some considerable length of time. The Solicitor General said he believed that on the basis of his conversations, limited as they were, with the commissioner of the RCMP and others this power was warranted.

At that time, I and others asked what evidence there was to warrant the granting of permission for this invasion of the fundamental privacy of Canadians? We were told at that point that a report would be forthcoming. We were told that the RCMP had been requested to provide a full and comprehensive report to the Solicitor General outlining the grounds for their request that the RCMP have the right to open the first-class private mail of Canadians. I should also point out that when the representatives of the RCMP were asked before the McDonald commission why they felt it was necessary to break the law of the land and intercept the first-class mail of Canadians, and when they were asked to produce evidence as to why they broke the law in that respect, members of the security service came up with nothing.

They came up with an excuse which, as it later turned out, was totally spurious. They were able to give but a single example of the use of mail opening to detect and prevent a possible crime. That example was the detection of possible terrorist activity on the part of a certain "Japanese Red Army" member in Canada. It was with great pride that this example was flourished before the McDonald commission by an RCMP member. There was rather subdued silence, though, when it was learned that mail opening had had nothing whatsoever to do with the apprehending of that particular potential criminal and that it was because of wire tap evidence that that possible crime was uncovered. So before the McDonald Commission not a scintilla of evidence was produced to justify the request of the RCMP for legal mail opening powers

or to justify actions they have been pursuing for some considerable time in this country on a illegal basis.

We suggested to the Solicitor General that since no evidence was presented before the McDonald commission, he must surely have some grounds to warrant his enthusiasm for this sweeping power to be granted to the RCMP. The Solicitor General said he expected a report to reach him soon. We finally asked him where that report was. Lo and behold, a report had been submitted to the Solicitor General, but he did not like what he saw. In fact, what he saw was so inconsequential and so weak that he had to send it back to the RCMP saying, "This is not good enough; I cannot in all conscience bring this to the Parliament of Canada as a justification for asking for mail opening powers". He sent it back to the RCMP and assured Parliament that there would be another report forthcoming in the very near future. That was in April of this year. Since that time what have we heard to justify the zealous request for mail opening powers by the RCMP? Silence. Where is this much-heralded report of the RCMP which would justify the powers for which the Solicitor General has asked? It is nowhere.

We were told that this fundamental invasion of the privacy of Canadians would have to await a report. We were also told—and this is very important—that no legislative action would be taken on mail opening until such time as the McDonald commission has reported on this and certain other investigative techniques.

● (2220)

One would have hoped that the government would have stuck to that commitment. But no. In fact, before any report from the RCMP or from the McDonald commission, we see an attempt to legitimize through the back door mail opening in certain circumstances. I refer to an amendment to the Post Office Act which would change the absolute prohibition, which exists at present on mail opening in this country, of first-class mail in the first case. At present it is quite clear that first-class mail cannot be opened under any circumstances in this country and it is an indictable offence if it is done. In the bill put forward by the Postmaster General (Mr. Ouellet), we see that that fundamental principle has been altered and there is now a section there which would permit mail to be opened when there is a lawful excuse, whatever that means. Even if that section is violated, no longer is it an indictable offence but only a summary conviction offence.

The commitment we were given by the Solicitor General not to take any action on this until, first, there was a report from the RCMP and, second, there was a report from the McDonald commission, has indeed been violated, and I call upon the Solicitor General to urge his colleague, the Postmaster General, to withdraw that section, at least until such time as the evidence upon which it is based is forthcoming.

I should like to conclude by urging that before action is taken to justify this violation of the rights of privacy of Canadians—one of the most fundamental and precious rights in terms of first-class mail—much more evidence be provided.

I would note, of course, that the Conservative party has been quick to sanction this violation of privacy. The Conservative party supported the concept of mail opening by the RCMP in 1979 by voting in favour of Bill C-26. Finally, I would note that the hon. member for Vancouver South (Mr. Fraser) appears to have had a welcome conversion from his earlier support of that bill.

I thank the House for listening and I hope that before any action is taken on this matter far more evidence will be proposed and put before Parliament than has been the case so far.

Mr. Ron Irwin (Parliamentary Secretary to Minister of Justice and Minister of State for Social Development): As my good friend knows, Mr. Speaker, the Right Hon. Prime Minister (Mr. Trudeau), in answer to the hon. member's questioning, set out the criteria. He said:

I am sure the hon. member would not want the government to take action and prosecute somebody on partial evidence. We have always said that we would not comment on the evidence as it came out in a piecemeal fashion; that we were waiting for the whole report. That remains our position.

The hon. member had asked if prosecutions were laid. He asked:

What action does the government intend to take to prosecute those persons who have been shown clearly to have violated the Post Office Act.

We spent over $11 million on the McDonald report. I know it is quite fashionable these days to pick out excerpts from the report and bring them before the House, but I do not consider that responsible. I respectfully submit that we should wait, especially in view of the fact that our police force wants to protect us, until all evidence is in to ascertain what should be done. From month to month we hear excerpts from the McDonald commission and from month to month we provide the same answer: Let us wait until we have the report. The Solicitor General has stated that he hopes the report will be in by early 1981, but we have been told that this might not be possible. At present, the Post Office legislation prohibits the opening of mail by anyone except in the presence of the addressee or for limited purposes. Evidence was produced at the McDonald commission hearings that this was being done illegally by members of the RCMP in spite of that legislation, and that was one of the major considerations for the establishment of the McDonald commission,

The Solicitor General has indicated to the commission, and they have agreed, that even if they are opposed to legislation which provides for mail opening, they should still make recommendations suggesting safeguards if Parliament should provide the necessary legislation. When we have received those recommendations, it is Parliament which will decide within which framework opening of mail will be or will not be permitted, and, if it is permitted, under what conditions.

● (2225)

It is a fine balance. If crimes are being committed through the mail, I suggest to the hon. member that it is incumbent

upon the RCMP to look at what is being done. For instance, heroin with a street value of $80,000 can be sent in an ordinary letter. I am not suggesting $80,000 worth of heroin is being sent, but I am suggesting that history has shown the mails are being used fraudulently and we can reasonably assume that the mails will be used fraudulently again. It is not only expected, it is incumbent upon the RCMP to find the balance between the privacy of an individual and the safeguard of the country. When the McDonald commission brings in its report, Parliament will decide. We can take apart the evidence as it comes in from the McDonald commission month by month, or I suggest we can do the responsible thing and wait until we get the report of the commission and then decide.

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

At 10.27 p.m. the House adjourned, without question put, pursuant to Standing Order 2(1).

HOUSE OF COMMONS

Tuesday, November 4, 1980

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

PENSIONS

BENEFITS TO WIDOWS AND CHILDREN OF VETERANS—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Madam Speaker, I rise on a matter of urgent and pressing necessity under the authority of Standing Order 43. Whereas more than 10,000 widows of deceased veterans and some 9,000 of their children were promised pension benefits over the next six years under Bill C-40, whereas many of these widows are left below the poverty line and may not survive until 1986 or 1987 and since the care of veterans and their widows and children is a national obligation and not just another piece of social legislation, I move, seconded by the hon. member for Lethbridge-Foothills (Mr. Thacker):

That this House request the government to find the money this year to pay these widows and children their proper pension benefits.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENERGY TAX CREDIT

REQUEST THAT CONSERVATIVE BUDGET PROPOSAL BE IMPLEMENTED—MOTION UNDER S.O. 43

Mr. Ron Stewart (Simcoe South): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Because of circumstances which menace and undermine the comfort and financial security of millions of Canadians living on low and fixed incomes, in view of the fact that since this government assumed office there have been six gas and home heating oil price increases, and that the government's action has added 20 cents per gallon at my home gas pump, not 18 cents, since December last, and because there is the threat of another 70 cents increase coming up, I move, seconded by the hon. member for St. Catharines (Mr. Reid):

That the government act immediately to implement those provisions of the Crosbie budget which would bring energy tax credits—immediate softening tax relief—of $80 per adult and $30 per child which would have the effect of negating gas hikes for a family of four earning $21,380 or less annually and driving 20,000 miles per year, and also remove the tax on home heating oil which so adversely affects the 20 per cent of Canadians who can least afford it.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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[*Translation*]

HUMAN RIGHTS

INQUIRY RESPECTING RELEASE FROM U.S.S.R. OF ANATOLY SHCHARANSKY—MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa): Madam Speaker, I rise under the provisions of Standing Order 43 to ask for the unanimous consent of the House in order to move a motion on an urgent matter.

In view of the fact that the U.S.S.R. is committed to enforce the Helsinki agreements and taking into account the discrimination Mr. Anatoly Shcharansky is subjected to by that country and the fact that he cannot emigrate in spite of promises made by the Soviet government for more than six years, I move, seconded by the hon. member for New Westminster-Coquitlam (Miss Jewett):

That the House ask the government to appeal to the signatories to the Helsinki agreements at their next meeting in Madrid, so that Mr. Shcharansky may be allowed to join his wife.

Madam Speaker: The House has heard the motion of the hon. member. The presentation of such a motion under Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

UNEMPLOYMENT INSURANCE

CALL FOR REJECTION OF INCREASED PREMIUMS FOR WOMEN—MOTION UNDER S.O. 43

Mr. Walter McLean (Waterloo): Madam Speaker, in light of the devastating social impact of the budget and the increas-

ing social unrest about high inflation and unemployment, including escalating child abuse, in light of the fact that this heartless budget provides no relief for those on fixed incomes, women aged 60 to 65 and single parent families and that women who earn only 58 per cent of men's wages are further discriminated against, and in light of the fact that increased unemployment insurance contributions constitute a large part of the more than $500 cost per family, I move, seconded by the hon. member for Rosedale (Mr. Crombie):

That this House reject the imposition of increased UIC premiums for women and those on fixed incomes until the Minister of Employment and Immigration, the minister responsible for the status of women, has tabled the promised UIC review.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

INTERNATIONAL SOCIALIST CONVENTION

CONDEMNATION OF PARTICIPATION OF QUEBEC—MOTION UNDER S.O. 43

Mr. Henri Tousignant (Témiscamingue): Madam Speaker, I rise on a matter of urgent and pressing necessity pursuant to the provisions of Standing Order 43.

In view of the fact that a provincial government, namely, the PQ government, has publicly made known its intention to attend the International Socialist Convention which will be held shortly in Madrid, I move, seconded by the hon. member for Portneuf (Mr. Dion):

That the government censure this decision which goes against the objectives of most Quebeckers and which was made by the PQ without the consent of its members.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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[*English*]

EXCISE TAX ACT

CALL FOR AMENDMENTS TO EXEMPT HEALTH UNITS—MOTION UNDER S.O. 43

Mr. Jack Shields (Athabasca): Madam Speaker, whereas hospitals, orphanages, old age homes and health units in most provinces receive a blanket tax exemption under the Excise Tax Act, whereas 29 health units in Alberta are still required to pay sales tax on equipment and supplies essential to their services and that this tax is passed on to low-income families who use health units the most, and recognizing that these units have the potential to reduce federal spending on health through early intervention, preventive measures, alternate home care and therapy programs which operate outside hospitals, I move, seconded by the hon. member for Calgary West (Mr. Hawkes):

That this House direct the Minister of National Health and Welfare to certify immediately the health units in Alberta and propose amendments to the Excise Tax Act so that health units in that province may become exempt from this discriminatory tax.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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● (1410)

WATER RESOURCES

SKAGIT RIVER VALLEY—OPPOSITION TO FLOODING—MOTION UNDER S.O. 43

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, I too rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the fact that governments and the public have only until December 17 of this year to comment to the International Joint Commission on the controversial proposal to flood the Skagit Valley in southern British Columbia, and since the B.C. government has asked the IJC to rescind the 1942 agreement to raise the Ross dam in Washington occasioning that flooding, I move, seconded by the hon. member for New Westminster-Coquitlam (Miss Jewett):

That this House urge the Secretary of State for External Affairs to support the B.C. government's position and reassert the federal government's opposition to the flooding by communicating its views to the commission directly.

Madam Speaker: For presentation, such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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ENERGY

TRANSMISSION OF ADDITIONAL ELECTRICAL POWER TO VANCOUVER ISLAND—MOTION UNDER S.O. 43

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, I rise under the provisions of Standing Order 43 and hope I will get the unanimous consent of the House in this matter of urgent and pressing necessity. In light of the increased cost, including taxes forecast in the budget, for both

gas and oil, even for domestic heating, contrary to the exemption of domestic heating fuels forecast in the Crosbie budget, because of the additional burden that these charges will have on those on low and fixed incomes, and in light of the offer in the energy proposal issued at the time of the budget to assist in building a gas pipeline to Vancouver Island, I move, seconded by the hon. member for Victoria (Mr. McKinnon):

That the government give serious consideration to transferring the offered assistance to the improvement of the transmission to Vancouver Island of additional hydroelectrically generated electrical power which, being still untaxed, would be a more economical heating source to which residents of the island could convert, to the greater benefit, furthermore, of those on low and fixed incomes.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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ENERGY CONSERVATION

CONVERSION FROM OIL—CALL FOR INCLUSION OF ELECTRICITY IN PROGRAM—MOTION UNDER S.O. 43

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, at the Fundy-Royal Liberal meeting over the past weekend at which the Minister of Public Works (Mr. Cosgrove) was in attendance, a resolution was passed calling on the federal government to include the Atlantic region in the conversion program from oil to alternate energy sources. As the only energy source excluded from the conversion program in the Atlantic area, according to the budget documents, was electricity, I move, seconded by the hon. member for York-Sunbury (Mr. Howie):

That the minister acquiesce with his colleagues in Fundy-Royal and include electricity in the Atlantic program.

Madam Speaker: For presentation, such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENERGY

RELIEF TO LOW INCOME CANADIANS FROM HOME HEATING OIL COSTS—MOTION UNDER S.O. 43

Mr. Girve Fretz (Erie): Madam Speaker, I rise on a matter of urgency. Given the fact that the Liberal budget brought down last week will impose a severe hardship on Canadians on low or fixed incomes who now have to pay a much more inflated price for home heating oil, I move, seconded by the hon. member for Bruce-Grey (Mr. Gurbin):

That the government set up a special account funded by deductions from the salaries of Liberal members of Parliament to supplement heating costs of those Canadians whom they have now left to freeze in the dark.

Madam Speaker: For presentation, such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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RESEARCH AND DEVELOPMENT

FUNDING FOR SOCIAL SCIENCE RESEARCH—MOTION UNDER S.O. 43

Mr. Howard Crosby (Halifax West): Madam Speaker, I rise under the provisions of Standing Order 43. The Social Science Federation of Canada rightly claims that research related to human resources is essential to ensure improved industrial production, but the government's budget provides no support for social science research. Accordingly I move, seconded by the hon. member for Fundy-Royal (Mr. Corbett):

That this House direct the Minister of Finance to remedy his failure to support social science research in order to promote improved industrial production in Canada.

Madam Speaker: For presentation, such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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● (1415)

PENSION ACT

CALL FOR AMENDMENT RESPECTING WAR DISABILITY PENSION—MOTION UNDER S.O. 43

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

That this House urges the Acting Minister of Veterans Affairs to introduce, at this session, an amendment to the Pension Act to provide for the basic rate of the war disability pension to be set each year at the average take home pay of the five categories in the Public Service that were designated for this purpose in 1972, it being the view of this House that veterans should not have to wait several years at a time for adjustments to be made but that the increases agreed to in principle should be made automatically each year without fail.

Madam Speaker: Presentation of such a motion for debate requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

THE BUDGET

EFFECT OF MEASURES ON ELDERLY

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is directed to the Deputy Prime Minister and Minister of Finance who will know that the Canadian Council on Social Development has concluded that the major social impact of the minister's budget will be a "significant drop in the standard of living" of millions of disadvantaged Canadians. The council concluded that many elderly people, single pensioners and widows living in their own homes will be forced by this budget to move into high-cost public and private institutions. I assume the government took account of this effect of its budget.

I wonder if the minister has prepared and would table the government's estimates as to the number of elderly couples, single pensioners and widows who will be driven out of their homes by the budget?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I have had a preliminary look at the analysis provided by the council to which the hon. member has referred. I find in a number of instances that its estimates are clearly overstated and its conclusions distorted.

Mr. Clark: Madam Speaker, the Minister of Finance indicated that he found the estimates of the council distorted, which indicates that he has some estimates of his own. My question stands, and this House would like to know what the minister's own estimates are as to the number of low-income Canadians, pensioners, widows and others who will be forced out of their homes by the budget.

Let me ask him a question relating to the impact of energy costs. Last year the Liberal party criticized our energy tax credit for not going far enough; now they discontinue it altogether. Will the minister tell the House whether he intends any new help, anything that is not in the budget, to ease the burden of energy costs upon Canadians, particularly low and middle-income Canadians?

Mr. MacEachen: Madam Speaker, as I have mentioned in the House several times, earlier this year Parliament was asked to approve a very substantial increase in the guaranteed income supplement to support that particular group in our society which needed help most. That particular measure of assistance was $35 a month, which is considerably greater than the $80 a year provided by the former minister of finance who brought in a package of price increases which placed, on the average, a much higher burden on the consumers of Canada, including the groups which the right hon. gentleman mentioned.

Mr. Clark: Madam Speaker, the minister seems unable or unwilling to answer questions directly. I assume his answer indicates that the government does not plan any new help to low-income Canadians who are saddled with significant new energy costs.

Let me ask him a question about another conclusion of the Canadian Council on Social Development. The council concluded that for many low-income Canadians the budget "would be enough to tip the scale and make it more advantageous for those families to go on welfare". Why has the government decided to tax the working poor of Canada so heavily that many of them will find it advantageous to go on welfare?

Mr. MacEachen: Madam Speaker, this is one of the conclusions made by the group referred to by my right hon. friend to which I take strong exception. I believe that when the budget is criticized on the grounds that it will lead to abused and neglected children, it robs considerable credibility from the source of that criticism.

* * *

● (1420)

SOCIAL DEVELOPMENT

INQUIRY RESPECTING REDUCTIONS IN PROGRAMS

Hon. David Crombie (Rosedale): Madam Speaker, my question is for the Minister of State for Social Development. The minister will know from reading yesterday's criticism by the Canadian Council on Social Development that the budget forecast with respect to inflation, unemployment and energy costs will place a heavy reliance on income support programs, social assistance and social service programs. In light of the criticism yesterday from the council that rather than having these programs diminished they ought to be increased, what justification can the minister offer this House, indeed the Canadian public, for reductions in the very social programs they are going to need to look after the social conditions outlined in the finance minister's budget?

[*Translation*]

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, the government is not considering any cutbacks in the social affairs envelope. At the beginning of the session we increased by more than $500 million our contribution to fixed income pensioners and we foresee meeting our obligations with regard to social programs in the year ahead.

[*English*]

Mr. Crombie: My supplementary question is addressed to the same minister. He will know that on page 33 of the budget statement the review of social programs requires that there be a reduction. I would like to ask the minister whether he can indicate to the House if there has been any consultation with either the provinces or municipalities upon whom now the cost of those social programs will fall?

[*Translation*]

Mr. Chrétien: Madam Speaker, it is our intention, when the existing programs are being revised, to consult with the provinces. As you know, some of the agreements are signed for several years, but some will be up for renewal soon and before deciding our course of action as far as these programs are concerned we will consult with the provinces. Naturally, some of the programs which will expire will not be renewed, but the provinces will be informed in due course.

* * *

[*English*]

ACCESS TO INFORMATION

REQUEST FOR TABLING OF ENERGY POLICY SURVEYS

Mr. Edward Broadbent (Oshawa): Madam Speaker, my question is for the Prime Minister. It concerns a subject which I have raised with him in the House in the past, and this morning in committee, concerning the government's use of polls paid for by the people of Canada. Both in the past in the House and in the committee this morning the Prime Minister has indicated his willingness to have such information provided to the opposition and to the people of Canada. Regrettably, his ministers have not acted upon this principle.

I would like to ask the Prime Minister now if he will have the Minister of Justice table surveys on energy policy, which he said in the House on October 10 were to be used by the Liberal party in formulating its energy policy, as was revealed in the budget recently.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I cannot understand how the Leader of the New Democratic Party can say that ministers have not abided by this policy when just a few weeks ago the Minister of Justice made public the results of some 130 polls. There were some eight or ten exceptions to this, I cannot remember, but obviously the minister has abided by the policy which I stated.

Mr. Broadbent: Obviously, Madam Speaker, the Prime Minister did not hear the question. One of the dozen results which he did not provide to the House was specifically on energy policy. He said at the time this energy survey was requested that in order to be able to develop energy policy it would be made public soon. Well, the people have known for a long time that the Liberal government governs according to public opinion polls and surveys, but the issue at stake here is whether or not the people of Canada should finance them.

Since the Prime Minister has said in the past, and repeated this morning, that policy polls which have partisan implications are wrong in principle but that, specifically, one like that referred to by the Minister of Justice, which he refused to give us, ought to be made available to the public, will he now ensure that that specific poll is produced for members of the House of Commons?

Mr. Trudeau: Madam Speaker, the hon. member asked that very question this morning and I dealt with it. I would ask him to refer to the statement I made this morning in his presence.

• (1425)

Mr. Broadbent: Madam Speaker, a final supplementary. The government has copped out on freedom of information. The Prime Minister said this morning that he would accept certain guidelines. Approximately one month ago, on behalf of my colleagues, I proposed specific guidelines, namely, that when a government department conducts a poll, the date of the poll be given, the House be informed when the results come in, and the results be made available to the opposition parties. Will the Prime Minister now accept these guidelines, instead of making big promises and using public funds for his own partisan purposes?

Mr. Trudeau: Madam Speaker, I am surprised that the hon. member talks of partisan purposes. We had this discussion this morning in a rather calm environment. Obviously, the hon. member is remaking his point, without taking into account my answers, for the purpose of getting on television.

Some hon. Members: Oh, oh!

Mr. Nowlan: Hit him with your purse, Ed.

Madam Speaker: Order, please.

* * *

THE BUDGET

REQUEST FOR SUPPLEMENT TO ASSIST LOW-INCOME CANADIANS

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question is for the Minister of Finance. The Canadian Council on Social Development, of which hon. members opposite approved highly last year when they commented on the budget, has pointed out that the various tax increases in the budget will yield an additional $14.3 billion in federal government revenue in the next three years, and that not one penny of that increased $14 billion revenue will be used to shelter low-income Canadians from the impact of rising energy costs, the cost of living and so on.

Will the minister consider introducing a refundable, income-tested energy tax credit, similar to that proposed by my party, which would benefit the lower income people of Canada? Seventy per cent of the benefits of such a tax credit would go to those families earning less than $20,000 a year and would average $220 for every family of four in this country to help them meet these increased costs. Will he consider introducing—

An hon. Member: Question.

Mr. Crosbie: The NDP does not like to hear this because they defeated it; they stopped it from being implemented.

Mr. Corbett: Take a bow, boys.

Mr. Crosbie: They cut the throats of low-income Canadians.

Mr. Broadbent: Go on back to the seventeenth century, John.

Mr. Crosbie: Would the minister now bring in a supplement to his budget which will benefit lower-income Canadians to the tune of $500 million this year and $1 billion next year? Will he consider such a proposal, or does he even realize the enormity of what he has done?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I do realize the enormity of what I have done—

Mr. Nielsen: Hideous, isn't it?

Mr. MacEachen: —in providing very strong support through the social development expenditures of the Government of Canada. Over the next several years expenditures on social development and social support by the government will increase to $33 billion. Each year will record a very substantial increase, in large part attributable to our policy of indexing benefits to all recipients in Canada. In 1973-74 the expenditures on these particular programs amounted to $11 billion. Just three years down the road the expenditures will amount to $33 billion, a 300 per cent increase. That is the enormity of what has been done in this budget.

Mr. Crosbie: Madam Speaker, the minister's malarkey will not put another cent into a household suffering from these higher costs in Canada. Would the minister introduce a program similar to the mortgage interest and property tax credit which would help 4,425,000 household in Canada? These 4,425,000 families would receive excess of $250 per year assistance beginning next year, and $2,015 million in the fiscal year 1982-83 with a tax credit, a total of $3 billion over two years if this program were introduced. Would the minister introduce this program, because householders are suffering from increased costs for heating oil, interest rates—

Madam Speaker: Order, please.

Mr. Crosbie: —which is up another half a per cent—

Madam Speaker: Order.

Mr. Crosbie: —as a result of the budget.

Madam Speaker: Order, please.

Mr. Crosbie: Will the minister show that he has a heart?

Mr. MacEachen: Madam Speaker, I will not do as the hon. member has suggested, and I will tell him why.

Mr. Siddon: Because you're Scrooge.

Mr. MacEachen: The budget which was brought down contains price increases or pricing schedules for oil and gas. The burden on the Canadian consumer up to 1984 is $40 billion less than the budget of the hon. member. Yet he has the nerve to get up in this House and suggest that we revert to that misguided policy that was so completely rejected by the Canadian people.

● (1430)

Mr. Clark: We will see.

* * *

INDIAN AFFAIRS

NATIONAL GAS EXPORT TAX ON PRODUCING RESERVES

Mr. Stan Schellenberger (Wetaskiwin): Madam Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. Because the budget adversely affects producing Indian bands, does the minister not feel that he is breaking faith with those bands by allowing the Minister of Finance to collect the export tax regardless whether his legal opinion is in the affirmative?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): No, I do not, Madam Speaker.

Mr. Schellenberger: Madam Speaker, my supplementary question is directed to the same minister. If he would just lean over and speak to the hon. "Chief White Owl", his seatmate and chief of a producing band, he might get some information on that.

Because Indian bands have made some long-term commitments and planned for this revenue, will the minister make representations to the Minister of Finance against collecting that tax or will he at least make a commitment to the Indian bands that this revenue will be returned, because they drastically need it?

Mr. Munro (Hamilton East): Madam Speaker, I have talked to many Indian leaders concerning this matter and they are examining the implications of the budget themselves. They wish to meet with me in order to reveal their findings, and I have said I will indicate my position to them. They have not yet reached their conclusions so obviously the hon. member is way ahead of them.

* * *

VETERANS AFFAIRS

REQUEST FOR INCREASE IN WAR VETERANS' ALLOWANCE AND DISABILITY PENSIONS

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, my question is directed to the Acting Minister of Veterans Affairs. The minister must be aware of the fact that recipients of war veterans' allowance have been particularly hard hit by the cruel and devastating budget brought down by the Minister of Finance, in contrast to measures proposed by this party which would have protected these veterans. Will the minister recommend to cabinet that the war veterans' allowance and disability pensions be increased, in view of the fact

that any benefit from the veterans affairs bill passed in July has now been wiped out?

An hon. Member: That is wrong.

[*Translation*]

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, first of all, I take exception to the preamble of the question which suggests that our government has acted unreasonably with regard to veterans. This morning I met with the management committee of the Department of Veterans Affairs and we discussed this very question. Furthermore, we will soon be announcing a new program to help veterans. I also want to add that pensions were increased last year and that the budget presented by the Minister of Finance provides the means necessary to help war veterans.

[*English*]

Mr. McKenzie: Never mind defending the Simon Legree finance minister. I should like to ask the acting minister if the government will incorporate in the Pension Act on a permanent basis a formula to keep the basic rate of disability pension adjusted to increases in the pay scales of the five selected categories of public service workers in order to offset the harmful effects of this harsh budget?

Mr. Lamontagne: Madam Speaker, this same question or a similar one was just asked by the hon. member for Winnipeg North Centre. I would refer this question to the management committee of veterans affairs and it will be discussed accordingly.

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ENVIRONMENTAL AFFAIRS

CHEMICAL TESTING—AVAILABILITY OF STUDIES

Mr. Simon de Jong (Regina East): Madam Speaker, my question is directed to the Minister of National Health and Welfare. It refers to the material that I sent to her office earlier today which came from the United States environmental protection agency.

In view of the recent information revealing that 99 per cent of the chronic—that is, long term—studies done by Industrial Biotest Laboratories have been found to be flawed, and considering the minister's stated objective of providing all information on possible hazards to human health, will she now make public all information regarding the flawed testing done by IBT which causes concern about the long term safety hazards of the chemicals tested? Second, would the minister inform the House what alternative sources are available to determine the safety of these chemicals; that is, are there any back-up studies to support the continued registration of these chemicals, pesticides and herbicides?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, I think the hon. member will accept the first part of my answer. While in a meeting this morning, I received the 200-page document from him, which I have not had time to review.

To answer the second part of his question, however, I assume that its thrust is about open government or releasing or not releasing information. In answer to that question I want to assure the House that we have been and are releasing information from the United States or from our own sources as soon as it becomes available to us. I have done this publicly and I will continue to do it *au fur et à mesure*, according to the pace of the release to me. I also continue to have close contacts with my provincial counterparts.

Mr. de Jong: A supplementary question, Madam Speaker. I welcome the minister's remarks and I hope that officials in her department will read and understand the directives that she will be giving them.

My supplementary question concerns the number of chemicals. What we have had in the past is, if anything, misinformation. The department has stated that there were 97 chemicals involved, later the number was given as 100 and later still it was given as 112. Now we have received this information from the U.S. environmental protection agency that there are over 202 chemicals involved. When will the department come clean and give the public the information they have a right to?

Miss Bégin: Madam Speaker, for a few minutes I have been searching for the name that identifies the role in which the hon. member has cast himself. It has to do with being more pure than everybody else and more knowledgeable than everybody else. That has been his role ever since his election to this House.

I repeat, all the information available has been made public. There is no intention of hiding things in the way that he suggests, as far as I know. I have very responsible officials working to protect the public, and that is the ultimate objective of the department.

* * *

[*Translation*]

ENERGY

CONVERSION FROM OIL—INQUIRY AS TO DATE OF IMPLEMENTATION OF SUBSIDIES

Mr. Rémi Bujold (Bonaventure-Îles-de-la-Madeleine): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources, and is meant to clarify a point concerning the program providing subsidies to those who convert their oil heating systems to gas or electricity. As that program will of course help the needy, and especially widows and veterans which our friends of the opposition mentioned, can the minister tell the House whether the eligibility to that financial assistance program applies as of the night of the budget or is it retroactive to some date prior to the tabling of the budget?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I should like to point out that this extremely important program providing subsidies of up to $800 per family to allow the conversion of oil heating systems to gas, electricity, or even wood, went into effect when the budget was brought down, that is, on October 28 last. Eligible for those subsidies will be all those who convert their systems from October 28 on or those who, having started the conversions before October 28, received the final inspection certificate only after that date for the work performed immediately before that date. The people who are converting their systems right now, or who started the conversion immediately prior to October 28 but were not given their final inspection report before then, are therefore asked to keep their receipts in order to be able to present their claims to the government later on.

* * *

[*English*]

SOCIAL SECURITY

INQUIRY RESPECTING STEPS TO OFFSET INCREASES IN COST OF LIVING

Hon. James A. McGrath (St. John's East): Madam Speaker, my question is addressed to the Minister of National Health and Welfare. The Canadian Council on Social Development in its report yesterday, which I presume the minister has read, estimated that those who live at home and depend upon old age security and the guaranteed income supplement will see their living costs rise by $200 this year, which is about half the increase in the GIS that the government gave earlier this year.

Given the fact that people in this category have already fallen 22 per cent below the poverty line estimated by Statistics Canada, which is significant, what steps does the government propose to take to offset this very serious and drastic increase in the cost of living for those who have no protection other than the compassion of the minister?

● (1440)

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, upon receipt I read the document prepared by the Canadian Council on Social Development and I was very worried by the contents. The press releases and work of the CCSD have always been of help. Maybe the purpose of this document was to be a voice for the poor, but surely that is not the fact because I observed many important errors, and this is one of them. Of course, the cost of living will affect pensioners, especially those living on GIS. But the universal pension as well as the GIS supplementary pension are indexed fully to the cost of living every three months and these people will be protected fully against these increases.

Some hon. Members: Hear, hear!

Mr. McGrath: Madam Speaker, the minister knows that what she is saying is not in fact true; it is not in accordance with the facts. Notwithstanding indexing to the the consumer price index, old age pensioners and people on GIS, or those who depend on GIS, have been falling further and further behind in terms of the poverty level in Canada. That is a fact and the facts speak for themselves. Now these people will fall still further behind because of the budget of the Minister of Finance; they are going to have to pay an extra $200 in heating costs, not to mention additional food costs.

My question to the minister is this: What steps does she propose to take—unless she wants to dispute the facts, which I have laid out for her and which have been laid out by the Canadian Council on Social Development—to offset the very drastic consequences on old age pensioners and people on fixed incomes of the budget brought down by the Minister of Finance? Or does she subscribe to the view of the Minister of Finance that this document put out by the Canadian Council on Social Development is without any credibility?

Miss Bégin: I will choose to discuss the facts, Madam Speaker. The facts just presented by my hon. colleague are completely wrong and misleading to the public if put that way. I hope that I am very clear in the spirit in which I use the word "misleading" and that another point of privilege will not be raised after question period. Unless we discuss the budget on facts and figures, we cannot draw these conclusions because people will panic when they watch their TV at home tonight.

What my hon. colleague says is wrong and not true. Pensioners in this country are better off than ever before and we are winning the fight against poverty for that particular group.

Some hon. Members: Hear, hear!

Miss Bégin: Twenty per cent of Canadians were living in poverty. That figure has now dropped to 12 per cent. However, the figure is still too high but poverty is on the decline in this country under this government and it will continue to do so. There is only one item of expenditure missing to take the pensioners out of poverty. All others have been brought above the poverty line by the government.

* * *

ENERGY

CONVERSION FROM OIL—EXCLUSION FROM PROGRAM OF NEW BRUNSWICK HOME OWNERS

Hon. J. Robert Howie (York-Sunbury): Madam Speaker, my question is for the Minister of Finance. Will the minister tell the House why the budget discriminates against New Brunswick home owners by denying them the right to participate in the $800 grant program to assist in switching from oil to electricity as an alternate fuel for home heating? Is the minister not aware that 70 per cent of New Brunswick's electric energy is now generated from hydro and coal plants and that in addition a nuclear fired plant is scheduled to come on line within a year? Could the minister not answer the question?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Yes, Madam Speaker, I will answer it with great pleasure.

An hon. Member: The fellow who wrote the budget is answering.

Mr. Lalonde: As the national energy program has indicated, and as the—

Mr. Clark: Who speaks for Atlantic Canada?

Mr. Lalonde: I hope the Leader of the Opposition will calm himself so we can proceed.

Some hon. Members: Oh, oh!

Mr. Stevens: Poor Marc!

Mr. Clark: Poor old Marc!

Mr. Lalonde: The national energy program provides grants for conversion from fuel oil heating to other forms of heating. We have announced that we are going to proceed with the gas pipeline to the maritimes. We have also indicated that the conversion grants for electricity will be delayed until arrangements have been made to ensure we are not using fuel oil in the maritimes to produce electricity, because that would encourage double wasting of scarce oil. In that sense the government's decision is the right one. We have indicated that as soon as the conversion from oil to produce electricity takes place, we will proceed with the grants.

At the present time we are having discussions with the government of New Brunswick. The situation will be examined province by province. As soon as there is enough indication that conversions are taking place, we will consider conversion to electricity also. Obviously, gas and wood are still the best buy for citizens of New Brunswick in terms of the conservation of energy.

Mr. Howie: Madam Speaker, the minister is obviously not aware that in New Brunswick already 70 per cent of the electrical plants are fired other than by oil.

ALLEVIATION OF IMPACT OF RISING ENERGY COSTS

Hon. J. Robert Howie (York-Sunbury): My supplementary question is addressed to the Minister of Finance, or to whomever he wants to designate to answer it, Madam Speaker. In the absence of energy tax rebates for lower-income Canadians, which were provided in the Crosbie budget, will the minister reflect on additional means to alleviate the devastating impact high and rising energy costs have on lower-income people in the Atlantic provinces, and tell us what, if anything, he is going to do about it, other than amending the guaranteed income supplement and indexing social programs which the minister alluded to a few moments ago?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I want to tell the hon. member that last weekend I travelled in the Atlantic provinces and quite a number of citizens congratulated the government for not imposing upon them the heavy burdens which were imposed by his colleague.

Some hon. Members: Hear, hear!

Mr. Clark: Name one.

An hon. Member: That is what Gerry Regan said.

Mr. MacEachen: I am very surprised the hon. member would complain about a program which is much lighter and more generous than the one he supported so strongly last December when he was a member of the former government.

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UNEMPLOYMENT INSURANCE

INQUIRY WHETHER INCREASE IN PREMIUMS WILL SUPPORT FUTURE UNEMPLOYED

Mr. Jim Hawkes (Calgary West): Madam Speaker, my question is for the Minister of Employment and Immigration. The minister is from the west and he may or may not be aware of the fact that by yesterday there was an industry-wide hiring freeze within the oil industry. Today the oil industry is examining planned projects with a view to cancellation of better than half of them. That will be followed by lay-offs within the industry and with suppliers. Our estimate is that 3 per cent of the potential GNP was lost by the budget. That translates into 300,000 lost jobs in the coming year. Can the minister assure the House that his 33 per cent rise in premiums for unemployment insurance will cover the cost required to provide income support to the 1,300,000 Canadians who will be unemployed a year from now?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I regret very much, as does the hon. member, that some of those projects have been frozen because of the very drastic action taken by the Premier of Alberta.

Some hon. Members: Oh, oh!

Mr. Axworthy: It is certainly our hope that the climate of compromise in negotiation, which we are trying to establish, will encourage the premier to reintroduce many of those projects.

Some hon. Members: Oh, oh!

Mr. Axworthy: Under those circumstances I would want to assure—

Mr. Clark: You are sounding hysterical, Lloyd.

Mr. Axworthy: —members of the House that the figures used by the hon. member are as exaggerated as the statements he usually makes in this House.

Mr. Hawkes: Madam Speaker, it is a shame when income support for people who have families is treated in such a cavalier fashion by the minister. A power struggle is not worth it, sir.

May I bring hon. members' attention to a recent study prepared by Dr. Brenner of Johns Hopkins University which indicates that a 1 per cent rise in unemployment is accompanied by a 1.9 per cent rise in the death rate, a 5.7 per cent increase in homicides, a 4.1 per cent increase in suicides, plus significant increases in child mortality and first admissions to mental hospitals and prisons.

● (1450)

In the light of a budget dedicated to increasing employment by somewhere near a half million people, can we have the minister's assurance that he will use his good offices with the Minister of Finance to make sure that spending in the social envelope goes up, and not down, as promised by the minister on page 13 of his budget address.

Mr. Axworthy: Madam Speaker, when you have unemployment, it is never very happy for the people who experience it. That is one reason why we reintroduced the direct employment program which the hon. member's government cancelled last year, which has the highest impact.

Some hon. Members: Hear, hear!

Mr. Axworthy: That is why we have substantial amounts of money for those programs. It is also why the Minister of Finance in his generosity added $350 million to additional manpower training mobility and industrial adjustment programs so that we can help those areas which are experiencing some degree of industrial disruption.

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SOCIAL DEVELOPMENT

RENEWAL OF FEDERAL-PROVINCIAL FUNDING—GOVERNMENT POSITION

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, my question is addressed to the Minister of National Health and Welfare. In view of the fact that in the second last paragraph of page 13 of the budget, for those who want to look at it, the Minister of Finance states that he expects significant savings out of the upcoming renewal of federal-provincial funding arrangements for health and social development, can the minister tell us whether or not she approves of this goal and, if she does, how she reconciles this goal with the recommendation, among others, of the Hall report that more federal money should be available, not less, particularly to the poorer provinces, for cost-sharing of important health services that are not yet available to many Canadians in what is supposed to be a national health care plan. Can the minister tell us where she expects the savings to come from?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, I expect the savings to come as a result of discussions with those provinces which presently have a surplus in order to benefit the very social programs the hon. member tries to suggest we are cutting, but are not. He talked of medicare and touched on the CAP program of welfare and social services. These programs are targeted toward those in need. That is our purpose. We are committed to that, and I am not nervous about any allegations the hon. member wants to make.

Mr. Blaikie: It would be nice if we got an answer sometimes instead of a lecture about the righteousness of the Minister of National Health and Welfare. On the same page of the budget it says that the federal government expects a clearer division of federal-provincial responsibilities in the social development area. My question to the minister is this. Does this mean that the government is planning not only to emulate the provinces that they have been so critical of lately by using this crucial area as an avenue of restraint, but at the same time plans to hand over further responsibility to the provinces by moving to block funding in social services as well as health care? What is the intention of the government?

Miss Bégin: My answer to the last part of the hon. member's question is that we do not intend to do that. We do not intend to go to block funding on social services. If the hon. member will clarify what else he wants to know, I will answer with pleasure.

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THE BUDGET

EFFECT OF ENERGY TAXES ON ELDERLY WIDOWS AND SINGLE WOMEN

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, having listened to the answers of the Minister of Finance earlier today, I would like to address his attention to a specific group of Canadians. There are some 78,000 single and widowed women in Canada between the ages of 60 and 65 who have to get by on less than $4,200 a year, less than $350 a month. They now face in the vicinity of $160 additional pay-outs for home heating fuel because of the energy taxes in the budget. Is the minister providing any relief whatsoever for this specific group of Canadian women who do not have access to the old age pension or the guaranteed income supplement and who probably are the group hardest hit by the minister's energy tax?

Some hon. Members: Hear, hear!

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, it might be easier for the government to respond to these needs if the hon. member's colleagues did not take such a hard line in the course of debate and denounce the government for increased spending and for its failure to reduce the deficit further. In the present difficult circumstances, we have produced a budget which has attempt-

ed to reconcile a number of different objectives, including reducing the burden on consumers, which includes the group which the hon. member mentions. That burden has been reduced considerably in comparison with the punitive budget which she did not support last December.

Some hon. Members: Hear, hear!

Miss MacDonald: My supplementary is to the Minister of Finance, whose only reconciliation in the budget is to reconcile this group that I mentioned to continuing poverty. That is all he is doing. Has he given any consideration whatsoever to this particular group of people who simply do not know how they are going to get through the winter? Because of their age, they do not have the opportunity to get jobs or to earn additional income. They do not know how they are going to find an additional $160 for home heating fuel. Has the minister given any thought whatsoever to their plight, or is it that nobody over there cares at all?

Mr. MacEachen: Of course, Madam Speaker, we have given consideration to that group. We have not waited for the hon. member's interest in order to give attention to that group because we have engaged in programs with the provinces to assist all Canadians who are in need, in addition to the universal programs administered by the Minister of National Health and Welfare. If there are additional requirements for any particular group, there is a mechanism in place. We will do our part in co-operation with provincial governments, which have to take the initiative in the first instance. If the hon. member is concerned, she might join with the rest of us in asking various provinces to take a more accommodating attitude toward these particular groups.

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ENERGY

CONVERSION FROM OIL—APPLICATION OF PROGRAM TO NEW BRUNSWICK

Mr. Maurice A. Dionne (Northumberland-Miramichi): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. The energy policy tabled in this House states that the conversion program for homes and businesses will be tailored to the priorities and objectives of the provincial governments. Is that the case with the application of the conversion program to the province of New Brunswick? Will it apply to the conversion from oil—

Mr. Nielsen: You are a little late with that one.

Mr. Paproski: It has already been asked.

Mr. Dionne (Northumberland-Miramichi): —conversion from oil to such fuels as wood, coal and natural gas where it is available? Is the minister's department looking into the possibility of the use of peat as a fuel?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Yes, Madam Speaker, I believe we have made reference to peat as a source of fuel. I know there is a considerable quantity of it available in New Brunswick. The conversion program is available to the citizens of New Brunswick. We are embarking upon discussions with the province as to the best way of administering the program. I will have more to say later about the specific aspects of it as far as New Brunswick is concerned, but the citizens of New Brunswick can avail themselves of this program.

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CANADIAN ARMED FORCES

INCREASED RENTS FOR MARRIED QUARTERS

Hon. Allan B. McKinnon (Victoria): Madam Speaker, my question is for the Minister of National Defence. The Minister of Finance has by his increase in gasoline and heating fuel costs added about $500 to $600 to the annual cost of living for low and medium-income families. On top of this the Minister of National Defence has this week raised the rent for services married quarters, for those in Ottawa $50 per month for corporals and $35 per month for privates. For the first time rents are being raised with no accompanying pay raise. What is the minister going to do about this terrible situation?

● (1500)

[*Translation*]

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, there is no terrible situation. I saw the study that was made concerning rent increases in the armed forces. I also asked that, considering the rent increase of November last, there be no other increase before a task force had looked into the problem and reported to me. No member of the armed forces pays more than 25 per cent of his income in rent, in addition to which, the lower the salary of a member of the armed forces, the lower his rent increase is. I feel that so far this has been fair. Future increases will be watched more closely after the task force has handed in its report.

[*English*]

Mr. McKinnon: Madam Speaker, the two ministers now require, for instance, a corporal stationed in Ottawa to spend more than $1,000 more on transportation and shelter costs this year than he did last year. The minister has it within his authority to stop the heavy rent increase. In the case of a corporal this rent increase is 22 per cent. That is compared with ceiling imposed by the Ontario rent control commission of 6 per cent per annum. This is the second rent increase this year. The last one was in April. Is the minister going to sit there and do nothing while good men are leaving the services for this very reason?

Mr. Lamontagne: Madam Speaker, I think the information of the hon. member is definitely wrong. I would like to know how many left the service because of high rent.

Some hon. Members: Answer the question.

Mr. Lamontagne: As far as what we are going to do about it, it is not a question of doing nothing. I just mentioned to the hon. member that a special group is looking into this, and I am aware of discrepancies. I even went to Calgary to meet a group of wives who had grievances about their rent. They understood the good sense of our position, and they said they would accept this one and would see what happens in the future. As I said, we have a group working on this, and we will try to provide justice for all in the armed forces.

* * *

PRIVILEGE

MR. DE JONG—STATEMENT MADE BY MISS BÉGIN DURING QUESTION PERIOD

Mr. Simon de Jong (Regina East): Madam Speaker, I rise on a question of personal privilege as a result of the answer I received from the Minister of National Health and Welfare (Miss Bégin) earlier in the question period. The minister suggested that I had sent her a document of some 200 pages. It was actually only 75 pages.

However, more important is the type of motive the minister imputed in suggesting to me that I really had no right to raise this matter at all. I suppose the suggestion was that I was a knight in shining armour trying to create undue publicity and fear among the Canadian people. I resent the imputation of such a motive to me. Various groups in this country, various provincial governments, various news media and various environmental groups have been trying to get answers to the types of questions I have been posing to the minister throughout this year. I believe it was in 1978 that the hon. member for Yorkton-Melville (Mr. Nystrom) tried to raise some of these questions with the Department of Agriculture.

As early as March of this year the Saskatchewan government tried to ask exactly the same type of question I have been asking the minister. A reply was not received until June 23 of this year. It took several months for that reply. The reply received is now shown to have been incomplete. In fact, throughout the summer more and more chemicals have been added to the list. I was asking the minister to supply the information to the public and to the House. There was no motive other than a public disclosure of some very important information. I therefore ask that the minister be asked to stop forthwith imputing these types of motives to my questions.

[*Translation*]

Hon. Monique Bégin (Minister of National Health and Welfare): I do not know whether there is ground for a question of privilege, Madam Speaker. The hon. member feels morally indignant about a given situation. Since he has been sitting in this House, since we came back to power after the election, he has been putting equivocal questions which do not allow me to give definite answers, once and for all. I repeat that the net result of such a series of questions is to create suspicion in the public mind, to imply reasons for concern which do not exist, all under the cover of information I would be keeping from the public. Such a situation is not true and does not exist. I cannot let it go unchallenged. If there is any ground for a question of privilege, I leave it up to you to sort it out.

Madam Speaker: I am indeed under the impression that under the cover of this question of privilege it is the debate between the minister and the hon. member that has been reopened. The hon. member is not happy with the answer the minister gave him. That is his right. If he is still not satisfied, he can again put the question to the minister some other day in terms that will please him most and that will allow him best to express himself. The minister does not appreciate the kind of questions that are put to her but that is also her right. So it is plain that on both sides it is simply a debate that is getting under way, and unfortunately I cannot consider this matter as a question of privilege.

[*English*]

MR. DIONNE (NORTHUMBERLAND-MIRAMICHI)—FAILURE TO PROVIDE INTERPRETERS FOR COMMITTEE MEETINGS

Mr. Maurice A. Dionne (Northumberland-Miramichi): Madam Speaker, under the provisions of Standing Order 17(2) I rise on a question of privilege of which I have given the required notice.

This morning, during proceedings in the Standing Committee on Transport in room 307 of the West Block, it was discovered that interpreters did not come to our meeting as we had a right to expect they would. We realize that there are labour-management problems involving government translators, but sufficient positions have been designated to serve Parliament.

As standing committees are an integral part of Parliament, we find this situation intolerable. What is even more intolerable is that neither I, as chairman of the committee, nor the clerk of our committee was notified that interpreters were not available. I understand that this has happened with regard to other committees as well.

Upon the discovery that our proceedings were not being interpreted, our clerk, upon my instructions, contacted the interpretation service, only to be told that no interpreters were available.

This situation is a direct violation of the Standing Orders of the House of Commons and of the Official Languages Act. As chairman of the committee I speak on behalf of the members of the committee in expressing the view that our privileges as members have been breached, not only by the absence of interpreters but also by the failure of the interpretation service to give us notice of their inability to fulfil their responsibility.

Madam Speaker, if you find there are sufficient grounds to show a breach of privilege, I would move, seconded by the hon. member for Vegreville (Mr. Mazankowski):

That this matter be referred to the Standing Committee on Privileges and Elections.

Madam Speaker: The hon. member is bringing to light a situation which I knew existed. The hon. member says that there is a sufficient number of translators who have been designated for the House of Commons in situations such as the one which has arisen. Obviously, the number is not sufficient because we are having difficulty at the present time with regard to the number of interpreters required. I think there is a sufficient number of translators but not enough interpreters to allow us to have interpretation at all of the committee meetings.

If this situation continues, there certainly will be a serious problem because the main estimates have to be studied and brought back to the House in a very short time. I suppose that will have to be done in some way or another. On the other hand, some hon. members object, and rightly so in some cases, to sitting when there are not sufficient interpretation services at those committees.

I do not think this is a question of privilege. There is very little I can do in the present situation except to offer to discuss the matter with the leaders of the parties in the House, to see whether there is anything we can do in order to alleviate the situation. I do not see what else I can offer in this circumstance. I know it is difficult for committees to meet without interpretation services, but we have a strike situation on our hands, and I personally cannot intervene in any way to deal with that situation. However, perhaps we could get together to discuss this matter and to see whether we can devise something which might alleviate the situation.

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I listened to what you said. We have a problem which seems to be a continuing one. I know Your Honour cannot intervene, in the sense one might use that word. But the strike, as you know, has been going on for a period of time. The translators have been without a contract for a long period of time. I understand that discussions are still going ahead now, that discussions were renewed.

● (1510)

I do not think there would be any objection if, in anticipation of a meeting of House leaders, you would have a word with the President of the Treasury Board (Mr. Johnston), under whose jurisdiction the negotiation of this matter falls, to see how that negotiation is proceeding. I think that would be quite appropriate and I am sure there would be agreement of the House to it, because the disposition in the House is that the Standing Orders must be observed, privilege or not. If you did that, I think there would be support. As for the meeting itself, there would certainly be agreement to meet.

It is becoming a very difficult problem for committees. Indeed, the constitutional committee is to meet fairly soon, I assume, and the same thing will apply there. Estimates will be coming forward, and the same thing will apply there. I think we will have a hopeless pile-up if something is not done. So, if you feel you would like to speak to the President of the Treasury Board directly in anticipation of a meeting, I just want you to know that this will be perfectly agreeable to us.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, it might be a good idea for you to discuss this matter with the House leaders. It might also be an excellent idea, should you feel it is necessary to use free lance interpreters, to talk the matter over with the members of the Internal Economy Commission. I am sure that they would prove to be very openminded on this matter.

Madam Speaker: Since it is the wish of the House, I could take up the suggestion made by the hon. member for Nepean-Carleton (Mr. Baker) and see if there is any possibility of some progress being achieved in the ongoing negotiations or at least see what progress has been made and if there is hope for a settlement in the near future. In any event, I will very shortly call a meeting of House leaders so that we can discuss the means at our disposal to solve this problem.

[*English*]

Mr. Jesse P. Flis (Parkdale-High Park): Madam Speaker, on the same point on which you ruled there was not point of privilege, I wonder if you could make a ruling on whether the meetings which are taking place without translators or interpreters are legal, or whether they contravene the Official Languages Act, because the same problem was experienced by the Special Committee on the National Trading Corporation. We had two interpretations of the law. One was that it was not legal to hold such meetings without translators, and the other was that it was legal. Under the circumstances I wonder if you would bring a ruling to the House as to whether or not such committee meetings are legal.

Madam Speaker: I certainly cannot determine whether or not they are legal. I know what our Standing Orders say, and I can tell the hon. member that I cannot bring in a new ruling or a new Standing Order because of these particular circumstances. I am in the hands of the House. If the House wishes to determine something that can be done, it might be achieved. However, I will meet with the House leaders of the parties. I think that is the better way to proceed in order to solve the matter.

ROUTINE PROCEEDINGS

[*English*]

FAIR CREDIT REPORTING ACT

MEASURE TO PROVIDE FOR CONSUMER ACCESS TO CREDIT RATING REPORTS

Hon. John M. Reid (Kenora-Rainy River) moved for leave to introduce Bill C-619, respecting disclosure of credit rating records.

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

Mr. Reid (Kenora-Rainy River): Madam Speaker, this bill will permit individuals who have been investigated by consumer reporting agencies to have access to those reports. In addition, it also imposes limitations on the circumstances under which those reports could be made available to clients.

Madam Speaker: The hon. member knows, of course, that he should have risen earlier to give his brief explanation, but I will allow that.

When shall this bill be read a second time? At the next sitting of the House?

Some hon. Members: Agreed.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 222, 874, 1,207, 1,326 and 1,507.

I ask, Madam Speaker, that the remaining questions be allowed to stand.

[*Text*]

STATISTICS CANADA—POPULATION ESTIMATES—EQUALIZATION PAYMENTS—PROVINCE OF QUEBEC

Question No. 222—**Mr. Herbert:**

Has the government of Quebec disputed the population estimates of Statistics Canada and, if so, what effect could such a difference of opinion have on equalization payments for the province?

Hon. Pierre Bussières (Minister of State, Finance): The Quebec government has made representations concerning use by the Department of Finance of official Statistics Canada population data for purposes of calculating provincial entitlements to fiscal equalization. The Statistics Canada population data used in calculating equalization are the June 1 census count for each province in a census year, and the most recent official estimates of provincial population as of June 1 for each year that is not a census year.

The government of Quebec has requested the Department of Finance to calculate equalization, commencing with the 1980-81 fiscal year, on a basis that would take account of the number of persons missed in the 1981 census. In every census, there are always people who are not enumerated. Statistics Canada has undertaken special surveys following recent censuses to estimate the number of persons missed. The survey made following the 1976 census was done on a province-by-province basis. It indicated that the number of persons missed relative to the number counted was high in the province of Quebec. A similar survey will be made following the 1981 census.

Quebec has made representations that the population figures used in calculating equalization for 1981-82 should be based upon the official census count as of June 1, 1981, adjusted upward for each province to take account of the estimate of persons missed. They have also requested that comparable adjustments be made for years other than census years, commencing with 1980-81.

The effect on equalization of adjusting official population data for the number of persons missed in a census would be to increase entitlements in eligible provinces where the number of persons missed relative to the number of persons counted is high, and to reduce entitlements in eligible provinces where the number of persons missed relative to the number of persons counted is low. It is not possible to quantify such differences with respect to the 1981 census until the count has been tabulated, and the estimate of persons missed derived from the special survey that will follow that census. The results will not likely become available before October, 1982. Until that time, it will not be known whether Quebec would gain or lose, or by how much, from the methodology they have suggested.

MEMBER FOR SAINT-MAURICE—GIFTS—ESKIMO CARVINGS

Question No. 874—**Mr. McKenzie:**

1. Did the honourable member for Saint-Maurice, when he was minister of Indian affairs and northern development, receive Eskimo carvings as gifts and, if so (a) what is their commercial dollar value (b) how many did he receive (c) on what dates did he receive the carvings?

2. Did he receive other gifts since he entered the cabinet and, if so (a) what were they (b) what is their commercial dollar value (c) how many?

3. Did he inform the Prime Minister when he received (a) the Eskimo carvings (b) other gifts since he entered cabinet and, if so, in each case, on what dates?

4. (a) What are the guidelines governing the receipt of gifts by ministers of the Crown (b) do they require that such gifts must be reported to the prime minister?

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

1. (a), (b) and (c):

During his six years as minister of Indian affairs and northern development, the member for Saint-Maurice received nine Eskimo carvings as gifts; they were presented to him in public and the minister never asked his hosts their commercial value.

2. (a), (b) and (c):

The minister has not received any souvenirs since being sworn in as Minister of Justice.

3. (a) and (b):

The minister has followed the Prime Minister's guidelines in all circumstances.

4. (a) The conflict of interest guidelines for ministers, in effect since April 28, 1980, require that ministers shall disclose in the public registry maintained by the assistant deputy registrar general " . . . any personal gift or other benefit or a value exceeding two hundred dollars which they receive from any person not connected with them by blood relationship, mar-

riage or adoption, together with the name and address of the donor". Official gifts received from other governments are not subject to this rule.

(b) The conflict of interest guidelines for ministers, in effect since April 28, 1980, require that "all gifts or benefits exceeding two hundred dollars in value, other than official gifts or benefits, are to be declared to the ADRG within 30 days of their receipt for disclosure in the public registry". The assistant deputy registrar general administers the guidelines on behalf of the Prime Minister.

CROWN ASSETS DISPOSAL CORPORATION—NUMBER OF EMPLOYEES

Question No. 1,207—**Mr. Cossitt:**

1. How many temporary or casual employees were employed by the Crown Assets Disposal Corporation in each of the past five years including persons from employment supply agencies and persons under contract?

2. What was the percentage turnover of such persons?

3. What are the names of the employment agencies and the amount of funds they received?

4. What is a list of any persons who worked under contract and the dates involved?

Hon. J.-J. Blais (Minister of Supply and Services): I am informed by Crown Assets Disposal Corporation as follows:

1. The corporation does not keep records in a manner which would permit the production of such information without considerable expenditure from personnel resources. However, for the purpose of this question, the corporation has surveyed fiscal years 1978/79 and 1979/80

(a) 1978/79: 90 temporary and casual employees (equivalent in person-years to 3.5)

(b) 1979/80: 190 temporary and casual employees (equivalent in person-years to 4.3)

2. Not applicable. The objective of hiring temporary or casual employees is to fill temporary staffing needs only (e.g. maternity leave, retail store operations, etc.)

3. The corporation does not keep records in a manner which would permit the production of such information without considerable expenditure from personnel resources. However, for the purpose of this question, the corporation has surveyed fiscal years 1978/79 and 1979/80.

	Funds received*	
Names of the employment agencies	1978/79	1979/80
Canada Employment Centres	no agency fees	no agency fees
Barbara's Office Personnel Ltd.	nil	$19,467
The Job Farm	$ 8,548	17,270
Bradson Personnel Pool	nil	3,047
Pollack Personnel	2,243	9,859
The 500 Selection Services	6,060	12,277
Select Personnel	nil	1,118
Harrington	1,828	1,555
Quantum Management Services Ltd.	nil	3,028
Fairbairn Executive Services Ltd.	nil	2,548
H.V. Chapman & Associates	7,362	nil
Mayfair Personnel	5,622	nil
Miss Stacey Temporary Office Services	2,376	nil
Personnel Pool	140	nil
Manpower Temporary Services	539	nil
Action Personnel of Ottawa/Hull	573	nil
Kelly Girl Service of Canada Ltd.	1,317	nil
Victor Temporary Services	884	nil
Staff Plus	545	nil
Selective Temporary Services	3,791	nil
Price Waterhouse & Co.	20,400	nil
	$62,228	$70,169

*These funds represent total cost for salaries and employee benefits for payment of days of work as well as the agencies' fees.

4. 1975/76 — nil
1976/77 — nil
1977/78 — nil

1978/79 —	C. Dick	Oct. 78/Jan. 79
	C. Adams	Oct. 78/Mar. 79
1979/80 —	J. Squire	Dec. 79/Nov. 80
	J. Gongos	Mar. 80/Sept. 80
	D. Meredith	Jan. 80 to date
	C. Adams	Apr. 79/Sept. 79
		Oct. 79/Mar. 80
		Apr. 80 to date

CANADIAN FILM DEVELOPMENT CORPORATION—CANNES FILM FESTIVAL—CHARTER OF YACHT

Question No. 1,326—**Mr. Friesen:**

Did CFDC charter the yacht "Don Juan" at the Cannes Film Festival in 1980 and, if so (a) on what authority and for what reason (b) who was invited on board the vessel and for what reason (c) what was the total cost of chartering the vessel (d) what other costs were involved?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): I am informed by the Canadian Film Development Corporation as follows: The Canadian Film Development Corporation did charter the yacht "Don Juan" at a cost of $500 per day, for two half-days.

(a) With the authorization of Canadian Film Development Corporation administration, 25 foreign journalists and 55 Canadian journalists were invited with a view to publicizing Canadian films.

(b) See (a).

(c) $500.

(d) $4,400 for food and drink.

SOVIET UNION—IMMIGRANTS—TOP TEN ETHNO-CULTURAL GROUPS

Question No. 1,507—**Mr. Flis:**

1. To the knowledge of the government, what is the ethnic breakdown of the top ten ethno-cultural groups in the Soviet Union in terms of population?

2. What is the number of total immigrants who have left the U.S.S.R. during the past five years and what ethno-cultural groups did they come from?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): I am informed by Statistics

Canada and the Canada Employment and Immigration Commission as follows: Statistics Canada reports:

1. According to the most recent information published by the statistical office of the United Nations, the population in the top ten classes of "ethnic nationality" in the Soviet Union, as of January 15, 1970, was as follows:

Ethnic Nationality	Population
1. Russian	129,015,140
2. Ukrainian	40,753,246
3. Uzbek	9,195,093
4. Byelorussian	9,051,755
5. Tatar	5,930,670
6. Kazakh	5,298,818
7. Azerbaijani	4,379,937
8. Armenian	3,559,151
9. Georgian	3,245,300
10. Moldavian	2,697,994

2. Statistics Canada and the Canada Employment and Immigration Commission have no information on this subject.

[*English*]

Madam Speaker: The questions enumerated by the hon. parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed, from Monday, November 3, 1980, consideration of the motion of Mr. MacEachen that this House approves in general the budgetary policy of the government, and the amendment thereto of Mr. Crosbie (p. 4231), and the amendment to the amendment of Mr. Rae (p. 4235).

Madam Speaker: Is the hon. member for York-Peel (Mr. Stevens) rising on a point of order?

Hon. Sinclair Stevens (York-Peel): No, Madam Speaker, I am rising to speak in this debate.

Mr. Knowles: Madam Speaker, I rise on a point of order. It is not a world-shaking point, but it was completely understood that the next speaker was to be the hon. member for Hamilton Mountain (Mr. Deans). That was the understanding last night, and I understood from the people up front this afternoon that he would be called first.

Some hon. Members: No.

An hon. Member: Tough bananas.

Madam Speaker: I am sorry, but the first member who rose after orders of the day were announced was the hon. member for York-Peel.

Some hon. Members: Hear, hear!

Madam Speaker: I have no other knowledge that the hon. member for Hamilton Mountain (Mr. Deans) was to speak at this time, and the member who rose first was the hon. member for York-Peel.

Mr. Deans: Madam Speaker, I rise on a point of order. Surely it is not necessary for me to rise in advance of the order being called, in order to be recognized. I rose simultaneously with the hon. member for York-Peel (Mr. Stevens) but, because he stands in front of me, it was impossible for you to see through him.

Some hon. Members: Oh, oh!

Mr. Deans: The understanding was perfectly clear, and it shows a bias which is quite unnecessary.

Some hon. Members: Shame!

Madam Speaker: There is no understanding of which I am aware. I am awfully sorry if the hon. member feels that he was rising at the same time as the other hon. member. However, I was looking in that direction and it was quite clear to me that the hon. member for York-Peel rose first. It is my responsibility to recognize hon. members in the order in which they rise. Therefore, I am afraid I have no other choice but to recognize the hon. member for York-Peel. The only thing that stopped me was when the hon. member for Winnipeg North Centre (Mr. Knowles) rose and I realized he was rising on a point of order. I had no idea what it was about. So I have to recognize the hon. member for York-Peel.

Mr. Knowles: Madam Speaker, I rise on a point of order again. It is not my wish to spin it out and to make a big issue of it, but it so happens that I myself went up early this afternoon and consulted with one of the deputy occupants of the chair and was told that Your Honour would call first on the hon. member for Hamilton Mountain. Later, our whip, the hon. member for Yorkton-Melville (Mr. Nystrom), went up and got the same message. Both of us informed the hon. member for Hamilton Mountain that Your Honour would be calling him. I recite that so that you know why I said there was an understanding.

Mr. Baker (Nepean-Carleton): Madam Speaker, on the same point of order, may I point out that in the exchange which took place involving the hon. member for Hamilton Mountain (Mr. Deans)—you might want to examine the "blues" with respect to that—

Mr. Deans: Please do.

Mr. Baker (Nepean-Carleton): —I think the hon. member for Hamilton Mountain indicated quite clearly that the Chair was biased. I think that is unparliamentary, and upon exami-

nation of the "blues" I think it should be dealt with. That is the kind of thing which should not be allowed to pass in this chamber, especially when it comes from someone who has had a tremendous amount of experience in another chamber. He should know better, and you should not allow it to stand.

Some hon. Members: Shameful.

Madam Speaker: I repeat that I had no knowledge of an agreement having been reached between the whips of the different parties as to whom was supposed to be speaking first after we announced orders of the day. If by some means this agreement was transmitted to someone occupying the chair when I was not here, I can assure the hon. member that it was not transmitted to me. Therefore I have tried to be fair in recognizing the hon. member for York-Peel (Mr. Stevens), just following the normal usage of this House of the first member who rises being recognized.

● (1520)

As for the language which the hon. member for Hamilton Mountain (Mr. Deans) allegedly used with respect to the Chair, I did not hear it. I am willing to look at the "blues", but some of these things are often said in the excitement of the moment, and I am sure the hon. member did not mean any disrespect to the Chair, if he in fact said that.

Mr. Baker (Nepean-Carleton): He should withdraw.

Mr. Stevens: Madam Speaker, after the hon. member for Hamilton Mountain (Mr. Deans) has heard my remarks, it may well be that he will feel that all which needs to be said has been said with respect to the budget, and it will not be necessary for him to take up his ten or 20 minutes in the debate.

Just prior to orders of the day being called, the Minister of Finance (Mr. MacEachen) was over here. I asked him what he felt I should say about his budget, and he said, "Sinc, say something nice". Frankly I have thought hard and long since he made that comment to think of something nice about the budget, and I think the House will understand when I say I cannot think of anything. If he had stayed a little longer with me, perhaps he could have made some suggestions.

As Hugh Anderson of *The Globe and Mail* said last weekend, the truth is that this budget may be a clever one but it is an exercise in the politics of wilful deceit. I say that because I feel the budget is not only deceitful, in its method of presentation, but I believe it is deceitful in that it is only half a budget. I suggest that perhaps this is the most significant matter which is being forgotten by members of the House and the public at large. We have heard only half the story from the Minister of Finance. In effect he presented what he feels, up to this stage, he can get away with, namely, an expenditure plan, an energy policy, the appearance that somehow taxes will not go up, and that is it.

Let me assure the House that the second boot will fall. It may take the form of another financial statement, it may take the form of some new budget, but the fact is that the figures put before us if analysed, indicate only one thing, that a responsible government in this country cannot continue to allow the expenditure and revenue levels to continue as projected in the budget without the inevitable happening, that is, rampant inflation, rising interest rates, low productivity in industry, in short, utter chaos.

I say this in all sincerity. On behalf of Canada I ask, particularly those on the far left and on the rear left of the government benches, to come to their senses. They may be concerned about such things as the form, as to whether the constitution happens to be in this form or that form, but the time has come for the government of the day, on behalf of Canadians, to make some of the hard decisions and to put in place some of the measures needed to restore confidence in the country. Certainly that was not forthcoming in the budget brought in a week ago tonight.

It is truly odd that we in a country such as Canada must relive history which has been proven repeatedly to be wrong in other countries. I cannot understand that. The British tried this type of approach 20 years ago, this governmental intervention approach such as was displayed in the budget and the actions of the government. We know it did not work in Britain, and in fact they are in a massive reprivatization program in that country to try to right their economic ship. The people of that country were misled by the socialists in the Labour party. We in this country have been misled by the socialists in the NDP. Those pragmatists, those people on the government benches who say they will do anything if it means power, have let the country down by virtually introducing us to a socialistic state such as the one we in Canada are falling into.

Some hon. Members: Hear, hear!

Mr. Stevens: The thing which disturbed me as much as anything since the return of Parliament has been to witness the absolute decline and eclipse of the Treasury Board as an effective arm of government in the present government of the country. I say that because we have known for some time that the President of the Treasury Board (Mr. Johnston) is merely a token. In no way is he a man of restraint. He is a man with little clout within the cabinet ranks. He is simply filling a post with no say, but I never thought we would witness the day when a president of the treasury board would have the nerve—or perhaps he does not even know what he is saying—to walk into the House and make the statements he made yesterday. As reported at page 4362 of yesterday's *Hansard*, the minister said:

> Unlike my predecessor, the hon. member for York-Peel (Mr. Stevens), who kept trying to assume the responsibilities, in my judgment, of the Minister of Finance, I readily acknowledge the lead role of the Minister of Finance in developing the fiscal plan.

Near the conclusion of his remarks he referred to the Minister of Finance when he said:

> All Canadians will welcome the frank and open way in which he has presented his expenditure plan and his medium-term economic assumptions.

What is the President of the Treasury Board saying? In effect he is saying that they have capitulated over at the

Treasury Board; they have surrendered. This was a fight which we waged with the big spending bureaucracy while we were in government. Essentially it boiled down to the simple fact that there were those who simply said, "You in the Treasury Board should do nothing but monitor. We at the lofty Privy Council level, overlapping the finance level and departmental levels, will come up with the expenditure plan which we think, in a macroeconomic sense, is needed in the country. You simply watch that the figures are spent the way we feel they should be spent." I know this may sound complicated, as if it is hard to understand, but let me assure the House that it is not.

There are two approaches to governmental expenditures. One is the academic approach, or the Keynesian approach, where those on high within the bureaucracy deem what a proper expenditure level is to be. Once that level is set, they simply sit down with those who might do the spending to figure out where it will be spent. I suggest that is what is now in vogue through the Michael Pitfields, through the Ian Stewarts, through their respective ministers. In short, we do not have an expenditure plan in the sense that this is the least the government can spend. We have an expenditure plan which has been dictated by those who believe in big spending for the sake of big spending.

• (1530)

Here is the significance of what I am saying. Once this has been set and it becomes the fiscal plan, as the President of the Treasury Board says, or the expenditure plan, to use the words of the Minister of Finance, there is really no role for the Treasury Board. All the Treasury Board then does is add up the figures periodically and figure out whether they are under or over those expenditure levels which somebody else deemed are proper.

I have seen memos with respect to the previous government's handling of our affairs that indicate, for example, wastage is no longer to be criticized because wastage means simply that the expenditure plan, which is deemed to be proper, is perhaps not being met in the way it was originally intended, but at least it is getting the funds out there. That is what is going on. We are being told in the budget, which has been placed before us, that rather than spend $57.3 billion, as was our proposal in the Crosbie budget, that it is better to spend $59,350 million. Most important, we are being told that rather than spend $75,700 million by the fiscal year 1984, it is deemed better to spend $81,815 million.

Mr. Speaker, let me make one thing clear. I know it is commonplace for people to say, "Oh, well, he is simply trying to make a point but how does he substantiate it?" I invite hon. members, members of the press and the public, to take a look at a release that was put out by the Treasury Board on January 22, 1980. It is release No. 80-3. In that they will find we came up with figures comparing what would be the ongoing spending levels in government without the Crosbie budget, and what, in fact, those spending levels would be with the Crosbie budget. In short, we tried to translate to the public what the ongoing expenditures in government were going to lead to if the Crosbie budget was not put in place.

I think what will be found to be most revealing now is that expenditure level is literally within millions of dollars each year—that is the ongoing trend line—it is literally within millions of dollars each year to what we were presented with Tuesday night here in the House of Commons. Thus, there is no restraint. All we have is rhetoric and verbiage on the part of that expert in verbiage, the Minister of Finance. What we have is the appearance of expenditures that are simply the trend line indicated by those who keep track of projections for ongoing programs and expenditures in government—no cutbacks. However, in contrast we had the courage through our budget to anticipate that those expenditures could be cut back by $7 billion by 1984. That was the approach that we took. We did not allow the ongoing trend line to take the Canadian public to a $82 billion expenditure level by 1984. We said that that was excessively high and must be reduced. We were able to propose that it be reduced by $7 billion.

Let me deal with the next point. So far I have simply been dealing with the figures that were brought into this House last Tuesday night by the Minister of Finance. But that is only the beginning. We find they have been doctoring the books. I understand the minister has an honorary degree, he is Dr. MacEachen. I did not realize that he got his doctor's degree for doctoring books. Let us take a look at a few of the examples. On page 32 of the budget papers you will find that it is revealed that they are setting up a new fund, if you like, called a petroleum compensation fund. Payments will be made out of that fund. The fund will be paid for this year in part, and in future years entirely, out of a petroleum compensation charge. Is it not interesting that in effect what they are doing—and after questioning the President of the Treasury Board last night he finally admitted that it was true—is giving the appearance of reducing expenditures by this little dodge alone to the tune of $1.2 billion this year, and up to over $6 billion by 1984.

Expressed in the simplest of language, what these artful dodgers are up to is simply that rather than follow normal accounting policies of this year, and saying they have to make payments with respect to oil compensation in the amount of $3,950 million, and record that in the blue book—while on the other side showing wherever they are going to get the revenue from—they have come up with a dodge, saying, "We are going to set up a separate fund which will be outside of the blue book. That fund is anticipated to need $3,950 million, but we anticipate we can sock it to the Canadian public to the tune of $1,215 million in the form of a new charge." That revenue will go directly into the fund leaving a net petroleum compensation payment of $2,735 million. And that is all that gets recorded in the accounts we have before us.

On that one item, Mr. Speaker, they have reduced the expenditure level by $1.2 billion in a most deceptive way. Taken through to 1984 we find that the total fudging of the books, if you like, will be $5.78 billion by 1984. With all sincerity I say that the Canadian public do not deserve that

type of treatment. How can you expect the Canadian public to have confidence in a government, or to have the proper attitude toward it, when government themselves are presenting figures in a way that, if you were in the private sector filing prospectuses with respect to share issues, you would literally be convicted of contravening the securities legislation on disclosure? That is only one example, Mr. Speaker.

I can add up totals of evasive types of presentations and non-disclosures totalling $10 billion by 1984. We have heard the Minister of Finance previously, and again today, come up with this figure of some $40 billion that he has saved the Canadian public. If he believes that, he is being fooled by his own fool figures. The fact is that the only reason he can pretend that he has saved anybody any money is simply that he is not disclosing it. He is simply not disclosing, to the tune of almost $16 billion in payment charges, the amount he is going to lift from the Canadian public in the charge for oil compensation to which I have been referring. For example his debt is another $13 billion higher in the aggregate than that proposed in the Crosbie budget. If you add those two things alone you have $29 billion of his so-called $40 billion saving. The reason I mention this type of thing is because I think it is so unfortunate that we have a Minister of Finance, in Canada's time of need, who stoops so low as to start cooking the books in that fashion.

Mr. Speaker, let me give you other examples of what I am referring to here. I say that there is $10 billion you can identify there by 1984 which would normally be considered expenditures, or amounts we have to allow for, that somehow or other they are shuffling off to the side—the Post Office approach. You will remember his cute little trick there. The Minister of Finance says, "Of course, I have assumed that the revenue from the Post Office will be sufficient to meet the expenditures and there will be no deficit during my projection." Expressed in another way, he is saying, "If we are able to roll onto the Canadian public directly the deficits of the Post Office through increased postage and other charges, then, lo and behold, we will have no deficit." He then has the nerve to say, "Of course, since we will have no deficit, and since I assume we will have no deficit, I will not show it in my figures."

● (1540)

There is the unemployment insurance dodge. What the minister is doing is taking it out of the general accounts, the estimates, and rolling it on to the employees and employers, and saying, "You will pick up another $1 billion between now and the end of the year", because it will allow him to show a more favourable budgetary presentation.

Mr. Evans: It is required by the legislation, and you know it.

Mr. Stevens: If we read between the lines, we must wonder what this budget will do to the agreements which now exist between the federal government and the provincial governments. The figures mean only one thing, that the government proposes to rewrite those agreements to put a greater load on the provinces. There can be no doubt about that. That is another way the government will pick up what it thinks will be a $2 billion saving, and it will not be done in the federal name but simply picked up at the provincial level.

I mentioned these points because they show the mentality of the people who are now governing this country. Rather than face the hard realities, that expenditures are out of control and, that we need the strongest president of the treasury board possible, instead of a weak one, we are finding that the government is trying to disguise the figures. The government is in the lap of its public relations people who simply say, "It is perception that counts, not reality. Do whatever you have to do but do not tell the truth, and you will see how we will muddle through."

Let me put it another way. What we have received from the budget is an increase of 12.5 cents per gallon in the oil compensation charge, and an increase of 5 cents per gallon in the oil and gas revenue tax. Those figures total 17.5 cents per gallon, which compares to the 18-cent excise tax for which we were voted out. For half a cent on that item alone, the country changed from responsible government to irresponsible government.

As far as oil pricing is concerned, we are told that the increase will be $3.80 per barrel compared to our price of $4 a barrel. Of course, the 75 cents increase per barrel which the government ran up earlier in the year was not added to the $3.80 because it would put the price at over $4.50. The public relations people did not want to hear that on budget night so they said, "Let's forget that for the time being, and talk about $3.80." In truth that is what we have bought.

An hon. Member: Deception.

Mr. Stevens: Clearly, it is deception. In the words of Hugh Anderson, it is "wilful deceit" on the part of the government. The fact that the government has maintained the ongoing spending levels will have the effect of softening up and conditioning Canadian consumers to the concept that perhaps they should spend even more.

Last night the President of the Treasury Board startled myself and other members of the Standing Committee on Miscellaneous Estimates by stating that he felt that 49 per cent of the people at the deputy minister's level in the public service were underpaid in this country. I do not know whether he based that comment on fact, or whether it was just a wish. But when the government is facing a deficit of $14 billion and serious doubts in the financial community as to whether the country can handle this debt load which the federal government proposes over the coming years, one of the last things it should be saying is that its employees, who presumably are partly responsible for the position which the government is in, should be paid more.

As a rule one pays for results. If the government were running at a surplus, or relatively close to a surplus, then I could see, if it were felt that somebody was underpaid, it as an opportunity to suggest a bonus or some other type of increase in pay. However, that is not the situation in this country today.

In short, we are in a very serious economic position which is not being dealt with in a prudent way by the government.

I mentioned my feeling that we have only received half a budget. The tax increases are yet to come, and let there be no doubt about that fact because it is just a question of form. What we have received so far is the energy aspect. I suggest that the reason energy has been singled out in the budget, and in the document entitled "The National Energy Program" is because the government feels that this field is an easy target. It looks upon the oil industry as predominantly foreign, as very profitable and as an industry which is mainly located in one province which represents only 10 per cent of the population of the country. In the thinking of this government, that industry is a fair target because it can arouse public opinion against that industry.

I hope that those people who read the budget and say, "Well, at least they didn't tax us too heavily," and those in industry who say, "Well, it's not hitting me, so somehow or other I am not concerned", do not smile too broadly, because I can assure them their time is coming should this government continue in office beyond its present mandate. The government intends to intervene, to socialize, to take over, to cannibalize, to Canadianize, to nationalize, call it what you want, until the Canadian public finally does what happened in Jamaica, Britain, and what will happen tomorrow in the United States, turn out the big spenders and bring in responsible government once again.

Approximately a week ago I attended a seminar in this city which dealt with public corporations. Various comments were made to rationalize the government's position on Crown corporations. The speaker just ahead of me made the comment that when the government wants to take over parts of the private sector, and the private sector resists because it does not want to be taken out, it should be remembered that the government has some very effective tools at its disposal. It can regulate the industry and it can bring in onerous taxation to sober it up. In short, the government can bring the industry to its knees so that it is willing to be bought out.

To show how much the government has accepted this theory, the Minister of Energy, Mines and Resources (Mr. Lalonde) states at page 52 in "The National Energy Program":

> The Government of Canada recognizes that the National Energy Program represents a fundamental departure, in many instances, from the current policy environment. Despite the fact that the policies will maintain, even enhance the relative position of the oil and gas industry, some firms may regard the new conditions as unsatisfactory. The government's acquisition program provides an answer for them. The Government of Canada is a willing buyer at fair and reasonable prices.

I thought that godfathers existed only in the United States, but clearly we have a godfather in the form of the Minister of Energy, Mines and Resources. Is that not contemptible? Did anyone ever think that in Canada we would reach the position where the government, which is supposed to be the servant of the people, rather than trying to respond to criticism would say, "If you don't like it we are going to buy you out on", presumably, "fair terms." I suggest to you, Mr. Speaker, that with the power the government possesses, those terms would be virtually confiscation.

● (1550)

I mention this because I believe that if we in this House do not stand up and be counted, starting tonight, to show our distaste for this type of budgetary presentation, this type of spending, this type of deficit, this high infrastructure that will lead to greater unemployment in the country and unsatisfactory real growth in the economy, we will not have done our duty as representatives of our constituents.

I have spoken of some of the ways the government has deceived the people in this budget. Perhaps the worst deceit of all is the suggestion made during the election campaign that the government would control expenditures to the level of economic growth in the country. What is meant by that is not what you and I would mean, Mr. Speaker, that if the economy increases by 9 per cent this year we would try to keep spending down to 9 per cent instead of the 15 per cent the government project. The government means it will be kept to the—

The Acting Speaker (Mr. Ethier): Order, please.

Mr. Stevens: —you lose before 1984.

The Acting Speaker (Mr. Ethier): Order, please.

Some hon. Members: Hear, hear!

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Mr. Speaker, I want to say how much I enjoyed the remarks made by the hon. member for York-Peel (Mr. Stevens). It is nice that we are able to see the full epitome of the real Tory finally speaking up in this House. During question period we were treated to the exhibition of that sham Tory who shed great crocodile tears about the plight of the poor. He charged that this government was ignoring them and had not provided enough money in the budget to deal with the problems of those on low income. Now, however, we have the real voice of the Tory party speaking—no money for the poor—cut back—end the deficits. That is the pristine pure voice of the niggardly mean-minded sort of Tory who says, "No money for anybody; let's cut back."

I enjoyed that, Mr. Speaker. I think it was useful to have that point of view expressed in this House—no more sham, no more charade, none of the posturing for the cameras. The hon. member has once again lived up to his reputation of being the true voice of the hard rockbed of Canadian Conservativism which holds, basically, that government should do nothing at all.

On this side of the House we appreciate all this, Mr. Speaker, because it shows what the differences are between us. I just wish, however, that the hon. member had been a little more accurate with some of the facts he put on record. I know that when he was a minister of the Crown he did not want to be confused by facts, but I would have thought that these past months in opposition would have changed his behaviour. Having occupied a cabinet post, I should have thought he

would have been more careful about what he presented as facts.

He said that he is tired of mythology and wants to get down to the real facts. Yet he was prepared to say in this House that the burden of unemployment insurance premiums was being hidden by this government, and he charged that this was an act of deception. What he failed to mention, however, was that the measure was introduced by his government in the December 13 budget—that the Crosbie budget introduced the principle that a greater share of the unemployment insurance program should be carried through the premium base. That budget recommended that the premium be increased to $1.60. When this government took office last winter, the premiums were frozen at $1.35 as it was felt it would have been awkward to continue with the plan of the previous government. Contributors were given a full year's respite.

It is a little unfair for the hon. member to suggest that the proposal to increase the unemployment insurance premium is an act of this government when, in fact, it was supported by members of his own caucus at the time the legislation was introduced. It was supported with a great deal of enthusiasm on the quite legitimate grounds that, over a period of time, the burden of the unemployment insurance fund had to be carried more equitably. The percentage of funds carried by the public sector had risen to 40 per cent, instead of the 20 per cent formula that the public sector had normally carried. We agreed the public sector was carrying a great burden. The hon. member forgot to mention, however, that his government introduced the measure and his caucus supported it.

While dealing with misstatements and errors or sins of omission, I think the hon. member would be the first to admit his own serious sin of omission. When dealing with oil pricing, he suggested that the formula we put forward included a Syncrude levy which would take it to above $4, and that the Tories would never have done that. We know that is not true, Mr. Speaker, because the Syncrude levy is a statutory requirement that every government would have to impose. Thus the Crosbie $4 increase would have become $4.75. In fairness, the former president of the treasury board should have acknowledged that.

If this debate is to be conducted with fairness, it would have been in the interest of honest observation and reporting for the hon. member to have been more accurate in the statements he made.

That brings me to the need for a more accurate and honest appraisal of the budget. Opposition spokesmen have raised cries of alarm up and down this country in the last week or so about the dastardly effect the budget will have on western Canada. Just this past weekend in my home city of Winnipeg, the hon. Leader of the Opposition (Mr. Clark) suggested that this budget rang the death bell of federalism—that the Liberals will bring about separatism. Of course, he was prepared to say that he did not believe in separatism, but still most of his speech dealt with it. He implied that the budget discriminated against western Canadians.

The Premier of Alberta has suggested the budget discriminates against his province, that the government is moving into his living room to take over his furniture and all his services and resources.

The hon. member for Vancouver Centre (Miss Carney) suggested that we would be embarked upon the slippery slopes of separatism if we follow the "made in Ottawa", central Canadian type of policy. Mr. Speaker, I am a western Canadian, and I do not think I take a backseat to anyone in this House when it comes to concern for my region and the type of development that should occur there. I take strong exception, however, to the fear tactics being parlayed by certain opposition spokesmen who suggest that there is a dichotomy—that the national government is not national at all but represents "them" and not "us". In a subtle manner they try to create a division in this country. They are employing the tactics of division for whatever cynical, political reasons they may have. I know what the reasons are, Mr. Speaker.

As Minister of Employment and Immigration I will have to offer my services to the Leader of the Opposition within a few months. As an equal opportunity employer, the government is quite prepared to make sure that all the facilities of counselling and job placement are available to him when he needs them.

The tactics being employed by the opposition are very dangerous. They are playing with fire. They are taking the honest concerns and grievances that are felt in my region of the country, and in others, and fanning the flames into a conflagration, and then suggesting that there is a sweep of separatism emerging in the west when, in fact, the only separatism is in the minds of those who talk about it.

● (1600)

Sure, there are differences of opinion and there are honest criticisms about what we have done, but we are prepared to argue those criticisms and differences. However, we should not fall into the trap of this kind of fear-mongering which is simply trying to exploit those concerns and anxieties and turn them into something sour and distorted. That is mythology which is being parlayed in Canada at the present time is setting up a false distinction and a false dichotomy, trying to create divisions in Canada by employing the most exaggerated hyperbolic misstatements of facts that have ever been expressed in the history of this Parliament. We had some good examples in question period. We heard some absurd outlandish extrapolation of figures and ideas, which simply boggle the imagination until you know the people who expressed them, and then you understand why.

I am going to make a case this afternoon that the budget put forward last Tuesday by the Minister of Finance (Mr. MacEachen) does far more for western Canada, is far more in its best interests, than anything that was put forward by the previous government—those great paragons and defenders of the west. No matter how members on the other side try to cut it or try to divide it, when you compare those two documents, as members on the other side are fond of doing, and add up the

list of benefits that will accrue to western Canada, this budget comes out far more on the plus side than the one put forward by the former minister of finance and flabbergab last December 13. It is important that western Canadians understand that because western Canada will in large part be setting the agenda for discussion for debate over the next several years. It is the area where the dynamic growth in Canada will take place, and where much of the employment will occur, even though the hon. member for Calgary West (Mr. Hawkes), in one of his flights of fancy this afternoon during question period, suggested that perhaps half of the province of Alberta was going to be unemployed. That was one of the most absurd statements that have ever been expressed in this House. It is in western Canada where the employment will continue to be.

I returned from western Canada last night. While I was there I met with representatives of the business community and the oil, gas and mining communities. Their concerns were not that of the member for Calgary West. Their concern was getting more people out to western Canada because they need skilled workers. Their concern was not the unemployment problem but to get more people from the other parts of Canada to work in the mines, the gas fields, and in natural gas exploration.

I would suggest it is about time the hon. member for Calgary West went home and talked to those people and understood what their concerns are, and not suggest something which is being manufactured or generated in his own very fertile imagination.

Mr. Hawkes: Mr. Speaker, I rise on a point of order. The hon. member opposite is making statements about what I said earlier in the House. I think the record should be corrected. I am implying considerable job loss in eastern Canada—

The Acting Speaker (Mr. Ethier): Order, please. The hon. member's remarks do not constitute a point of order.

Mr. Axworthy: Let me indicate what the budget said. Let me point out, first and foremost, that we were responsive to the issues in western Canada by not putting in the budget many of the things being speculated about. There was a great sort of campaign being carried out. We heard such things as, "Look what these Liberals are going to do in western Canada. We will have an export tax". The battle flags were waving and the trenches were being dug purely on the idea of fighting this discriminatory tax. It was a legitimate concern to be raised, and one to which we responded by not bringing in an export tax. I am suggesting that we were prepared to respond to those concerns. We did not totally abdicate the need to get additional revenues for the federal government but we got those revenues in a different kind of way, through a different kind of mechanism.

Also introduced in that budget was a very clear strategy and program for ensuring that the major benefits of the revenues derived and developed out of the new resource boom of western Canada would be recycled back into the west. These revenues would be used for new energy supplies and sources, for the industrialization of western Canada and to provide for conversion from oil to natural gas and electricity. These are energy sources in ample supply. So any suggestion that this budget ignores the concerns of the west simply means the provisions of this budget have been ignored.

The major beneficiaries of this budget—contrary to the point of view that was being put forward earlier in this House—are the consumers of western Canada and the consumers right across the country. A great deal of heartfelt anguish was being expressed on the part of some members about what was going to happen to the consumer. I will tell you what will happen to the consumers in my province. In 1984 they will be paying $400 to $500 a year less to heat their homes and drive their cars under this budget than under the previous Tory budget. That is the difference, Mr. Speaker. That is the real message of this budget. The Canadian consumer will find he is not paying the kind of inflated prices which were being put forward in the December 13 document of last year. It is that money which will stay in the hands of the consumer to buy other goods and services and which will keep the economy going.

Similarly, the farmers of western Canada will not have an excise tax on their fuel oil. They, too, are being saved by this budget. They will not have that kind of burden to carry which would add to their costs and, therefore, to the cost of food and agricultural products. That was avoided by this budget as compared to the document put forward by the so-called defenders of the west.

There are a series of major stimulants in the budget for the growth of industry in western Canada. I find it hard to understand why the Tories persist in assuming that the only agencies for the development of our energy fields must be multinational corporations. Why is it the Tories assume that it is impossible for Canadian-owned companies to become the major shareholders, the major entrepreneurs, the major enterprisers in the development of our oil and gas and our energy resources? What they are doing basically is defending the corporate system, instead of defending what should be the real opportunity, which is to develop new businesses in western Canada to provide for a whole new network of enterprise and activity through the incentive grant program. This is something that was not offered in the previous budget.

So, if we are comparing budgets and comparing measures, the opportunity for Canadian businessmen in western Canada to get an advantage and a step up in developing those resources, is in this budget. There are nothing of that kind in the previous one. It is out of that kind of incentive program, based around the idea that it is far more effective in our energy system to have Canadian-owned enterprises and companies, that we can avoid the massive transfusion of funds out of Canada which amounted to $3.5 billion in the past two years. That money could be kept in Canada working to develop new energy supplies and resources.

Mr. Hawkes: One-fifth of the interest paid on the public debt is paid to foreign countries.

Mr. Axworthy: I think the hon. member for Calgary West has missed cheerleading practice, or something.

We are talking about a budget which is designed as a blueprint to encourage and develop western industry; to develop the very growth, jobs and opportunities that we think are so important to fuel growth throughout the rest of Canada. We should not be listening to the doomsayers and those preaching the gloom of depression and recession in the west, because this gives us an enormous opportunity, even for those companies I have talked about which are saying, "My goodness, we have had cutbacks and we have had our livelihood taken away from us". That is true, their percentage of revenues has been reduced, but the volume of money has doubled.

The amount of capital available to the oil and gas companies will double in the next three years compared to the last three years. There will be far more capital going in through private hands than there was up until last Thursday night. If hon. members opposite cannot read that in the budget, we suggest they take a Braille course because it is very clear that the full and necessary capital to provide for all the exploration and development is available.

● (1610)

Furthermore, we are prepared to take on this issue. We feel that that in itself is not enough. There must be more than that. There must be a very clear public role and responsibility in the development of our energy supplies. We make no apologies not only for maintaining Petro-Canada as an effective vehicle for energy development, but for enhancing its role. I will tell you one reason, as a westerner, because Petro-Canada is a western based company. It now provides jobs for over 2,000 people in the city of Calgary alone. It is a major sponsor of research and development, of new exploration and development projects right across Canada and in the international sphere.

As a western Canadian I take pride in the fact that this government was responsible for putting in place a brand new company which is now one of the major leaders and innovators in the energy field in the world.

Some hon. Members: Hear, hear!

Mr. Axworthy: What were our friends opposite doing? They were cannibalizing it. They were going to dismantle it. They were going to take it apart. Those great defenders of the west were going to subtract and eliminate one of the most important and effective agencies of energy development which this country has, a western agency of development.

To make the case further, I would point out it was just in the last week that we have taken the same model of Petro-Canada in the oil and gas field and applied it to the area of renewable energy and conservation technology. If members opposite ask what is in it for the west, I will say that in my own city of Winnipeg the new Enertech corporation is to be located. We have the opportunity of developing a brand new high technology there which will serve this country for the next 100 years. It is again a western Canadian city that will become the centre of new skills, development, and innovation. It will put in place a brand new industrial base in western Canada.

Of course members opposite are going to vote against it because they do not believe in those kinds of things. They do not believe in enabling and assisting western Canadians to develop new technology, to develop new industries within their area, because they really are the friends of the multicorporations. That is their primary purpose. That is where their ambitions and concerns lie, not in developing Canadian companies, not with developing institutions that will be located in western Canada and will provide jobs and opportunities in the west. They are more interested in their friends in the boardrooms of Toronto. That is where their interest lies.

I will not accept this kind of mythology that is being expressed that somehow separatism will emerge because the west is being ignored. If there is anyone who has been guilty of ignoring the interests of western Canada, it is many of the members opposite who were prepared to support a budget last December that had nothing in it for western Canada, except a sell-out.

Further, we would like to point to the introduction in the budget of the western development fund. It is designed to take the proper profits and revenues deriving from resources and recycle them back into western Canada to provide a much more diversified economic base. There is not a westerner in this chamber who has not learned, as part of his history, the whole boom and bust cycle of the west based upon the erratic behaviour of commodity or resource markets.

One of the great ambitions of western Canadians has been to develop a broadly based economy with a wide variety of components of industry, processing and manufacturing, so that we can even out that boom and bust cycle and have a proper system of economic development which does not rely upon that uneven, bumpy road. That has been a ligitimate concern. It has not been met that well in the past.

I agree full well with all of the spokesmen from western Canada, provincial or not, who believe we should be using our resources and the revenues from them to provide for better economic development in western Canada. Where I take issue is with the way they chose to do it. Their choice is to leave all the control, responsibility and decision-making in the hands of individual provincial governments. They assume that will result in the kind of goal and ambition that we all share, which is the proper economic development of the west.

That flies in the face of the history of western Canada. Throughout the history of our region the federal government has always played an important and influential role in ensuring that the west world be developed. It was not the provincial governments which bailed out western farmers during the depression. It was the federal government that had to come to their rescue, based upon taxes drawn from other parts of the country.

It was the federal government which had to put the Wheat Board into place against the opposition of several provincial governments in order to provide for the orderly marketing of

grain. When the issue of the 1940s and 1950s was the whole dry land farming problem, it was the federal government through the PFRA that came to the rescue of the prairies. It put in place the irrigation ditches and dug holes that provided proper watering resources for the west, oftentimes paid for by the tax dollars of Canadians from other parts of this country.

There is nothing wrong with that. That is what a federal government is for. It is to share the benefits and share the wealth. That is where we do take issue. That is where we divide, myself and those opposite, because we believe there is an important and necessary role for a central government to play in the development of western Canada, to its benefit and the benefit of the entire country. It is not to retreat and shrink our horizons, not to rely solely upon a provincial government because its own electoral mandate is only to serve the people within its narrow range of boundaries 400 miles wide. I would not expect them to do anything more.

I was a provincial member for seven or eight years. Your mandate is to serve a provincial constituency and jurisdiction. However, there is a fundamental difference when one becomes a member of the federal House and federal government. You realize there are choices that have to be made to serve one end of the country or the other.

It saddens me that so many spokesmen from the west are taking on that kind of parochialism. They say they do not care about the rest of Canada. They are not interested in sharing the wealth. They do not want to see a proper distribution of the benefits. They want to keep everything for themselves.

The fundamental flaw in that kind of reasoning is that, if we allow it to happen, not only does the west suffer in terms of its economic development, but so does the entire country. That is the central issue in this budget. That is where this budget differs fundamentally from the one we had on December 13. It does incorporate the basic idea of sharing and distribution.

The idea of the western fund is to use the federal jurisdiction which cuts across regional and provincial boundaries to put into place the kind of infrastructure that will help make the west grow. We from the west well know that one of the most serious concerns we have is in the area of transportation. We could be selling far more of our grain, potash, coal and other commodities, if we could move them to world markets.

The railways tell us that by this year their carrying capacity will be fully used, and in two years from now we will be 30 per cent short. We will all be losers if that takes place. Western Canada loses and so does the country. Therefore we must put in place a transportation program to modernize our entire distribution system for the western region. It must be not for one province, but for the entire region.

Who has the jurisdiction to do that? It is not the provincial governments but the federal government. The provincial governments are not in the business of trying to develop a full regional network of linking one part of the country with the other. That takes money. You do not wave a wand or snap your fingers and get the $6 billion, $7 billion or $8 billion it will take to modernize our railroad system in the west.

The money must be recycled. It must come from the fastest growing revenue source, which is the resource boom of western Canada. The benefits which flow out of that kind of investment are changing the tariffs, the rates and the Crow, and putting money into new tracks, terminals and ports. It means we all benefit from it. It is not a zero-sum game. It is not the "we" and "us" that the Leader of the Opposition was talking about on Saturday.

● (1620)

That is the kind of investment which will benefit all Canadians because, if we modernize our railroads, and the tracks are built in London, and the cars in Trenton, Nova Scotia, the entire country receives the full benefits of that kind of economic boom. That is what we are arguing about in this budget. The hon. member for York-Peel said that this is not a budget because it talks just about energy. No, we are not talking just about energy. We are talking about a fundamental question of how this country is going to be governed. Is it going to be governed in the interests of a few, or in the interests of the many? That is the difference, and that is the issue which is really joined in this Parliament.

Some hon. Members: Hear, hear!

Mr. Axworthy: We must concentrate on the energy area because it is fundamental to our economy. As we said during the election campaign, we must use the energy issue for the full development of the entire industrial base of Canada. We must look at the benefits of major investments in energy.

On Thursday night Mr. Lougheed appeared on the television screen and pleaded poverty. He said that the federal government is going to come in and take his money away from him. I read the figures, and what we are leaving Mr. Lougheed is $100 billion in revenue over the next ten years. The per capita revenues of the people of Alberta will be ten times those of the people of British Columbia, and 20 times those of the people of my province. That is hardly a case for poverty. One can hardly say that we are impoverishing the west. I do not gainsay that money. It should stay there and be working there, but we also should not gainsay the benefits for other parts and regions of the west and the rest of Canada.

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

Mr. Axworthy: Mr. Speaker, if I might conclude with one sentence by saying that—

The Acting Speaker (Mr. Ethier): Order, please. This will have to be done with the unanimous consent of the House.

Some hon. Members: No.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, although I appreciate the opportunity to speak this afternoon, I must say that it gives me very little pleasure to speak on this first Liberal government budget of the 1980s. I say that because this motion more than any which will come before this

House, with the possible exception of the constitutional question, provides a dim glimmer of light into the future showing where this government is taking this country. It is an omen not only in what it says but also in what it fails to tell the Canadian people.

In introducing this budget the Minister of Finance (Mr. MacEachen) reminded us, and I quote:

> Only ten years ago, the world was riding high on the long wave of postwar economic expansion . . . While inflation was beginning to creep up in many industrial countries, we all felt confident in our collective abilities to manage growth as the world economies expanded in concert.

It was in this atmosphere of optimism that the Prime Minister (Mr. Trudeau) made his commitment to build a "Just Society" for Canada. To reinforce this commitment the current Minister of Communications (Mr. Fox) reiterated his fundamental belief in people oriented government, on February 26, 1973. He said:

> 'Policies for people' is a motto to which I wholeheartedly subscribe. It is a motto which ensures our responsiveness to the aspirations of the Canadian people—

The desire to build a more just and equitable Canadian society is, I am sure, an aspiration shared by every member of this House. But a commitment can either be real and sincere, or deceptive and fraudulent. The ultimate measure of our commitments depends on the actions or policies we adopt and the results achieved. In spite of all the rhetoric, the net effect of Liberal policy in the 1970s has been systematically to undermine Canada's prospects for the future. In 1970 the rate of inflation in Canada was 3.3 per cent, and today, after years of "wrestling inflation to the ground," prices are increasing at a rate of 10.7 per cent.

In 1970 we enjoyed a $1.1 billion surplus in our balance of payments. Today, after ten years of gross mismanagement of the economy, our balance of payments position has deteriorated to an unprecedented $6 billion deficit.

At the beginning of the last decade the Canadian dollar traded at par with the U.S. dollar. Today it is worth 85 cents U.S., and by the end of this decade, if the budget is any indication of where this government is taking Canada, we will be lucky if it is worth 60 cents U.S.

In 1969 the share of national income going to the 20 per cent of Canadians with the lowest incomes stood at only 4.3 per cent. By 1978, the last year for which data is available, this government's policies had managed to cut their share back even further, to 4.1 per cent.

In 1969 the unemployment rate in Canada was only 4.4 per cent. The legacy of Liberal economic policies in the 1970s is that today we have more people out of work in Canada than were unemployed during the Great Depression. The unemployment rate is nearly 8 per cent. In reality the unemployment rate is certainly in excess of 8 per cent, with one million Canadians unemployed.

In the early 1970s our gross national product in constant dollars was growing at respectable rates, around 6 per cent and 7 per cent. By the end of the decade this had been cut back sharply, and according to the Minister of Finance's own budget statement the other night, we will experience an absolute decline in real output this year.

This budget has the dubious distinction of heralding that Liberal tradition into the 1980s. It represents a renewed commitment to the politics of opportunism, the politics of resource dependency, the politics of social injustice, and the politics of wilful deceit, all at the expense of the Canadian public.

There currently is a real controversy over the proper role of government in our society. Should we have more government or less government? I venture to say that one thing is clear, and that is that the Canadian people would definitely be better off without this government.

However, the controversy follows from the failure of government to provide the leadership this country presently so desperately needs. There is a sense of despair and uncertainty across Canada. There is no clear consensus on what we as a people are trying to achieve. There are no plans. There are no goals. I suggest that people across Canada from the Atlantic provinces to the north, throughout central Canada and into the west, are puzzled today. They are confused today, and the voices we have heard referred to as the voices of western separatism are simply reflections of that.

I for one do not for a moment believe that westerners are prepared to separate from this fine country, but they are upset. Western Canadians, like Canadians everywhere, are concerned that there is no direction for this country and no indication of the goals and aspirations of this government. Their feelings of frustration are vented through this avenue of separatism.

To some extent this despair and uncertainty we find across Canada are reflected in the constitutional debate, but nowhere is this better illustrated than in this budget. Here, in the first budget of the 1980s, there is no statement of clearly defined national objectives. We have no idea where this government thinks our country should be in 1985, let alone in 1990. There are no visions, no goals, no objectives, and no direction. Who would begin to develop a family without any idea of where it is going in the future? What businessman would consider operating a business with no objective, no clearly stated goal, and no vision? To my mind it is this lack of vision and direction which is causing the despair and concern in Canadians everywhere.

Is this government concerned about social justice? Then what should the distribution of income look like in 1985 and 1990? Is this government concerned about our mushrooming balance of trade deficit in manufactured goods? Then what should our balance of trade in end products be in 1985 and 1990? What percentage of the domestic market should be supplied by domestic production by 1985 and 1990? Is the government concerned about the level of unemployment in Canada? Then what is our target unemployment rate for 1985? This government has coerced Canadians into accepting unemployment rates of 7 per cent and 8 per cent. In a country as rich as Canada, with the possibilities which exist here, to accept rates of 7 per cent and 8 per cent is a disgrace. Many western industrialized nations would not consider these rates

to be acceptable for a moment, yet the Liberal government has been able to convince Canadians that this is just fine.

● (1630)

Is the government concerned about the quality and the quantity of houses in Canada? Then what should be our target for the national housing stock in 1985 and 1990? Is the government concerned about the government deficit? Then what should be the size of the deficit in 1985, or ten years from now?

One could go on and on, but the message is abundantly clear. This government has failed for 12 years to place before the Canadian people a set of clearly defined national objectives upon which sound development and sound policies could be based. Without clearly defined medium and long-term goals and objectives, the formulation of government policy becomes an exercise in the politics of expedience and short-term political gain. Not only are such policies difficult to evaluate, but in the long-term they are certainly doomed to failure.

Let me illustrate what I am talking about with a few simple examples drawn from the record of Liberal policy initiatives taken in the 1970s. The throne speech of 1970 stated:

As Canada moves into the seventies, we are all invited to join in this bold enterprise—to share the excitement—to face the challenge, to pursue the distant ideal of the just society.

Later in the same speech we find:

—legislation will be introduced incorporating policies designed to make more equitable the economic burden shared by our fellow dwellers in this complex and varied land.

While presenting the budget for 1973 to the House, the Hon. John Turner, the then minister of finance, stated that his budget was

—aimed at balanced economic expansion so that all regions share equitably in our growing wealth, because national unity demands fair shares in the national prosperity.

In spite of all the rhetoric, the net effect of Liberal policy in the 1970s has been to lower the share of our national income going to the 40 per cent of Canadian families and unattached individuals as the bottom of our income distribution, and raise the share going to the 40 per cent of families and unattached individuals at the high end of income distribution. In addition, regional disparities in Canada as measured by unemployment rates and per capita incomes have grown progressively worse over the course of the decade. So much for the "Just Society".

What of this budget, Mr. Speaker? The Minister of Finance tells us that the policies of his predecessors have created a tax system which allows numerous profitable corporations and wealthy individuals to pay little or no tax. That is what he is telling us! My colleague, the hon. member for Broadview-Greenwood (Mr. Rae), has pointed out that there are hundreds of Canadians who, last year, earned in excess of $100,000 each and paid not a nickel in income tax. I wonder how many working Canadians last year paid not a nickel in income tax, who are making substantially less than $100,000 annually.

What does the minister propose to do in this budget about these inequities? Absolutely nothing. There is not even a commitment to increase the share of national income going to the poorest 20 per cent of Canadian families by even one hundredth of one per cent by 1985. Again, there are no plans, no objectives, and no stated goals.

No problem better illustrates or brings together the many dimensions of what we might call the Canadian crisis than the growth and structure of our balance of payments deficit. We opened the last decade with a surplus of $1.1 billion in our current account. In 1972 we began importing more from the rest of the world than we exported, and only seven years later our balance of payments deficit has grown to a record $5 billion. Today we enjoy the dubious distinction of having the largest current account deficit, both in absolute terms and relative to GNP, among western industrial nations.

Our merchandise trade surplus of $4 billion last year only results from our increased willingness and growing dependence on exports of raw materials and semi-processed goods to earn foreign exchange. It hides our massive deficit of $16 billion in fully manufactured goods.

Because manufacturing is more labour intensive than our resource industries, it is this sector of the economy that holds out the greatest potential for solving the unemployment problem in Canada. Let us look at how this sector has fared under Liberal and Conservative stewardship. Taking imports as a percentage of the Canadian market, imports of agricultural equipment in 1965 amounted to 85 per cent. Ten years later they were 95 per cent. In forest equipment in 1965 they were 30 per cent, and in 1975 they were 47 per cent. In mining machinery, very important in my own riding, imports as a percentage of the Canadian market were 59 per cent in 1965, and in 1975 they had increased to nearly 80 per cent. Construction equipment, so crucial to western development at this time, in 1965 was 77 per cent, and in 1975 it was nearly 85 per cent.

If one looks at the entire machinery sector as a whole, in 1965 we exported $365 million and imported $1.7 billion worth of machinery and equipment. By 1975 our machinery exports had increased to $1.7 billion, but imports had jumped to $5.5 billion. This growing deficit in our trade in finished machinery and equipment meant that more production and employment were being created abroad than in Canada.

However, the machinery industry is not unique. Similar stories can be told about the Canadian autoparts industry, the electronics industry, the household appliance industry, etc. What does the Minister of Finance offer in this budget to deal directly with our growing balance of trade crisis in finished manufactured goods? Absolutely nothing.

The biggest gains to be made in employment and production in the 1980s will be through import substitution in our own domestic market. This is why an industrial strategy for Canada is so important. We must produce more of the goods Canadians buy.

To give you an idea of how powerful import substitution can be in Canada, let me point out that if Canadians would spend the equivalent of only one day's pay more a year on Canadian-

made goods instead of imports, it would create more than 26,000 jobs in Canada. A few weeks ago, when I introduced in the House a recommendation that the government implement, immediately, a "Buy Canadian" program similar to the one we have seen in the United States where they have a "Buy American" program, it was soundly rejected by the Liberal government. Have they some other strategy? What does this budget offer in the way of any industrial strategy? Nothing.

Let us now turn to import substitution in manufactured goods. What do we hear in the budget on this? Complete silence.

It gets worse, Mr. Speaker. The small benefit we derived from our $4 billion merchandise trade surplus is more than cancelled by the $9.5 billion deficit on our service account. There is virtual hemorrhaging of capital out of this country in the form of profits, dividends, royalties, consulting and engineering fees, interest payments, and tourist expenditures. This amounts to more than $168 million flowing out to the foreign creditors of this country every week. What does the minister offer the Canadian people in this budget to begin the long and difficult process of correcting this imbalance? Nothing, Mr. Speaker. In fact his projection is that the service account deficit will grow by $6.2 billion by 1985, an increase of 55 per cent.

As our balance of payments further deteriorates, we become increasingly dependent upon foreign investors and creditors to bridge the gap between our stagnating production and our growing consumption.

This budget, both in what it does and in what it fails to do, will make a major contribution to increasing the level of uncertainty surrounding future government policy in Canada. The failure to define clear national economic and social objectives, and the continued use of monetary policy to pursue often conflicting goals, will all contribute to undermining further the ability of business, especially small business, to plan and carry out investment projects with long-run pay-offs in employment and production.

Despite the introduction of small business development bonds, this budget's net impact on small business will, very likely, be negative. The minister has failed to recognize the growing social and economic significance of small businesses to Canadians. Every sector of our economy is represented in the more than 900,000 small enterprises representing well over 90 per cent of all business conducted in Canada. Small businesses employ 2.5 million Canadians, or about 42 per cent of the entire labour force. They account for significant portions of all business sales in Canada. The economic significance of small business is illustrated further by job creation, which is something all of us in Canada are particularly interested in at this point in time.

● (1640)

Small businesses often generate more direct and indirect jobs per unit on invested capital than larger firms. During 1977, for example, firms employing fewer than 20 persons created 97 per cent of all new jobs in Canada. If we are to overcome our unemployment problem we must ensure that we encourage the growth of a healthy, vigorous small business sector.

It is generally recognized that high interest rates impose a relatively greater burden on small enterprises than on large corporations. In part this is because small businesses rely heavily on the chartered banks and other financial intermediaries for credit and do not have access to the range of financial alternatives available to larger corporations. As record high interest rates began to take their toll in 1979 by pushing small business bankruptcies to post-war record levels, the former Conservative government proposed interest rate relief through the small business development bond introduced in the tragic budget of last December.

The Liberals promised lower interest rates during the 1980 election campaign and, true to their word, once elected, raised interest rates even higher than had the Conservatives. Small business bankruptcies in the first nine months of 1980 rose 18 per cent over the corresponding period last year, but the value of liabilities involved in these bankruptcies increased by 28 per cent to $560 million. However, this is only part of the story. Official bankruptcy figures do not account for the thousands of businesses which are no longer able to make ends meet, quietly close their doors, and go out of business without going through the formal bankruptcy process.

The official statistics also fail to account for the social strain business failures place on the general well-being of our communities across Canada. There is a human side to this question. When we are talking about business failures and business closures, we are talking about the dashed dreams, hopes, aspirations of Canadian individuals and families. Their visions for the future, their creativity and willingness to participate in the future of Canada are dashed.

Under increased pressure from the business community, and lacking any coherent policy of his own, the Minister of Finance dusted off the SBDB proposal of the former Conservative government for his April 21 economic statement. The small business development bond is a classic example of a poorly thought-out set of objectives leading an inept government to formulate ad hoc, band-aid legislation which has absolutely no hope of achieving one tenth of its original vague promise. It was ill-conceived by the Conservatives who pride themselves on being fiscally responsible but had no idea what it would have cost the federal treasury in lost revenue.

When the Department of Finance began formulating the details of the SBDB, they discovered that in June of this year financial institutions held approximately $16 billion in existing small business debt which could have qualified for interest rate subsidies under the new program. If these debts were rolled into SBDBs, this alone would have meant a loss of $500 million to $600 million to the federal treasury. With the federal deficit running at over $14 billion, the Department of Finance could hardly view with enthusiasm a further massive loss of revenue. So they began to impose qualifications, limitations and exclusions.

For example, small business development bond loans cannot be granted to unincorporated small businesses, the family businesses or the single proprietorships. They cannot be used to provide working capital, the most important capital requirement of almost every small business. They cannot be used to buy second-hand capital equipment and machinery.

The House will recall that the purpose of this legislation was to provide interest rate relief to small businesses. The effect of these restrictions on excluding the great majority of Canadian small businesses from benefiting under this legislation is absolutely staggering. Of the approximate 930,000 active small businesses in Canada, the first restriction excludes over 625,000 firms which are unincorporated small businesses from receiving interest rate relief under the SBDB program.

Small businesses in the wholesale, retail, construction and manufacturing sectors are required to carry and finance relatively large amounts of inventory and goods in process, compared with service industries, for example. Inflation and high interest rates raise dramatically the operating costs of these businesses. The great majority will not benefit from the SBDB legislation because the second limitation expressly restricts the use of SBDB loans from providing working or operating capital.

Many small businesses are able to hold their start-up or expansion costs down by purchasing used machinery and equipment. If this second-hand capital stock has been idle or underutilized, its purchase will have contributed to increased productivity and over-all capacity utilization in the economy. Under the proposed legislation SBDB loans cannot be used to purchase second-hand and used equipment. This restriction will exclude many small businesses which simply cannot afford the high cost of new plant and machinery.

Finally, the SBDB program expires on March 31 of this year. The exceptionally short lead time and failure of the Department of Finance to communicate effectively the details of the program to financial institutions, and the virtually hopeless task of the head and regional offices of those financial institutions in communicating the details to their branches, dooms this program to failure before it even gets through Parliament. At best I am afraid it will be a program catering almost exclusively to the metropolitan parts of Canada, at the expense of small communities in rural sectors.

Our best and most optimistic estimate of the number of Canadian small businesses which will actually benefit from the SBDB is approximately 40,000. This means that 95 per cent of small businesses will be excluded from this legislation, that only 5 per cent of small businesses in Canada will benefit from this so-called great measure introduced in the budget.

Who benefits from SBDB? Under the legislation, interest payments on a qualifying small business loan entered into after December 11, 1979, will be treated for tax purposes as dividends. As a result the interest will not be taxable to the corporate lender, nor deductible as a business expense to the small business borrower. Because corporate lenders incur no tax liability on the interest received, they will be able to reduce the rate of interest charged. In essence the legislation not only provides interest rate relief to qualifying small businesses, but also it provides a tax shelter to corporate lenders, in particular the hard-pressed chartered banks. The real beneficiaries of this particular legislation will be the chartered banks and lending institutions of Canada. They will benefit from this.

This ill-conceived measure which is part of the hopeless budget is ad hoc, band-aid, Liberal legislation at its very worst. It does nothing to ease the burden of high interest rates on 95 per cent of Canadian small businesses. It will subsidize the chartered banks of Canada. At a time when the federal budget is running a record $14 billion deficit, unemployment is rising, and the economy is in a recession, it is not only fiscally irresponsible but socially irresponsible to require Canadian taxpayers to make up an additional $250 million shortfall in revenue when chartered banks and other corporate lending agencies are earning near record levels.

● (1650)

There are a number of proposals that the government could have introduced quite easily which would have provided high interest rate relief to small businesses across Canada, and to lead one to expect the lending agencies of Canada to carry some of the burden of combatting the cost of inflation and the cost of money during these times. But, no, the Liberal government is asking the Canadian taxpayers to provide that.

In this discussion on the budget today one could comment on the lack of encouragement given to the housing industry in order to meet our housing crisis. One could comment on the serious cutbacks in social programs at a time when culture building in Canada is very important. Yet the kind of funding and encouragement some of the more crucial culture builders in our country need has been eliminated from the budget. It has certainly not been expanded. Consequently, that is the kind of leadership which is recognized as being provided by the Liberal government in Canada. As one of the richest countries in the world with unlimited possibilities, when optimism should be running extremely high, it is a time when this government has given the Canadian people little to be encouraged about.

The small business community are shrugging their shoulders in disbelief at the lack of direction in our economy. The housing crisis one finds in every sector of Canada looks toward the federal government for some leadership and finds that it is not forthcoming. More and more of the responsibility is being thrown into the private sector through programs such as the MURB program. Yet we see that this is a very simplistic and elementary way to approach a very complex and serious problem. We have made rental citizens in Canada second-class citizens.

We have made our cultural institutions second rate. Artists across Canada have been given little encouragement to develop the arts and their specialties. This is a time when optimism should be running at an all-time high, when people should be looking forward to a positive future, when there should be a definite direction given in the fields of agriculture, housing, and in the construction and fishing industries, and one could go on and on. Yet we find absolutely nothing. Although times

have never been better, citizens across the country are looking for some direction, looking for a vision of the future. In a country which has not had a vision for nearly a decade, yet the government presents a budget which is disappointing to Canadians. That is a travesty.

Hon. Judy Erola (Minister of State, Mines): Mr. Speaker, I am indeed very happy to be given this opportunity to contribute to the budget debate. It is a debate on a budget which is clearly of great importance to all Canadians. We in the government are confident that the implementation of the provisions of this budget will ensure both economic and energy security for Canadians in the years ahead.

The government faced an economic environment which saw unemployment and inflation at unacceptable levels, and a rate of growth in the economy which was dramatically reduced due to a worldwide economic slowdown in general, and an expanding U.S. recession in particular. In an effort to counteract these various pressures the federal government brought forward what has been referred to as an energy budget. It is a package that realistically attacks the problems of Canada's current economic malaise at its source. It abandons the short term solutions of the past for longer-term structural realignments.

In this regard I refer to the major initiatives with respect to the Canadianization of the oil and gas industry, and other energy-related initiatives, which will guarantee Canada's energy security and the place of individual Canadians and Canadian corporations in the energy field.

In a world economy increasingly dependent upon the stability of oil supplies, the emergence of Canadians as their own energy masters is fundamental. I know that it is far too obvious to the hon. members opposite that this budget is first and foremost a good budget for average Canadians. The howls of indignation from the members of the official opposition are ample evidence that we have succeeded where they have failed. I regret that the hon. member for Kamloops-Shuswap (Mr. Riis) has left the chamber.

I had an opportunity over the weekend to speak to a great many average Canadians in my riding. They agreed with me that it was a good budget and were pleased that de-indexing did not take place, that RRSPs and, more important for those who wish at some time to own their own homes and save realistically for them, that the RHOSPs were also left in place.

A quick glance at the price components of the Crosbie budget of last December will indicate clearly that this government has the interests of low and medium-income Canadians very much in mind. During the term 1980-1984 there is a difference of over 60 cents in the price of a gallon of gasoline between our budget and that of the December Crosbie budget. The difference in the cost of home heating oil during the same period will amount to about 45 cents a gallon. The difference between our budget and the Crosbie budget in the figures on natural gas prices is a whopping $3.30 per thousand cubic feet.

In 1980 a typical Canadian consumer will spend $1,375 to heat his home with fuel oil and to purchase gasoline for his car. This would cost $3,700 in 1984 if domestic oil prices were at international levels. However, under the price schedule of the national energy program the cost will be $2,520. That is $1,180 less than the world price—clearly a real saving.

These savings can be significantly increased if consumers take advantage of the assistance offered under the national energy program to reduce their energy costs by switching from oil to some alternate source of energy such as electricity, natural gas, or other fuel. Not only will the consumer benefit from the federal government's conversion grant, which may be as high as $800 with the federal government matching individual investment dollar for dollar, but the consumer will also benefit in the years that follow conversion from a reduction in energy costs.

Given the extent of savings on energy bills these expenditures are probably the best private investment opportunity in Canada. The pay-back will be quick, and the investment will continue to pay dividends in energy savings long into the future. I am sure if hon. members check with their constituency offices they will find out that requests for applications are pouring in.

To reinforce the conversion program the government is stipulating that no new residential unit built after July 1, 1981, will qualify for federal financial assistance or guarantees if it is heated by oil, unless no reasonable alternative is available. If the consumer takes advantage of the expanded Canadian Home Insulation Program under which the government will pay up to $500 toward the cost of insulating a home, then savings will be even further increased.

In my own region of Nickel Belt we are making advances in our utilization of alternate energy technology. The provincial government's 12-storey office building in Sudbury has been designed for very low energy consumption in an area of quite rigorous climatic conditions. Some 56 solar collectors on the roof will provide about 35 per cent of the domestic water heating requirements of the building. This is particularly appropriate in light of Sudbury's reputation—and I say this with some pride—as being the sunshine capital of northern Ontario.

Canadian consumers will also benefit from the creation of a Canadian alternate energy corporation, Enertech Canada, that has been established to support the commercial production of renewable energy and conservation technologies. Enertech Canada will support the work of Canadian firms engaged in the development and commercialization of these technologies by entering joint ventures, making equity investments, and offering marketing assistance. Initially it will be set up as a subsidiary of Petro-Canada, but after that period it will become an independent Crown corporation.

● (1700)

One option for conversion away from oil that is particularly important to me is that of wood, because in my region of northern Ontario wood does indeed play an important role. I might add that it has presented us with a major problem, that of the wood rustler, but that is a problem for the law. To be

eligible for a conversion grant from oil to wood, the new wood stove or furnace must displace at least 50 per cent of the previous oil heating capacity.

Work in the Department of Energy, Mines and Resources has been ongoing and has concentrated on the general area of efficiency and design of wood stoves and furnaces. The work has been conducted for the past two and a half years at the Canada Centre for Mineral and Energy Technology, known more popularly as CANMET. I would recommend to hon. members that they apply to the CANMET for further information on wood stoves and furnaces. We have quite an ambitious program. Also, they have done work with the Canadian Wood Energy Institute in an effort to standardize codes and building designs.

This government is committed to the principle of Canadian control in the Canadian industry, and its Canadianization measures are designed to bring this about without excessively overburdening the Canadian consumer. As stated in our national energy policy, Petro-Canada will be charged initially with the task of acquiring the Canadian operations of one or more multinational oil companies. As in the past the financing for such acquisitions will be obtained in large part by borrowing in the foreign capital market.

But additional infusions of equity capital may be required. To provide that capital the government will establish a Canadian ownership account. Revenue for the account will be provided by a Canadian ownership charge imposed on all oil and gas consumption in Canada, which will come into operation as the acquisition program progresses, and set at a level to ensure that the program will be totally self-financing and in no way affect the government deficit.

We have already heard the gloom and doom predictions of the possible repercussions of our Canadianization proposals. The industry is proclaiming that it will not have enough capital to finance expansion, and there is the muffled threat that the industry would indeed flee Canada. Well, I for one remain optimistic that the industry will remain. Canada offers very significant investment opportunities for all of the major oil companies, opportunities that are not available elsewhere in the industrialized world.

Clearly, Canada is late to arrive at the idea of national control over such a nationally vital industry as that of petroleum. Most OPEC countries have state-owned oil firms which are the main, if not sole oil producers. Most European countries have established state corporations of mixed ownership companies that are engaged in the entire spectrum of oil activities. In Norway, for example, Statoil now dominates oil production, and BNOC in Britain is of growing importance.

The potential of significant new finds on "Canada lands" in the north and on the north shore are very promising, but we must not place our future on a promise. Action must be taken now. The fact that the Canadian government has not been an active participant in the petroleum industry has had a detrimental effect on our economic vitality. Indeed, in the past the effect of OPEC price increases was to create a massive transfer of wealth from consumers to producers.

In our case most of these producers were foreign owned and, therefore, the wealth transfer was away from Canadians. In general, Canada's tax and pricing policies have provided the industry with the cash flow necessary to finance its expenditures. This means that the oil consumer and the Canadian taxpayer have financed virtually all of the substantial expansion of the industry, and the industry has been expanding into many diverse fields, most notably that of the mining sector.

The Canadianization initiative of the petroleum incentives program will reduce the relative cash flow of the foreign owned multinationals and will therefore place a constraint on their capacity to take over other firms. Thus, the spread of foreign ownership in Canada and in Canadian mining will be restrained by the measures in the national energy program aimed specifically at the oil and gas sectors. By placing Petro-Canada in the forefront of the Canadian petroleum industry and by instituting the provisions of our Canadianization package and our Canada lands provisions, we will be better able to control our own energy future.

Of primary concern to all Canadians is, of course, the fact that they will continue to enjoy a Canadian price for oil and gas that is substantially below that of international pricing. We have given the assurance that at no time will the Canadian price be allowed to rise above 85 per cent of that of world price. From my perspective, as the Minister of Mines, the national energy program, by maintaining this lower domestic price for oil, will support a generally higher level of economic activity and, consequently, will benefit the mineral sector.

While there has been some concern that activity in the energy sector will tend to put upward pressure on the external value of the Canadian dollar, a development that would hurt export oriented industries such as mining, there are indications that countervailing pressures will be at work. On the one hand the inflow of financial capital for the energy sector will tend to raise the exchange rate. On the other hand much of the machinery and equipment for new energy projects will be imported, and this will act to depress the external value of the Canadian dollar. Most forecasters think that the net effect will be a slight upward pressure, but a gradual one with the Canadian dollar rising to about 90 cents U.S. by 1984-1985, and stabilizing around that level.

However, over the next year or two the national energy program will tend to hold back this rise. It is agreed that foreign investors will be cautious about energy investment in Canada due both to the lower energy price under the national energy program and to the continuing energy debate between the federal government and the provinces. Moreover, the national energy program's Canadianization measure will involve acquisition of several large, foreign owned petroleum companies by the government, and this will exert downward pressure on the exchange rate.

The purchase of foreign oil and gas firms will have a direct, downward impact on the external value of the dollar, and there will be the further psychological effect that nationalization usually has on foreign investors. But since the Canadian mineral industry is essentially geared to world prices, the cost

advantage from low energy costs can be substantial. Energy intensive mining for iron, coal, nickel, asbestos, salt, gravel and sand is particularly advantaged by the made-in-Canada blended price.

The Canadian oil policy provides an opportunity to innovate and to establish new processes to penetrate new mineral markets. The Canadian mineral industry has been presented with an opportunity which it would not have if it were paying the same world oil prices as its foreign competitors. Clearly, the lower Canadian energy costs will offer Canadian exporters a very real competitive edge. Specifically in the mineral sector, the future looks bright indeed.

The vital signs for the continued growth of the mineral sector in the 1980s are very encouraging. My officials are forecasting an over-all rate of growth of between 2 per cent and 2.5 per cent per annum over the next decade in the non-fuel, mineral industry. This growth will require a total capital expenditure over the ten-year period of more than $42 billion in 1979 dollars, which will be twice that which was required in the previous decade. In current dollar terms, assuming an average rate of price increase of 6.2 per cent per year over the 1980-1990 period, this $42 billion capital requirement mushrooms to $63.5 billion. So we can easily surmise that activity in the mineral sector will provide significant stimulus to the Canadian economy in general. I am happy to report, after a visit with the ministers of mines of the provinces in Halifax last weekend, that their forecasts are just about the same.

In the immediate future there are a number of large projects which have been announced involving new mine development or mine expansion. To give just a few examples, there is a $300 million Texas Gulf expansion near Timmins, which is now nearing completion. There is the $62 million Noranda Gold Stream, copper zinc mine near Revelstoke, British Columbia, which is scheduled to start production in 1982; Billiton Canada Limited's $80 million Mount Pleasant tungsten venture in New Brunswick is also stated to be in production in 1982. After meeting with the New Brunswick minister I have learned that the $130 million Potash Corporation of America plant is now firm, and the $150 million Denison Mines Limited potash developments are on stream. To the west and to the north, Cyprus-Anvil's $240 million eight-year development and expansion program at the Vangorda and Grum deposit in the Yukon is firm. In addition, field work for the Potash Corporation of Saskatchewan's $600 million mine development at Brendenbury has begun. Furthermore, a number of smaller gold mining operations have been announced in Ontario.

● (1710)

In general, the pace of exploration in 1980 has been high across the country and I think that this bodes well for the rest of the decade.

Of course, as Minister of State for Mines I am especially pleased with the coal initiatives outlined in "The National Energy Program". The Government of Canada will increase its support of studies to determine how best to mine and use this coal, both on the east and west coasts. Sufficient funds will be made available for exploratory tunnelling and assessment of the technical and economic feasibility of the Donkin Mine. Decisions on subsequent steps will be taken once uncertainties have been resolved concerning quality, characteristics, and market opportunities for this coal. The Government of Canada will see to it that development of this mine and other viable local coal sources is not delayed for lack of funding. Moreover, it will play its full part in overcoming the technical challenges confronting these developments.

In support of expanded coal mining ir. utilization activities, there will be a need for an additional $4 million during the next four years for coal research and development. Priorities include health and mine safety, coal beneficiation, combustion and utilization research, establishment of a coal testing institute and establishment of a continuing program in mining technology.

Cape Breton coal can make an important contribution to the energy supply of Nova Scotia and the maritimes. The challenge is to develop technologies to utilize that coal in more efficient and, I must stress, environmentally benign ways. To further that development the federal government will provide $50 million over the period 1980-1983, with provision for a further $100 million in 1984-1985 to support the development commercialization of new coal utilization technology. It is envisaged that the bulk of this funding will go to demonstrating fluidized bed combustion in a commercial scale generating station in Cape Breton which would directly displace oil-fired capacity. I would invite members of the House to visit our CANMET Research facility to examine the demonstration of fluidized bed combustion which is taking place there. Alternative means to use coal in the production of liquid fuel will also be actively pursued. At present, that is being done at Bells Corners.

The crucial concern of the national energy program is with supplying Canadian requirements and reducing import dependence. Unlike nickel, copper, iron ore, asbestos, potash, zinc, lead, uranium and coal, there are no apparent long term exportable surpluses, and certainly not in the case of crude oil. It is therefore important that decisions to invest and explore, and the rights to economic rents, be vested largely in Canadian hands in the energy industry.

The evolution of the Canadian mining industry has witnessed a substantial Canadianization of reserves and production facilities. The domestic corporate giants in copper, lead, zinc and nickel have substantial Canadian ownership interests; for example, Inco-Cominco; Noranda and Placer. However, there is growing concern that the decline of the junior exploration section in Canada will ultimately cause a reversal of this favourable trend. The grass roots exploration and discovery process has become increasingly dominated by major resource corporations, and the large Canadian junior sector has been discouraged by what I and others consider to be inequitable tax incentives and toughened securities market regulations.

The Minister of Finance (Mr. MacEachen) was careful to point out that the elimination of depletion allowances for development expenditures or exploration would not—I repeat, would not—have an affect on the mining companies.

Of significant benefit to the mineral sector is the decision to provide a 50 per cent investment tax credit for investments in new plants and equipment for manufacturing or processing as defined under the Regional Development Incentives Act. The regions that will qualify will be determined on the basis of criteria such as high unemployment and low income levels by the Minister of Regional Economic Expansion (Mr. De Bané). Clearly, this will have a significant effect in qualifying areas, such as the northern territories where much new exploration and development is taking place, and in Atlantic Canada. Also worthy of note is the decision to extend the moratorium on northern benefits; indeed, it was obvious to me during my travels throughout the Arctic this summer that special consideration should and must be given to consumers north of the 60th parallel. Recognizing that this was the case, the government acted swiftly.

Indeed, the future looks very bright for the minerals sector in the coming decade, and there is every indication to assume that the same will hold true for the rest of the economy once we come out of the current recession. The Canadianization measures will doubtless have an effect on certain investors, but the positive image of Canada as a stable country for investment opportunity will remain intact. The stock market experienced downward movement last week immediately following the budget announcement, but as of yesterday the market was again gaining strength.

The budget was an energy budget because Canada needed to face up to its energy security needs. The Canadian government did not shy away from the tough decisions that were needed, and all Canadians will be better off as a result. I am optimistic that if we give the budget measures a chance to take root in our economy, they will provide the needed stimulus for continuous growth well into the next decade.

Some hon. Members: Hear, hear!

Mr. Ellis: Mr. Speaker, a point of order—

Mr. Oberle: Mr. Speaker, a point of order—

The Acting Speaker (Mr. Blaker): The hon. member for Prince George-Peace River (Mr. Oberle) on a point of order.

Mr. Oberle: Mr. Speaker, I wonder if the hon. minister would permit a question with regard to some of the comments she has just made. It was a very interesting speech.

Mrs. Erola: Yes, Mr. Speaker.

Mr. Oberle: Mr. Speaker, the minister is a very prominent member of the cabinet and she too has used the terms "blended price" and "Canada made blended price for petroleum". For the edification of all hon. members I wonder if she could tell us what that means. We all understand that there are different price structures. There is the domestic price which emanates from Alberta which is now $16.75, and there is the tar sands price, and then there is the price of imported oil. There is control of the domestic price and that price will be increased occasionally. We have control over the tar sands price, but no control over the imported price. I should like the minister to explain the difference between the 85 per cent of a blended Canadian price, one component of which is imported oil over which we have no control, and the price in the Crosbie budget which was 85 per cent of the world price.

The Acting Speaker (Mr. Blaker): Order, please. Perhaps the hon. member could get to the question.

Mr. Oberle: Mr. Speaker, I should like the minister to define the difference between the Canada made blended price and the 85 per cent of world price in the Crosbie budget.

Mrs. Erola: Mr. Speaker, the hon. member left out one component. There are a number of prices included in this. There is the $30 per barrel price, the $38 for the tar sands oil, and the $16.75 which the hon. member mentioned. Of course this will all have to respond to the price of the oil being imported.

Mr. Oberle: But you have no control over it.

The Acting Speaker (Mr. Blaker): The hon. member for Prince Edward-Hastings (Mr. Ellis) on a point of order.

Mr. Ellis: Mr. Speaker, I wonder if the minister would permit a very brief question.

The Acting Speaker (Mr. Blaker): Order, please. I permitted the previous member to ask a question and the minister to give an answer because it was within her allotted time. We are past the time which has been given to the minister for purposes of the debate. I need unanimous consent of the House now to permit a question. Is there unanimous consent?

• (1720)

Some hon. Members: Agreed.

Mr. Deans: No.

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, as I rise to speak in the chamber today as an Albertan, I do so in the sense that the people in my riding feel even more alienated than they did a few weeks ago.

As we look at the history of the native people, education was passed down by direct conversation from father to son from one generation to another. The same is true in western Canada. People from the west who have lived through many direct impositions placed by the federal government or the central establishment upon western Canadian development have also passed this information down through the generations, so that we who are third and fourth generations are very aware of it. It is interesting to note as other people move in from other parts of Canada or other parts of the world that it does not take many months before they, too, get that same feeling.

I can take you through the history, and other members have, about when we were trying to establish our own plants for barbed wire and milk pails in the early part of this century. Prices were lowered by those in eastern Canada until our plants were driven out of business. The prices were then raised to recoup their losses, and we had to put up with that.

The minister for manpower said the federal government had helped us through during the depression. We do not remember that. We remember how the eastern banks seized our lands when many farmers had only one year, or, even in some cases, one month's payment left. We remember that. After that came the period of the freight rate problems and the tariff arguments which continued for years for years. These are all things which are embedded deeply in the feelings of western Canadians.

In 1949 we discovered oil in Leduc. Westerners attempted to develop those fields. We came to this part of Canada with our hat in hand asking for capital to develop our industry. Our premier was turned down because oil could be purchased cheaper offshore than it would cost to develop the industry in Canada. We had no alternative but to go to the United States because we wanted to develop the industry. We now get the feeling over here that for some reason we westerners have no choice in the matter of foreign ownership. We lament that fact now because we had no choice at that time. However, as we develop funds to buy back our industry, we find a direct federal imposition on our capital that we, as Albertans or western provinces, could build up.

In the western opportunity conference, the Prime Minister (Mr. Trudeau) at that time said that a plant such as Petrosar would not be built because we had a comparative advantage in the west to develop petrochemicals from natural gas feedstock which is abundant in western Canada. Six months later Petrosar was developed and built. It uses 120,000 barrels a day of western oil, which is a commodity in very limited quantity. We find that large quantities of propane and barrels of oil which cannot be used, are being sold off at world prices, which almost allows the plant to buy the oil from western Canada for nothing. This is difficult to understand when we have an abundance of natural gas in plants in Alberta that were not allowed to produce and to start because of that very plant. For instance, there are plants in Medicine Hat, and Fort Saskatchewan, and one is opening its doors in Joffre in my area. That sketch of history brings us to the present time. I have missed a lot, but I do not want to use this as the central theme of my remarks.

Without the consent of any of the provinces in the west, the constitution is proceeding and, among other things, an amending formula is being suggested which will allow us to be a second-class province in this society for a long time, unless we change it by a referendum or by the consent of the two central provinces.

Now we come to this budget which, again without the consent of any of the people in the provinces of Alberta, Manitoba, B.C. or Saskatchewan, directly imposes taxes and takes wealth away from the only growth industry in this country. If you ask me why western Canadians, and particularly people in my riding, feel more alienated than ever before, Mr. Speaker, that is the reason. The impact of this budget on the individual in Alberta is tremendous. In a sense it is an expropriation of a resource and the wealth from that resource rather than the sharing of it. Those are words often used by others on the other side. Sharing means you have the consent of the people of that area to share. We would willingly do that.

For a government to say it has run out to Alberta with proposal after proposal for an energy agreement, all of which were turned down, does that mean all are totally unacceptable thus giving the government the ability to impose its will on a province or an area of this country, Canada?

I want to take hon. members through the four areas of the budget which are offensive to people in my area, and I am sure they are offensive to people in most of western Canada. What is the export tax? The export tax was put on oil in western Canada in 1973 and 1974, a surprise that our government knew nothing about, and we as members in this chamber knew nothing about either. After much argument and discussion, most of the money was returned to the province. Now we find once more, with great objection from the people of the provinces of the west and the premiers of those areas, an export tax is imposed upon western Canadians.

The Alberta treasurer stated a week ago that an export tax would be totally unacceptable and wrong in principle. He said that it would amount to a confiscation of a provincial resource. Often it is not clear why we in the west are so upset about an export tax but our premier stated, and I think he stated it very clearly in a speech in Edmonton on August 16:

> What are the commitments we look for on the other side? We look for respect for the ownership rights of our province by not imposing an export tax upon natural gas, or any other punitive taxation on an industry.
>
> I want to say a word about the natural gas export tax because I think it is misunderstood. It is the very heart of the difference between the Ottawa government and ourselves. Why do we feel so strongly? Section 109 of the BNA Act leaves the resources to the provinces. Section 125 precludes Her Majesty in right of Canada from taxing a province. How does a natural gas export tax work? Many hon. members probably think, unless they have studied the question, that the tax is simply added on and the buyer pays. That is not so. The buyer does not have to pay. The United States is not buying now. In British Columbia sales of natural gas have gone down this past year by approximately 45 per cent because we have priced ourselves out of the market. The United States does have alternate supplies when prices increase. The result of the federal export tax is a definite and significant reduction in provincial returns from the sale of a depleting asset. That is what a natural gas export tax is. That is why we feel so strongly about it.

Not only that, but it means that when a tax is imposed without the consent of a province there is the feeling that that revenue is confiscated from the people of that province who, I believe, have an ability to decide in what direction they want

to spend that revenue: in our province and in the west. We have in the budget a revenue policy. The budget basically established a revenue policy for this government of direct take from one province. As you look at the taxes and add them up across the country, almost 80 per cent of the revenues coming to the federal government in this budget come directly from one province and the industry that has been established there.

● (1730)

The second area that we find offensive about this budget is the oil pricing formula. Again, it has been imposed upon the people of Alberta and the west without their consent. As I said before, the federal government claims to have repeatedly gone to the west with proposals. When we were the government, we did the same.

Through a series of meetings, we were able to work out a pricing agreement which was almost signed. That means the feasibility of it was there. It was proved that it was possible for two governments, federal and provincial, to sit down and work out a pricing arrangement that was acceptable to both.

We now find the Petroleum Administration Act imposed upon us and a price set without our agreement. We are not opposed to sharing the wealth of a resource. We have done it graciously in the past. Billions and billions of dollars from oil and gas which could have been a part of the sharing agreement between the provinces and the federal government were given up because we kept our prices so low. Now the price is established. We have a new government in power, a government that was not prepared to take an agreement that had been worked out, even though the province of Alberta was prepared to make some changes and drop the price from 85 per cent to 75 per cent of world price. It rejected that agreement which was worked out and imposed its will upon the people of that area.

I want to refer to the oil export tax and the natural gas export tax as it applies to native people. I am very familiar with that. I have watched what it can do to Indian reserves in my area. They are the innocents in this pricing arrangement. They finally found some revenue that might be used to establish priorities for their future. They found, as in 1974 when the oil export tax was imposed upon them, that the revenues were not returned. For some reason, it was different than with provincial governments.

That money is still sitting in the federal treasury and the provincial treasury in Alberta. It has never been returned to the native people of the producing bands. I asked many questions of the ministers. They never refused, but they never agreed. Some $9 million could be put to excellent use by native people in three western provinces, but has been sitting in the treasury since 1974 and not made available to those people. They have the highest rate of unemployment of any group in Canada. They suffer tremendously socially across this country. When they have a resource they can develop in the future, a good deal is taken away by the federal government.

The same is true of the natural gas export tax now being placed upon these reserves. Under the present revenue-sharing agreement this coming year, producing bands in western Canada, some 19 of them, can see between $43 million and $47 million. They made plans for that. They set those plans out very specifically based on that revenue and revenue they could receive as the price was to increase for oil and gas. They now see one-sixth of that revenue being taken away from them by the federal export tax.

I asked the Minister of Indian Affairs and Northern Development (Mr. Munro) whether he thought he was honouring his faith with the Indian people under sections 87 and 90 which state that native people or bands are exempt from direct or indirect taxation. He said no. I asked him whether he felt they should desist from imposing this tax on native people because in addition to being illegal, this group above all others needs this revenue and the pride of using their own revenue to establish programs in future. He said he had to study that further.

The history is there from the oil export tax right up to the present time. Producing bands and those supporting them, and I believe that is everyone in the 500 native bands in this country, believe this form of taxation on native people is wrong and should not be used. If it is, they believe the money should be returned. There will be tremendous pressure on the government in future from native people and members on this side of the House who sit on the Indian affairs committee.

I want to get back to the oil pricing formula I spoke about before. I know many figures have been quoted from the Crosbie budget and the MacEachen budget. As we look at the wellhead pricing formula in our budget and the pricing formula of the Liberal budget, in 1984-86 the amount is basically about the same. The difference is, as we increased the price in our formula, the amount that was scheduled for the provinces, the companies and the federal government under the $4.50 per barrel increase by 1981 with our budget, the provinces would have received what they believe is rightfully theirs on the first $2 and 50 per cent of the next $2.50 by agreement under the ownership requirements of our constitution, a direct share of the royalties on the total amount.

Under this budget, they receive that on the first $2 and nothing on the next $2.50 which is a direct tax to be used for these great schemes which are being developed, such as the $4-billion trust fund or development fund for western Canada. It smacks in our face. It basically says that the people of a province do not have the ability to use their money to develop western Canada, that the federal government can recycle it in a better fashion for them. It will take a long time before you can convince the people of Alberta that that is the case.

The third area is the tar sands and heavy oil proposals. These plants are essential for energy self-sufficiency in Canada. Under this budget, the feeling now being perpetrated in Canada between the federal government and the producing provinces is such that it is doubtful whether these projects will go ahead.

The suggestion by this government was that $38 plus the CPI was significant to get the Alsands and the heavy oil plant at Cold Lake to go ahead. Representatives of both these

companies appeared before the natural resources committee and both said it was not sufficient to start up. The basic reason they gave was that the CPI was not a satisfactory figure as far as inflation in the north is concerned.

My friend from Peace River put together an excellent paper which gives some of the reasons for that. When we were in government we recognized that we had to pay our employees in the north extra living costs because inflation is higher there. No company will sign an agreement when their costs are going up faster than their return based on an inflationary factor that they know from experience through Suncor and Syncrude is not adequate in the north.

● (1740)

That is just one reason. When I am building a fence with my neighbour, if we co-operate, we build that fence very quickly. We help each other. We put in the posts and string the wire. However, when there is not co-operation but confrontation, it is a great deal more difficult to get anything done. That is what has happened with regard to heavy oil development. There is no co-operation. Under the last budget or the pricing formula which was worked out, there was co-operation. Things were going ahead, and would have gone ahead if the signature had been put on the dotted line. I regret that we had to be involved in an election before we were able to do that because those plants are essential to energy self-sufficiency. In addition to that, tremendous employment can be generated by these plants, not just in Alberta but right across this country. That employment is desperately needed at this time. These projects cost $8 billion plus apiece. When we apply a multiplier of 1.9—which is an accepted one—to that, we get $6.2 billion accruing to Ontario in direct investment and $6.7 billion to other provinces including $2.9 billion to Quebec.

The reason is that most of the steel, trucks, cars, valves and pipe is developed in industrial central Canada. The impact on industry in Ontario—and I am using figures from the Alsands proposal put before the committee—would be as follows: $800 million for iron and steel; $370 million for metal fabrication and machinery; $325 million for transportation equipment; $740 million for manufacturing and processing; $370 million for finance—I expect it is interest—and $750 million for trades and services. There would be 10,000 construction jobs at the Cold Lake project which could go to Canadians. Most of them would be residents of other provinces because we simply do not have in Alberta or Saskatchewan the manpower to meet those needs. Those are figures just for the Cold Lake project. Similar figures could be applied to the Alsands plant.

As I see it, we need that investment and that employment today, but those plants could very well be shut down for a number of years.

I could not believe what I was seeing when I looked at the provisions in this budget which apply to the Suncor plant. Suncor was the first company or group of people prepared to take the risk of developing the tar sands. That risk was taken. The company was almost jeopardized. It lost millions and millions of dollars year after year establishing the technology which is now being used by Syncrude, which will be used by the Alsands people and which we are now attempting to sell to Venezuela and other countries. Suncor pioneered that, and now what is the reward? Instead of the same prices offered to other companies under this budget Suncor will get $16.75, which puts the company at a marginal level again. It cannot even recoup the losses in the profit picture. Last year was the first year it broke even and made a few dollars profit.

If one understands the area at all, one knows that they are mining the most feasible area at the present time. As the operation gets to the outskirts of the mine, the cost of bringing the tar and sand to the plant goes up. I spoke with representatives of the company, and they told me that some 90 million barrels of synthetic crude could be lost to Canada because they simply cannot mine for this price of $16.75.

Instead of rewarding initiative and allowing that company to develop its mine, the clamps are being put on by a federal government which, I believe, does not understand and never has understood the development of tar sands and the development of the heavy oil industry in western Canada.

The last policy we find offensive in this budget is public ownership. We Albertans over the years have felt comfortable with the private sector developing our oil and gas industry, our processing industry and many other industries in the province. Our farmers worked hard for every dollar they made for years and years. In the 1950s we asked for Canadian capital to develop our industry, but now that we finally have some dollars from the Alberta Energy Company and others so that we can get involved in tar sands plants and so forth, we have all these taxes taking away our revenue in order to allow Petro-Canada in because it has some great plan to take away the slack from the private sector or gather up the slack from the private sector and provide all this energy self-sufficiency in the future. It will be a number of years before that takes place. In the meantime, energy self-sufficiency may go out the window.

The technology and expertise which have been developed in our province over many years will be attracted away by the many megaprojects around the world which are asking for people who are in short supply. They are bound to leave the province. We will lose them. The bottom line is that we would rather have development by the private sector, as was the case with Alberta Gas Trunk Line. Albertans and westerners were allowed to buy shares, and they lined up at the treasury branches to buy them.

There is another example where the Alberta Energy Company offered shares to Albertans so that they could participate in the development of the industry. They were bought up within days. We would rather buy off these companies through incentives to the individual to buy than through Petro-Canada. We would be much happier with that kind of program. So I get down to the bottom line. Westerners would rather have the opportunity to use the money from their resource, or a fair share of it, to develop western Canada rather than having the federal government develop it.

When we worked out that agreement a few months ago, the province of Alberta offered from its share of the revenue to commit $2 billion in unconditional funding over five years to improve substantially the capacity and efficiency of the rail transportation system in the west. The Minister of Employment and Immigration (Mr. Axworthy) said a little while ago that Alberta cannot do that. He would rather take that money and recycle it through the federal government because he thinks it has a better idea as to how it should be done.

Alberta's commitment also includes the commitments which were made to promote the substitution of natural gas and oil, to invest in the equity and debt in oil sands plants, to put in the infrastructures for those plants, which costs billions of dollars for each plant which is developed, to continue exploration and development and enhanced recovery and to provide equity and debt financing for the Quebec and maritime portions of the Q & M pipeline. This is over and above the loans to provinces, the amounts of money which are put into housing in Alberta and so forth through the Heritage Trust Fund.

I am running out of time. I think I have indicated for the record why the constituents of my riding feel so frustrated about what has gone on here in the past two weeks. Now they must face the uncertainty of this budget. At the weekends, truck drivers telephone me about losing their jobs and about not looking forward to making their payments this winter. This is because of the downslide of the oil industry. When we cut off half the budget, even if it is that of a multinational company, it takes years to recover. No grants scheme can move those small companies which have been farming out to international companies up to major developments in drilling within a matter of months. It is impossible. So the jobs go out the window this winter, and people will suffer. Surely if the government is going to put in this program, even though I disagree with it, an orderly plan could have been developed so that people would not have to suffer as they will under this plan.

The only thing I found in this budget with which I could agree is that antique cars, of which I happen to be a buff, will be allowed in free.

● (1750)

[*Translation*]

Mr. Normand Lapointe (Beauce): Mr. Speaker, first of all, I would like to thank you for this opportunity to take part in the budget debate in the House of Commons. I would like to begin by saying, if I may, how grateful I am to all those who helped me to become the new member of Parliament for Beauce.

I also wish to thank sincerely and pay homage to all my colleagues who have been of great assistance to me in learning the ropes of parliamentary work. I can assure you, Mr. Speaker, that I am determined to continue to learn so that I may give full satisfaction to those who were willing to have confidence in me.

I was very proud to arrive in the House of Commons last February as I had the honour to represent Beauce at a difficult time for our economy.

I would not want to begin my speech, Mr. Speaker, without saying a few words about a constituency which, only 30 years ago, was nearly exclusively agricultural and which has now become a very important economic development sector in Quebec.

The monthly financial and economic periodical *Finance* devoted several pages to this area in its edition of August 18. In an article entitled "Beauce: A very human miracle", it said the following: "In the last few years, Beauce has become the favorite of the Quebec economic world." Indeed, the Japan of Quebec now has over 400 small and medium businesses and a new business is established nearly every week.

The people of Beauce have set themselves to the task and have been able to develop a centre with many economic activities of which they are very proud.

The unemployment rate is lower than in other areas of Quebec, as it was about 8.8 per cent in 1979 while the rate for Quebec as a whole increased from 8.1 per cent to 9.5 per cent during the same period. However, I can assure you that this did not come easily.

We succeeded, I think, in keeping an undaunted spirit of solidarity, and unmatched spirit of enterprise and a remarkable sense of entrepreneurship. I was born in Beauce county where I still live at the present time. There I have seen spring up several prosperous businesses typical of our area. Just to give you an example of the business acumen of the Beauce people, ever since its establishment in 1969 until August 30 of this year, the Department of Regional Economic Expansion studied 199 files. It allocated $19 million in direct grants. To appreciate the over-all picture of the investments during that time, $81 million in private investments must be added to that figure. In other words, by itself the DREE contribution amounted to 23.37 per cent of the investments in question. This resulted in about 3900 new jobs. The Beauce area enjoyed a significant economic development as well a net increase in the standard of living of its people during the past few years because of the takeover by the Beauce businessmen, farmers and workers. All the economic factors regarding available income, retail sales, industrial production and employment went up considerably in relation to the national average. Surely, these advances were the result of the effort of those directly involved in the Beauce economic process. However, the concerns about the high rates of inflation, interest and unemployment, do remain. People are still concerned.

In view of the over-all situation of the Canadian economy, I should like now, Mr. Speaker, to direct my remarks to the various components of the budget introduced by the Minister of Finance (Mr. MacEachen) a budget that we were all waiting for, especially the press which had predicted doom and

gloom. On the contrary, the Minister of Finance showed realism and common sense. Without delusions he gave us a realistic analysis of the economic situation of which all the indicators had been carefully reviewed, in order to submit to the Canadian people an assessment which although perhaps a little on the dark side was not on the other hand deceptive. The minister made us quite aware of the present difficult economic climate from which we hope to see a recovery after 1981.

As a former insurance agent I have always tried to help people take precautions even though some people find it funny, but it is a fact that in the field of insurance we help people take precautions in order to be able to face many eventualities just as the Liberal government has made itself the sponsor of a set of measures which will reassure Canadians. In order to reach energy stability, an ambitious energy program has been devised. I hope the hon. member who had the floor before me will be pleased to hear that because he was asking for a government policy based on energy needs and said as reported at page 2333 of *Hansard* for December 13, 1979 and I quote:

> Mr. Speaker, what we needed was a budget which would have helped us fight against unemployment and inflation, improve our deficit in the balance of payments and provide a true energy program.

● (1800)

In that respect, I am happy to indicate that some of his wishes have been answered. The Liberal government has indeed embarked on a plan where the focus will be on satisfying the prerequisites for self-sufficiency, to be achieved by the end of the decade. Mr. Speaker, may I call it six o'clock? With your permission I would like to continue at eight o'clock.

The Acting Speaker (Mr. Blaker): Order please. It being six o'clock, I do now leave the chair until eight o'clock this evening.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Lapointe (Beauce): Mr. Speaker, I want to reiterate my total endorsement of this direction because it reminds me of the Beauce region. I have seen hundreds of industries "made in Beauce" develop and I would be truly proud if Canadians could take over at least 50 per cent of the oil and gas production by 1990.

Secondly, the former member for Beauce will be glad to learn, in light of his heavy criticism of the budget deficit, that my government made a formal commitment to progressively decrease the deficit over a three to four-year period, which will help to reduce inflation. The deficit will go from $14.2 billion to $11.8 billion in 1983 and 1984, which will allow for economic recovery.

Once again, Mr. Speaker, I would like to speak of the liberal energy program. This is an extremely attractive program, in my opinion, because it is the first true effort made by a government to secure guarantees for supplies and a fair distribution of energy resources in order to withstand the instability of world prices. Canadians can equip themselves with the necessary tools. Our government is taking a first step towards reducing our dependence on foreign oil and thus toward reducing the danger of economic upheavals in our country. My government has also kept its promise in deciding wisely not to push Canadian prices to world levels, in order to avoid constant increases in those prices.

The Liberals are acutely aware of the fact that succeeding price increases will not make the "Beaucerons", for instance, become aware that a new era is starting, one in which substitutes for oil are seriously considered; instead, a budget providing for fixed but moderate increases will allow the people to adapt in a less radical but more desirable way.

The energy problem is now of concern to all Canadians. We are all aware, as our government is, that we will have to pay more for oil and natural gas. But, at least, thanks to the sensible policy of this government, we will be paying prices that are clearly lower than those paid by consumers in other industrial countries, and lower than those advocated by the Crosbie budget.

Through their principles of justice and equity, the Liberals are also promising to grant all Canadians an equal share in the revenue and benefits through a price system that divides them equitably. We find the very essence of that principle of sharing in the following excerpt from "The National Energy Program" as given on page 13, and I quote:

> The citizens of Canada and their national government, have played a major role in fostering the development of the oil and gas industry, and deserve to share in its benefits,

Mr. Speaker, thanks to those various energy measures such as moderately high prices, a fiscal policy, a spending plan and federal action, I am sure that we will succeed in instilling in our constituents a new philosophy, if I may say so, dealing with our natural resources which are still quite numerous in some sectors but rather scarce in others as is the case for oil.

The gradual price increases of oil, that is less than $4 a barrel for 1980 and $4.50 for the years 1982, 1983 and 1984 matched with moderate steps are an indication that the government has abided with its commitment of the last election campaign.

When I ran last February as a candidate under the Liberal banner in Beauce riding, I was intimately convinced that the Liberal party was the most equitable party. It has demonstrated that it is indeed the most equitable party by increasing the price of gas by 13 cents a gallon instead of 32 cents a gallon,

as would have been the case under the Progressive Conservative budget.

An hon. Member: That is social justice!

Mr. Lapointe (Beauce): Mr. Speaker, I am not disappointed with this budget, and I think that numbers of my Beauce constituents feel exactly the way I do. The Liberal party has not hurt low-income Canadians. I am no tax expert, but I have enough critical sense to realize that this budget speech benefits our less fortunate taxpayers. Mr. Speaker, before the budget was presented, the people I met in my constituency would ask me whether the tax increases would be significant. I must say that I am happy to report to them that the Minister of Finance has thought of them, that he has ordered no income tax increase, and that he has maintained the indexation system, contrary to what a great many opposition members had predicted.

An hon. Member: It is a tax reduction.

Mr. Lapointe (Beauce): Among the various types of fiscal means used, the Liberal government provided several, such as the tax reductions for multiple unit residential buildings, the extension of the small business development bond program, which will bring happiness to the small and medium-sized businesses in my riding who will use them to finance their equipment at a reasonable cost. As far as my riding is concerned, Mr. Speaker, it will surely make everybody happy, because, as I said at the beginning, Beauce still is, and I do not want to repeat myself, the riding with the greater number of small and medium-sized businesses.

Another proposal about which I am enthusiastic, even though it does not concern my area where small business dominates, is the investment tax credit of up to 50 per cent for industries wishing to establish themselves in the poorer areas in Canada and where there is high unemployment and low income families. I recognize here the good work of my friend, the Minister of Regional Economic Expansion (Mr. De Bané), to whom I give credit for his spirit of fairness. His smooth collaboration with the Minister of Finance proved that the national government was particularly concerned with the regional disparities in this country.

An hon. Member: Liberal policy!

Mr. Lapointe (Beauce): On the other hand, some farmers in my riding complained to me, last weekend, that the government had not included any measure to help them. It is true that the farming community has not received particular attention in this budget, but we must realize that by dealing primarily with the middle-term energy problem, the government will ease the lot of farmers who will be able to take advantage of lower energy costs.

Mr. Speaker, in concluding this first speech of mine, I would like to say how proud I am to belong to a party which has seriously dealt with our first priority nowadays, which is energy, while giving middle and low-income families a breathing spell, because they will not have to face higher oil prices or major tax increases. My government has also devised efficient economic assistance programs to provide Canadians with the necessary means to withstand the effects of the present economic conditions.

● (2010)

[*English*]

Mr. Bill Domm (Peterborough): Mr. Speaker, in a few moments I will address some of the points made by the hon. member for the Liberal Party who spoke earlier. I will deal with his contentions that 'farmers will benefit', 'people will accept moderate price hikes' and 'there are no massive increases in taxes'.

What I am most concerned about in this session of Parliament is that the Liberal government is attempting to put into place the means to create a socialist republic of Canada. It intends to impose this plan initially through the budget and in concert with the national energy plan and the patriation of the constitution. Its primary short-term goal is to remove from the oil producing provinces their principal source of revenue, their energy royalties and transfer them to the federal government. It is transferring exploration and recovery incentives to Canada lands, which, significantly, include offshore regions, and more revenue from oil and gas will thus accrue to the federal government. It is reducing by 12 per cent the share of the oil companies, who are already leaving for the United States and other parts of the world. This is in the Liberal government's interests. Indeed, they propose to decrease incentives and subsidies to companies that have minority Canadian ownership interests, which will lower their market value and thus make a takeover bid by the federal government through the Canadian ownership account easier in the future. At the same time the Liberal government, through these measures, seeks to increase its proportion of oil and gas revenue by taking revenue away from the provinces.

As nationalization of oil companies located, for example, in Alberta, increases, provincial revenues decrease because federal oil companies do not have to pay provincial royalties no matter where they are located. Consequently, the federal Liberal government is determined to nationalize the Canadian oil industry by 1990. The immense price to pay for this—it will cost about $10.5 billion to buy just one firm—will be borne directly by the people through the Canadian ownership account.

The proposals contained in this budget seek to change the fundamental nature of our entire country. They seek to perpetrate an irrevocable shift in the relationship between the two levels of government in Canada. They seek to take advantage of the westward economic and demographic trends in this country in two ways. First, by removing the initiatives and awards of such shifts from the western centres to the benefit of

the central government and, second, by disowning the promise made to the province of Quebec and to the rest of this country of a new federation. That promise did not include the molding of a socialist republic. This is not the true destiny of Canada, despite the socialist conversion we have undergone under successive Liberal governments which have imposed socialist programs upon the people and have caused the people to pay for them without having the courage to call them such in election campaigns.

An obvious example is the increase in unemployment insurance premiums. Call it what you will, it is, in fact, a tax hike to finance another abortive social program. Instead of fighting to increase employment through strong, stimulative measures, the Liberal government merely puts a salve on the completely unacceptable unemployment situation by guaranteeing UIC cheque payments.

● (2020)

This increase of one-third in unemployment insurance premiums to be paid by every single worker in Canada will not only directly increase taxation but will have a direct and adverse effect on the economy by markedly reducing the real disposable income of Canadians. The increases to be paid by the employers will, of course, be passed on yet again to the Canadian consumer through higher prices of goods and services. In addition, it further weakens the international competitiveness of Canadian manufacturers.

There has been a shift in recent years of the needless burden of UIC payments from the government to the payroll deductions of employees. The workers who can least afford to pay are, therefore, supporting the masses of unemployed who are themselves out of work because of the failure of this government to take measures to stimulate the economy. In short, the Minister of Finance (Mr. MacEachen) with his increases in UIC premiums has shifted financial responsibility for the maintenance of the unemployed from the government, whose problem and program it was, to the working people whose program it has become, whether they like it or not.

What consequences can the working people of Canada expect from this measure introduced by the Liberal government? This is distorted and aborted socialism making the poor pay to subsidize those who are even poorer. How does the government propose to stimulate the economy and protect and create jobs? Would the Minister of Finance care to ask the workers in Windsor who lined up in their thousands three weeks ago in the hope of a few hundred jobs, or the few maritimers of Sydney Steel who were recruited by Fargo in the Yukon, whether they would rather receive their UIC cheques from their working brothers and sisters or whether they would prefer a stimulative economy, an economy that attracts investment, not drives it away, an economy that seeks to encourage and not to restrict Canadians?

What is happening here is that the unholy Liberal triumvirate in charge of finance, energy and the constitution is attempting to snatch financial power and constitutional power from its traditional seat in the provincial legislatures. It is doing this, or at least it will seek to do this at the expense of the unity of this country. And for what? For the sake of a grand design born in the presumptuous mind of one man who, aided by his loyal and partisan engineers, is determined to alter the basic and fundamental historic association of this country, of this constitutional federation, of this democratic union of co-operative levels of government.

Already, the Prime Minister (Mr. Trudeau) has caused seven of our ten provincial governments to express opposition to his plans in the courts. Already he has caused a cutback in oil production in our most energy-productive province. This is not the Middle East. We are not accustomed here to wielding economic sticks to secure territorial rights, to enhance wounded egos or build insensitive sheikdoms. We are not accustomed to creeping, disastrous socialism which promises to bankrupt this country, impoverish our people and alienate the industries of the world from our shores. We are not accustomed to a central government requiring our people to pay for nationalized industries which they neither want, need, nor have coveted.

Where the Liberal budget bases belief on an illusion, the Conservative budget based belief on a specified energy tax credit worth $200 or more to an eligible family. The only thing families are eligible for now will be to pay by 1983 $350 more per year to heat their homes as a direct result of these newly imposed taxes; to pay $1.09 more per gallon to fuel their cars, to pay $70 per year to heat their homes with gas—an excellent example of the government's giving with one hand and taking away with the other.

We must not forget that natural gas is itself a non-renewable energy source. Mr. Speaker, the people of Britain will be pleased to tell you how all through the 1960s they were encouraged through grants to convert to gas and how, just last spring, they suffered a 60 per cent overnight increase in the price of their gas which, by this time, was virtually in every British home. Beware!

Mr. Deans: Was that a Tory government?

Mr. Domm: Several provincial governments have already taken steps to combat the damage done to the provincial economies by this government. Ministers over there attempt to rewrite the constitutional arrangement, not only on the patriation front, but through these insidious attempts to rob the provinces of their economic initiatives, thereby negating the strength, importance and rightful influence of regional self-determination, a concept deeply held and hard fought for in this country's history.

Where in all this does Ontario lie, if that is not too obvious a question for the Liberals? If this is a true budget, if it purports to address the totality of the Canadian economy, if it is not a thinly veiled attempt at political and economic dominance, what does it do to advance the interests of the country as a whole? How does it address the non-transitory needs of a central Canada or the permanent and enduring needs of one third of Canada's population within Ontario's borders? Given the immense resource riches of Ontario, which differ only in

kind and not in quality or quantity from those of other provinces, how can the Minister of Finance justify his marshalling of revenue from one particular resource?

We in Ontario, particularly the members of Parliament from the province, should ask ourselves when will he be instituting a hydro export tax, a coal export tax, a uranium export tax, ownership funds to nationalize our copper, iron ore, zinc, silver, gold, platinum, and indeed, all the other resources Ontario claims—or rather has no need to claim as they are constitutionally protected to develop and market as Ontario sees fit. Why does the minister not penalize Ontario's resource markets by adopting punitive measures against her foreign ventures and her development capital?

Why does the Minister of Finance not reduce Inco's net profits overnight by 12 per cent? Why does he not scoff with his colleague's bravado at the possibility of the mineral companies leaving our borders for more hospitable political atmospheres elsewhere? Watch out, Ontario! Perhaps consideration is even now being given to pegging the selling price for nickel at 85 per cent of the world price.

Ontario, beware of the socialistic trends clearly evident in this Liberal budget. What is happening in the west could be the forerunner of things to happen in Ontario. The government is charting a dangerous course in this respect. The people of Canada must realize that this is a punitive exercise, not only upon them through their tax dollars, but against their futures. We may be witnessing not only the perpetration of irrevocable damage to our oil industry—for it is our oil industry one way or the other—but we may also become horrified observers of the destruction of our dearly held and highly valued constitutional system, our economic freedom and our liberty to pursue prosperity through personal determination, not through the high-handed interference of a God-like central government.

The Conservative budget was a reasonable, straight-forward, honest and compassionate document. It was a realistic program for the 1980s. But how the Liberals vilified it! How passionately they cried foul against the excise tax of 18 cents on gasoline. They appealed to the electorate saying they could not specify the exact price of gasoline "until negotiations with the provinces have taken place". The so-called "made-in-Canada" price or, should I say, "made-in-Ottawa" price would result in a lower price to consumers than the one proposed in the defeated Conservative budget because it would not include, as members opposite said, an 18-cent excise tax on gasoline. The ironic mockery of that phrase haunts every Canadian householder who cares to admit that they have been bamboozled and befuddled by the backroom subterfuge and the absolute self-interest of this Liberal government. "A lower price to consumers." Let us see how substantive that a phrase is. The Minister of Finance states in his budget:

● (2030)

> The blended price will never exceed 85 per cent of the international price or the average price in the U.S. whichever is lower.

And what did the Crosbie budget say? It said:

> All increases in the domestic price of oil would be subject to the condition that the average delivered price in Toronto would not exceed 85 per cent of the lower of the Chicago price or the international price.

What is the sum difference between this budget and the Crosbie commitment to 85 per cent in that much maligned budget? There is no difference whatsoever. This is the consumer protectionism with which ministers opposite have befuddled the people.

It pains me that the Minister of Finance obliges me to point out such an obvious and logical fact to him and to this House—but then, they all know it perfectly well. Certainly everyone in this country now knows that they have been "had" by the Liberals with their broken election commitments to lower oil prices.

Confronted by the expected resistance from the producing provinces to a tax on natural gas exports, the Minister of Finance did the obvious thing. He did not tax natural gas exports—he taxed natural gas. He taxed all natural gas—domestic, exported, still in the ground—any gas that is obviously around. Now there is an obvious man. And Canadians are seeing how obvious he is.

He knew that the modern, sophisticated voter is far too aware, far too smart to be taken in by the clever ploy of calling a spade a spade—and calling an excise tax an excise tax. He called it, therefore, and logically, by another name, or, rather, by several other names. The Crosbie excise tax was changed, to the more aristocratic sounding "Canadian ownership account", "wellhead price", "petroleum compensation charge", and the "oil export tax". Through these new energy taxes, the government will take an extra $3 billion in revenue from the pockets of consumers. As the Right Hon. Leader of the Opposition (Mr. Clark) mentioned this weekend, this amount will not be spread equally and fairly across the whole country but will be focused like a penalty on those who are now at the centre of the drive for an energy and industrial base in Canada—the energy producing provinces.

When these budget measures are combined with the new taxes imposed last April, they will raise taxes by $3.5 billion more than the Crosbie budget which, as the hon. members opposite will remember, was condemned utterly for uncontrolled spending.

The budget raises the price of oil this year by a total of $4.55 per barrel. The Crosbie budget raised it by $4 per barrel yet the former Liberal opposition condemned it for that. Now the government has increased the price by $4.55 at the wellhead—made up of $3 at the wellhead, 75 cents for Syncrude and 80 cents in the current budget. The Crosbie budget would have increased oil prices by $4.50 per barrel every year until 1985 but the present budget will increase them by a greater amount. In all logic, Mr. Speaker, how can the Minister of Finance claim he is not increasing prices more than was the case in the Crosbie budget? There is one big reason, Mr. Speaker. The Canadian electorate made a mistake in February. The minister proposes to increase the price of oil at the wellhead in 1986 by $7 per barrel.

The new petroleum and gas revenue tax and the natural gas and gas liquids tax will, together, raise $2.7 billion. Now, $2.7 billion rings a bell. It is the amount that the discredited Crosbie budget was to collect with the excise tax. But then, the Crosbie budget had also offered relief, on the same amount of revenue, to the tune of $650 million through the mortgage and property tax credit and the program to allow deductions of the salaries of the wives of entrepreneurs and businessmen. But no doubt a crafty trick lurked in these apparently helpful programs, and the present finance minister did right to ignore them. Tax credits are to be ignored in the Liberal regime.

That is, except for MURBs. These offer tax relief to needy millionaires who are struggling to put up more highrises but are being prevented from doing so by the thoughtless inability of the people to pay their rents! In an increasingly cold and alienating urban environment, more highrises are just what we are looking for.

Mr. Speaker, like Hansel and Gretel, the Canadian taxpayer has been led into the woods by this government, and they will find out that it is they who are to be cooked, not the goose of the oil companies and other corporate interests.

The Crosbie budget of last year would have resulted in lower expenditures, lower domestic financial requirements, a lower rate of spending growth, and a lower deficit on both a public accounts and cash basis, in this and in each succeeding year until 1984, and our revenue for this year would have been greater by $105 million, while our deficit would have been lower by almost $4 billion.

What have the Liberals offered in return? Their budget reminds me of the man who was sentenced by Queen Elizabeth I to be hung, drawn and quartered. At the last minute, his sentence was commuted to hanging. They primed Canadians to prepare for the worst, but instead used the subsequent relief to pioneer astonishing schemes whose implications had not even been dreamt of. The significance of these schemes may not be felt as sharply as deindexing or the abolition of tax shelters, but I assure you, Mr. Speaker, that they are even more significant and hurtful to all sectors of the economy—including the taxpayer.

This is a distorted and abortive socialism, Mr. Speaker, making the poor pay to subsidize the even poorer.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Blaker): Order, please. Before I recognize the Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. MacLaren), some hon. members, through their duty to the House, may not be aware of the most recent news from the United States. I hope they will not mind this interruption. I understand that news reports indicate that Governor Reagan has acquired 51 per cent of the vote and President Carter, 44 per cent to date.

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, that is a hard act to follow.

In speaking this evening on the budget, I want to direct my remarks largely to the energy policy which is such a significant part of the total budget presented last Tuesday evening. It is a major part of that budget because energy is such a pervasive element in our total economy. The development of the energy industry, as the budget forecasts, will in effect be a motor of both economic growth and industrial strategy in this country in the years ahead. Hence, it must necessarily be a substantial part of the budget.

We are all familiar with the international energy problem. Total consumption of oil has tripled over the past three decades and, since 1973, world oil prices have also tripled. For some countries the impact of those major and sharp increases in petroleum prices have brought near financial disaster and, certainly, widespread hardship. Even with our own substantial petroleum resources, prices in this country have increased significantly bringing in their train more inflation and higher unemployment.

Canada, however, is particularly well placed to meet the challenges of the 1990s, the energy decade. In fact, energy opportunities will be transformed into energy advantages which will propel Canada into the 1990s from a position of national strength. The vehicle will be our new and ambitious energy program. We are, of course, already less vulnerable to the caprices of an international petroleum cartel than almost any other nation. Under the new program, we shall become totally independent. We are fortunate in having a variety of energy options. We shall expand those options. We already have an impressive record of achievement and accomplishment. Indeed, we shall lead the world, as we do already in many respects, in petroleum techniques and organization required for further exploration and development of our energy resources.

• (2040)

The new energy program promises every Canadian improvement on our already substantial record of achievement. It also promises opportunities for every province of our country benefiting every Canadian. Few countries are so fortunate as Canada. Few countries enter the energy decade with our domestic resources and our ability to insulate ourselves from foreign, unstable sources of oil. Nevertheless, even with our own vast energy resources, we had to make hard decisions in the budget.

There has been the matter of supply. There have been questions of price. There have been problems of subsidies and incentives. There is the matter of revenues to assist in developing the energy projects which Canadians rightly demand. All these are difficult questions, but they can and will be resolved within our own boundaries as the new energy program outlines. In that new program, we offer stability to petroleum industry in Canada. Canadian consumers are assured fairness, and all Canadians are offered great new opportunities of participation.

We have a job to do, a job that will put tens of thousands of Canadians to work, call for billions of dollars in investment

and allow us to gain greater experience of working within our own fragile environment, especially in the north and offshore. It will enable us to acquire the skills and technology required for massive projects, so that we can sell those Canadians skills and technology to the world.

Previous Liberal governments and the previous Conservative government both recognized the dangers of dependence on foreign oil. The previous government largely ignored the problem inherent in depending on foreign-owned and controlled oil corporations here at home. It offered various contradictory policy positions, but some of their spokesmen, certainly, wished to disband Petro-Canada, and others wished to render it a caricature of its former healthy self.

Other nations, similar to ours, have moved faster to ensure a more active national presence in their petroleum industry. In Britain, for example, the national oil corporation has had first claim on a 51 per cent share of North Sea oil production. In Norway, the public oil corporation called Statoil is authorized to take up to a 50 per cent interest in any field it does not already hold. It makes no payment for past exploration. It has the option to increase its interest to 70 per cent at its own discretion. In Australia, to take another example, only naturalized foreign oil companies can produce oil. A naturalized company in Australia must have 25 per cent of its equity owned by Australians. The board of directors must comprise a majority of Australians, and the company must commit itself to increase its Australian equity to 51 per cent within a given period.

What has been the situation in Canada where the industry has been dominated by foreign-owned corporations? Net oil and gas revenues have risen from $1.2 billion in 1970 to over $11 billion in 1979. Since the volume of oil and gas production has increased about 30 per cent over that same period, price increases have provided the industry with generous profits, largely on reserves discovered before the OPEC cartel inflated world price.

In the first six months of this year, the profits of the five largest oil companies jumped to just over $1 billion. That is a 92 per cent increase over their combined profits of $500 million in the first six months of last year. Moreover, that increase follows a 72 per cent profit increase for the same companies last year to $1.5 billion, compared with something over $800 million in 1978. All companies earning these enormous profits are at least two-thirds controlled by a foreign parent.

What are these companies doing with their Canadian dollars? Last year alone, over $650 million left the top seven foreign-controlled corporations in the petroleum industry in the form of dividend payments and equity reductions. Foreign-controlled firms dominate our energy sector, a sector which is bound in turn to dominate the Canadian economy by the end of this energy decade. In 1979, foreign-controlled firms reported sales of $6.1 billion. A comparable figure for Canadian companies was merely $1.6 billion. In other words, almost three-quarters of industry sales accrued to foreign-controlled firms.

Let me give you another example, Mr. Speaker. Many of the most promising exploration activities occur on "Canada lands", that is, in the north, the high Arctic, and offshore. But of the 290 million acres held by companies under permit, only 110 million are held by Canadian-controlled companies. Without the presence of Petro-Canada, the Canadian role would have been altogether negligible.

In total, there are 19 major oil and gas companies which are 100 per cent foreign-owned. In the last four years alone, the amount of Canadian capital exported by the petroleum industry, including dividends and interest and return of capital, exceeded inflows by $3.7 billion.

Clearly this foreign-dominated sector, the essential sector of our economy today, is healthy. But why has it been so profitable? Internal cash flow in the industry rose in 1979 to more than $7 billion, a yearly gain of some 43 per cent. Total funds available to the industry last year rose to almost $12 billion. After-tax profits in the industry reached $4.7 billion, an increase of more than one-half over the previous year. A remarkably generous regime of resource taxation provided the industry with such profits, and in a significant way contributed to the current federal deficit.

For the purposes of calculating federal income tax, resource income, after operating costs and capital cost allowance, is reduced by a 25 per cent resource allowance. This is a provision which gave recognition to the fact that royalties paid to governments were not deductible for income tax purposes. The most important deductions included exploration costs, which were written off at 100 per cent in the year in which the expense occurred. Development expenses were written off at a 30 per cent rate, and land bonus payments were written off at a 10 per cent rate. In addition to all of those major incentives which were, in effect, tax expenditures by the national government, resource firms could deduct a further one-third of their exploration costs, most of their development costs and certain capital costs, as well as one-half of the costs of enhanced recovery equipment by virtue of the earned depletion allowance. This deduction was claimed against resource income, up to 25 per cent of that income.

This preferential treatment to the energy industry in Canada was paid for in the form of lost revenue by the federal government and ultimately by the taxpayers of Canada. It was done to encourage active exploration and the development of a secure, energy supply. An estimate of the magnitude of the national government's efforts at promotion may be obtained from the tax expenditures account which was published by the previous government in December, 1979, and issued with the budget papers of the previous government. Let us assume that the tax provisions designed to aid the energy industry were eliminated. What additional revenue would accrue to the federal government? The fast write-off for exploration expenses, the fast write-off for development expenses and the earned depletion allowance cost the federal government $425 million in foregone revenue last year. With other deductions, the federal tax expenditure in 1979 for mining, gas and oil amounted to more than $2 billion. While this is an estimate

and subject to further clarification, it indicates the magnitude of the contribution the Canadian taxpayer has made to the development of the petroleum industry and to those regions of Canada which have benefited directly from petroleum development.

● (2050)

Perhaps our former practices were too generous. As the previous finance minister, the hon. member for St. John's West (Mr. Crosbie) noted last year, "under the current system, high income Canadians can receive tax benefits that are actually larger than the cost of their investment. This is not tolerable." So in some respects was the previous system when it favoured particular regions over the national good or favoured, as I shall point out in a moment, foreign-controlled corporations over Canadian-controlled.

The previous system of tax incentives for the petroleum industry tended to favour foreign-controlled companies because the incentives were in form of write-offs against current profits. Most Canadian companies did not have the necessary large profits to benefit. This has meant that the major oil companies have frequently been able to outbid small Canadian companies at land auctions, farm-ins or on the takeovers of other companies.

We, the national government, and ultimately the Canadian taxpayer have paid 94 per cent of the cost of wells over $5 million. We have paid two-thirds of others costs involved for drilling such as in the case of the Beaufort Sea. We, the national government, and accordingly the taxpayers, have paid over one-half, over 50 cents of every dollar spent on oil sands development.

I cite these statistics to underline the fact that the unwelcome results have occurred. While the big companies, the foreign-controlled companies, have had to spend about 37 cents of every dollar for exploration costs, a small company, typically a small Canadian company, has had to spend about 60 cents for the same exploration effort. Clearly, the time had come for a change.

In the case of federal expenditures, I want to point out that the expenses I have described as write-offs have not been the only claim on federal tax resources. Allow me to develop the argument further. As oil prices rise, the fiscal position of the federal government deteriorated under the previous revenue regime. Why? Because we are committed to maintain a once-price system for oil, whether imported or domestic, so that no Canadian is discriminated against by regional pricing variations.

To maintain this one-price system, we must of course subsidize the price of imported oil at a very great expense. Second, resource revenues distort regional equality. Since the federal government is ultimately responsible for ensuring regional economic equality, we must transfer more directly to the have-not provinces, by way of transfer payments or indirectly, through the efforts, for example, of the Department of Regional Economic Expansion.

I have not mentioned our other important federal government commitments to, for example, medicare, hospital insurance and post-secondary education. As the Minister of Energy, Mines and Resources (Mr. Lalonde) indicated in summing up this approach to our national economy, the federal government receives only about one-third of total government revenue, but is responsible for about one-half the expenditure. Canadians today rightly call upon the national government to promote and stimulate our total economy through a new energy program.

I have touched on the question of supply. I have said a word about the major role of foreign-controlled corporations in our petroleum industry. I have said something about the revenues foregone by the national government, a practice intended to promote the development of the Canadian petroleum industry.

It is our view that the time has come when all Canadians should enjoy the economic benefits accruing from our energy resources, including the technical and industrial benefit spin-offs. But first, before we can obtain the full benefits, we must gain the ownership and control of our total energy sector. The federal government is accordingly committed to a significant shift in the structure of the oil and gas industry. The government has three goals which have been briefly summarized as, first, 50 per cent Canadian ownership of oil and gas production by 1990, second, Canadian control of a significant number of the larger oil and gas firms and, third, an early increase in the share of the oil and gas sector owned by the Government of Canada.

The specific measures designed to meet both our supply requirements and Canadianization goals include incentive programs to encourage all firms, but especially Canadian firms, to grow and expand and play a more active role in our oil and gas sectors.

Over the next three years, the oil and gas industry in Canada will gain more from the petroleum incentive program outlined in the budget than it will lose from the reduction in depletion allowance and changes in the definition of exploration and development expenses. The incentive system in our new program is more generous than the previous one. It is accessible in a meaningful way for the first time to smaller companies which, as I have noted, tend to be Canadian.

Producers will, of course, have to pay the petroleum and gas revenue tax, but even with this tax, the netback before corporate taxes will increase rapidly, from 94 cents per million cubic feet in 1979 to $2.49 per million cubic feet in 1985 for gas and from $6.29 per barrel in 1979 to $11.73 per barrel in 1985 for oil. Over all, the industry's net income, including incentive payments, will double between 1979 and 1983. The phasing out of the depletion allowance for exploration outside Canada lands will give time to oil and gas companies to increase the level of their Canadian ownership and benefit from the incentive program.

● (2100)

The impact on oil and gas companies will vary with the level of their Canadian ownership. Canadian companies will defi-

nitely benefit from the new program presented in the budget. A company at least 75 per cent Canadian owned with one dollar in cash will be able to spend $5 on Canada lands, $4 coming from the government as incentive payments. Such a company will have to pay only 7 cents of each dollar spent on exploration on Canada lands. The cost of exploration on provincial lands will amount to only 34 cents for each dollar when the program is fully implemented in 1984. This compares with a cost of 37 cents for each dollar under the past system.

Incentives, as has become evident to all those who have read the new energy program, will be less attractive for foreign companies. For example, their net cost on Canada lands will be 28 cents for each dollar. Nevertheless, the total system will remain highly attractive by international standards.

The incentive program will be very attractive to individual Canadians and will help oil and gas companies to raise money through drilling funds. Individuals will get the same incentive payments as Canadian companies. Net cost of exploration for an individual with a marginal tax rate of 40 per cent will be only 39 cents for each dollar spent on provincial lands and 12 cents for each dollar spent on Canada lands. These are indeed major incentives for Canadians to invest in the fastest growing and most prosperous segment of our economy.

I have already said a word about Canada lands. I want to expand for a moment on that particular aspect of our policy affecting those lands in the high Arctic and offshore. A new Canadian oil and gas act will enable the government to direct development on these lands more effectively, to share more equitably in profits from future production and to increase Canadian ownership. Starting in 1981, the government will make incentive payments from 25 per cent up to 80 per cent of all exploration costs on Canada lands. It is only normal that the government would then share in both costs and revenues. The 25 per cent interest reserved for the Crown, which has led to some discussion in the House, must be evaluated in the context of the overall system on Canada lands, taking into account the royalty system which could have been used to increase the government's share. Looking at the system as a whole, it appears attractive by any world standard.

The new policy provides for a carried interest for the Crown in the Canada lands. When it is converted to a working interest, the Crown corporation involved will have to pay its share of the costs. Development costs being much higher than exploration costs, the government will have to pay a larger share of total cost to receive a share of revenues. The application of this clause to existing interests is justified since the government and the taxpayer paid a large share of the exploration costs incurred previously.

There are various other aspects of the incentive program for greater Canadianization in the petroleum industry which I could touch on, for example, the natural gas bank, the role of the Foreign Investment Review Agency or the acquisition policy which will be carried out by Petro-Canada. But I think it will be sufficient if this evening I simply note that contrary to what some have suggested, the Canadianization objective of this government will be no deterrent to our energy security. Quite the contrary, our program will reinforce an existing tendency by aggressive Canadian firms to expand both by acquisition and by new discoveries.

When acquisition is by a public company, that company can be expected to follow the tradition already established by Petro-Canada as a leader and as a catalyst in such ventures as offshore exploration, energy transport and oil upgrading. Our program is intended to reduce the profits of firms which are not now investing adequately and to divert those funds to firms which are willing to explore more aggressively. In the case of acquisitions, it is to be expected that the firms to be acquired will be predominantly those with less than average reinvestment track records and that the acquiring firm will have a better than average record. In this way a process of Canadianization is one which enhances our energy security.

In summary, the new energy program builds on Canadian energy strengths. We already produce more energy than we consume. We offset our deficit in oil with our surpluses of electricity, natural gas, uranium and other fuels. Oil prices will, of course, be increased substantially, but they will increase gradually and predictably, remaining below the international prices while being high enough to encourage new supplies and to act as an additional inducement to conservation.

Natural gas prices will rise slower than oil prices. Gas distribution will be expanded, and we shall encourage households across Canada to switch from heating oil to gas and encourage businesses to move toward a greater use of natural gas. Through stimulation by federal grants to consumers and other methods, we shall encourage the substitution to forms of energy other than oil.

The principal feature of the new energy policy is one of sharing. That aspect is important if all Canadians are to receive the full benefit of our new energy policies and to share in the total energy industry which is the greatest stimulus of our economy today.

Mr. Peter Elzinga (Pembina): Mr. Speaker, I appreciate very much this opportunity to participate in the budget debate, in view of the fact that we faced closure on the constitution issue, an issue which is possibly the most important issue which could be before this House of Commons as far as the future of Canada is concerned.

In his press conference on October 23 the Prime Minister (Mr. Trudeau) stated that we as members of Parliament would have the opportunity to debate the very important issue of our constitution in this House of Commons, but it is obvious that he reneged on that promise. When we review the record of the Prime Minister, we find that this is nothing new. He is very often willing to make statements but not to live up to his commitments once he is in government.

What we in western Canada resent so much with regard to the constitutional package is that it makes us second-class citizens. Two provinces are guaranteed a veto right under the constitution whether they have 25 per cent of the population or

not. We feel the same privilege should be offered to all provinces. That is why we have endorsed the Vancouver consensus, to which all provinces agreed. I understand that the Prime Minister even gave it consideration and was willing to agree to it in the event that he could receive concessions from the provinces.

We on this side wish to develop a constitution with proposals which will reflect the needs and desires of all Canadians. More important we wish to ensure that the provinces will have a meaningful role to play in our Canadian way of life. It is a sad day when individual members of Parliament are choked off as far as their participation in debate is concerned when it comes to the constitutional issue.

I love Canada, I love Alberta and I wish to have an opportunity to contribute to the growth of both. However, when we consider what our Prime Minister has done in his short period in this Parliament, we see that he has brought forward a constitutional proposal which has aggravated not just western Canadians but the far eastern provinces as well. He has brought in an energy package which has aggravated the situation existing in western Canada.

● (2110)

The sad part of it is that he wishes to raise our oil prices higher than the level at which Alberta had offered oil to the federal government. Alberta had given an indication that they only wished to raise them to 75 per cent of the world or the U.S. price, whichever is lesser, but under the present Liberal administration, we will see the levels rise to some 85 per cent of the world or the U.S. price, whichever is lesser.

I wish to quote from an editorial which appeared in the Edmonton *Journal* on Saturday, August 23 entitled "You the people." It reads:

> It is with profound despair that our worst fears about the Liberal government in Ottawa are confirmed.
>
> Ottawa's negotiations with the provinces on the constitution are a sham. Its negotiations with Alberta on energy were a sham. To the Liberals, Canadian federalism in a sham. No Canadian should find comfort in these awful conclusions—
>
> At stake here is the very integrity of Canadian federalism as a living process. At stake is the good faith on which federalism must operate, the honesty and goodwill on which it depends to survive.
>
> The Liberals are discounting constitutional negotiations with the provinces even as they occur—just as they did in the case of energy talks with Alberta. We do not have a federal system; we have a unitary state parading as a federal system.

This pretty well outlines the thoughts of many individuals in Alberta on the present Liberal government. As I said, it has taken a series of action which western Canadians have interpreted as being hostile to their region. I cannot help but be somewhat puzzled when I see a government which indicates it is sensitive to the province of Quebec—which I support—demonstrating that when it comes to showing any sensitivity to western Canada, it has none whatsoever.

Let us review some of the items that are not contained in the Liberal budget. There is absolutely nothing in the budget for farmers throughout Canada, except added fuel costs. There is nothing in the budget for individuals on fixed incomes or for senior citizens. When we review the Liberal government's record of the past ten years, we find that the Prime Minister has been successful in nothing except in being re-elected.

Let us review the record and the legacy which the Liberals have left us. They have given us record high government spending, record high unemployment, record high inflation and record high interest rates. Under this administration, our dollar has fallen to its lowest levels. When we compare this with some of the initiatives we took during the short period of time we were in government, we find that measures were introduced to reduce government spending. We were in the process of bringing down the huge budgetary deficit. We introduced a realistic freedom of information package. We promised parliamentary reform whereby individual members of Parliament would have a more meaningful role to play in determining the course which our nation would take. In our budget we introduced capital gains relief for farmers. We offered deductibility to working spouses in the farming sector and in small business. We were in the process of introducing a meat import law. We committed ourselves to some $34 million for the development of Prince Rupert, and under our transport minister at that time, the hon. member for Vegreville (Mr. Mazankowski), western grain transportation system was being improved.

These policies reflected our belief in the individual Canadian, in the individual worth of each Canadian; we wanted to develop that potential within each Canadian. We have here the greatest country in the world with an abundance of natural resources and, what is even more important, an abundance of human potential, potential which this government is stifling. We wanted to develop that potential but we were in office only for a short period of time, and now it is rather sad to see what is happening under the administration opposite. I ask what my friends opposite are going to do for the farming sector in view of the disastrously high interest rates. What will they do for the home owners? In our program we outlined specifically what we were going to do for those two sectors of the population. This budget simply contains statements dealing with energy. The sad part of it is that because of this energy statement, we will be deprived in Canada of energy self-sufficiency and, more important, we will be deprived of jobs because of the slowdown in the energy sector.

The Alberta Chamber of Commerce presented an excellent submission regarding the benefits gained by all Canadians from the development of our resources in Alberta. It is not only Albertans who will benefit from the development of these resources. All Canadians will benefit from energy self-sufficiency and from the spin-off jobs which will be provided in the development of these resources.

It is interesting to note that since 1973, Canada reserves have been declining under this administration. We hear hon. members opposite stating that we have an abundance of resources, yet under the administration opposite we have become a net importer rather than a net exporter of resources.

We pay twice as much for foreign oil and development of foreign wells as we pay for Canadian energy to create Canadian wealth. My friends opposite have created a hopeless climate throughout this land and it is rather sad to see. The hon. member over there may smile, but let him look at the polls and he will find that one in four Albertans wishes to separate from Canada. It breaks my heart to see something like this develop. It is developing simply because of the attitude of hon. members opposite.

I promised hon. members to my left that I would keep my comments very brief. Let me just leave you with a few thoughts, Mr. Speaker. I should like to reiterate that the majority of us want to stay as part of this country and the majority of us wish to contribute to this country, but if the continuous policy of the government opposite is to push us out of confederation, what will happen to this country is obvious. I love Canada and I love Alberta, but the government opposite is depriving me of the opportunity to contribute to both. I cannot help but be sad when I witness the policies being implemented by this Liberal regime.

Let me conclude on a lighter note which I should like to share with hon. members opposite. What we will do in Alberta is to erect a statue of the Prime Minister. We believe it will provide shade in the summer, shelter in the winter, and allow the sparrows to speak for all Albertans.

Mr. Rod Murphy (Churchill): Mr. Speaker, like some of my colleagues, I too, welcome the opportunity to speak on the budget. I cannot support the proposals outlined by the Minister of Finance (Mr. MacEachen), because he has failed to perform the duty of providing economic leadership to Canada or to any of its regions. Other members of Parliament have criticized this budget and I concur with that criticism. This budget is full of politics but it is silly putty when it comes to economics. It ignores the need for comprehensive social programs.

Whether I choose to speak as the member for Churchill, as the chairman of our Atlantic committee or as an individual Canadian, I cannot believe that this budget will solve the problems facing this nation. As the hon. member for Churchill I represent a constituency containing two-thirds of the land mass of Manitoba. There are a number of native communities where unemployment exceeds 80 per cent, white communities with youths and women who lack trade and skills training, yet the Minister of Employment and Immigration (Mr. Axworthy) is talking about importing 30,000 skilled workmen. As a representative of the people of northern Manitoba, I cannot support a budget which does nothing for these native people, for women and young people.

We are told there will be a 22 per cent increase in the economic envelope, whatever that means. Mr. Speaker, we do not know what that money will be used for. Past government performance would indicate that we got another grab bag of hit and miss programs and unemployment programs which will offer nothing substantial to Canadians who really need help and which will do nothing to meet the drastic shortage of skilled trades people. We were introduced in this budget to a program which in effect will be a slush fund for revitalizing the Liberal party in western Canada. That goal is as likely to be achieved as the return of the dinosaurs which once roamed the riding of the hon. member for Bow River (Mr. Taylor). The Liberals are dinosaurs when it comes to western Canada; they are extinct and will remain so.

● (2120)

The western development fund is advertised as being worth $4 billion, but on examination it is only a commitment for $2 billion over the next three years. The Minister of Finance has described this program as some kind of retribution for the grab on western resources. In its own Liberal way it is of little substance, it shows little planning, and consequently it will do little to diversify the economy of the western provinces. This fund may be used to effect some transportation improvements. It may actually provide funds for that great Liberal election promise of double-tracking, suitably subtitled "there and back again". But it will do little for the people of western Canada.

There is need for western economic growth, diversification, and programs to assist native people and others in regions which do not have huge granaries and oil drills sitting in their backyard. But this will not happen unless the Liberal government starts planning and stops playing regional politics.

I am concerned about the effect of the budget on the over-all Canadian economy, on the individual Canadian family, and on the underdeveloped regions of this country, in particular the Atlantic provinces to which I will address my next few remarks. The Atlantic region has always been hit the hardest by measures decided in Ottawa. When prices are high, they are higher in the Atlantic provinces. When wages are low, they are lower in that region. When these are few jobs, there are still fewer jobs in the Atlantic region. This has become a Canadian fact of life. So it is of little surprise to me, although I expected a little more from a minister of finance who comes from Cape Breton, to find that the Atlantic provinces will once more get it in the teeth because of the federal budget of a week ago.

I said I expected more from the Minister of Finance because he is a home-grown boy from the region, but after all there is another side to the story. He is a Liberal Minister of Finance and for the last 20 years his party has done nothing to help the people of that region. It has done nothing to remove the regional disparities which exist in the country.

Perhaps one problem of the Minister of Finance is that he does not look beyond his statistics, charts, numbers, forecasts and profiles to see what the lack of planning has done to the average Canadian. For example, would he forecast that this will be the highest rate of unemployment since the great depression? I wonder what the word "unemployment" means to the minister. Is the word nothing more to him than cold hard statistics? Does it have a magical effect on his heart and his mind, or does it turn him away from the problems facing Canadians? Is unemployment becoming a term synonymous with participation rates, seasonally adjusted rates, numbered regions, or does he see beyond all that? Does he see that the

lack of action on the part of his government will severely hurt people and regions which simply cannot afford to be hurt one more time?

What about the increase in premiums for unemployment insurance? The Minister of Finance announced in the budget that employee contributions will increase from a rate of $1.35 per $100 of insurable earnings, to a rate of $1.80 per $100 of insurable earnings, a 33 per cent rise. Does he look at these black and white figures and think to himself that 45 cents per week for $100 is not very much? Does he think it is not too bad, or does he see that the change in the contribution scheme is really a regressive tax and an extra burden on working people, especially on those who can afford it less?

One would hope the Minister of Employment and Immigration would have been able to supply his colleague with better advice as to how to increase revenues from the unemployment insurance program. But he has received bad advice from that minister. The government should be getting better advice, especially at this point in history, so that it can spend those millions of dollars on public relations advertising good programs instead of the useless and sometimes harmful programs introduced in the last few years.

I should like to look at some other factors in the budget. The Liberal government realized ten years ago that the economic direction in which they were taking the country would ultimately mean that certain regions would become increasingly disadvantaged. Since it evidently realized the injustice which would be created by the existence of a federation with such great disparities of wealth, it decided to create the Department of Regional Economic Expansion. This would be the flagship of the government's concern for regional disparities. After all, in a country as wealthy and prosperous as Canada, it would be nothing but an embarrassment for those inequities to continue to exist.

We all had great optimism at the time the program was announced, a program with a specific mandate to ensure that individual Canadians in disadvantaged regions would not fall too far behind. Unfortunately the department was an optimistic child of the late sixties. Now that child is middle aged and cynical. It is well known that the DREE budget has dropped dramatically since its inception as a proportion of total federal spending. It has dropped from 2 per cent of the budget to less than 1 per cent. I will not push this point because it is a fact that the government has lost any concern for regional disparity.

The real tragedy of DREE is that in the last ten years it has failed in its mission to enlighten budgetmakers and Treasury Board presidents. It has failed to convince these decision makers that economic policy must be a policy for all areas of the country. The Department of Regional Economic Expansion has in many ways played an advocate role. It has fought for disadvantaged regions both inside and outside the cabinet room with some success. However, in the final analysis there has been little progress in the last ten years, especially when it comes to the economic development of the regions concerned, most of all because what DREE gives with the one hand, other federal policies take away with the other.

I have seen very little co-operation and co-ordination between DREE and other departments. One problem is that the government does not know what it wants to do in eastern Canada. In the budget there is a special investment tax credit program provided for areas of greatest disparity. The program announced within the body of the budget a week ago was designed specifically to combat regional disparities. It was supposed to increase investment in areas of Canada suffering from high unemployment and low income levels. The 50 per cent investment tax credit will apply to investments in new plants and equipment for processing and manufacturing. My first glance at this proposal made me think it was something I had seen in the Conservative budget but packaged slightly different by Liberal budget writers. At first I was optimistic about the program, but once I looked at it, I found that it was watered down and would not provide the types of assistance the Atlantic region needs. Most notably, the other departments are still not co-ordinated with this program. The increase in energy costs in eastern Canada will probably dilute the effect of this program. Moreover, the new program will not create the types of jobs eastern Canadians need. This program is also most notable for the kind of activities which the government is not going to encourage through the 50 per cent investment tax credit. The exclusions are pulp and newspaper production, petroleum refining, farming, fishing, logging and mining, which work against Atlantic Canada due to the area's dependence on those resource-based industries. They need these industries in order to stabilize their economies and create jobs; excluding them from the program cannot help eastern Canadians.

● (2130)

A further concern I have about this tax credit program is one I have in general about DREE funding. There is little evidence that the companies which locate in the Atlantic region, subsidized by government funds, do so because of the incentive programs. In many cases these companies have little commitment to the region or its population and the subsidies do nothing more than add to private profits, with little regard for continuity. I fail to understand why these incentives are being offered immediately effective budget night. They are supposed to encourage companies to relocate or to invest in eastern Canada. If it is an incentive to bring these companies to eastern Canada, why is it being backdated in such a way that companies which are already planning to relocate there are to receive this 50 per cent credit? You do not encourage companies that are planning to build or companies that are already building there. You encourage companies that may be induced to move there two or three years down the road, companies which are making their plans at this time. In other words, this measure, like so many other measures, will just be another tax rip-off for the companies. If the government were really concerned it would be making plans for the future by offering incentives for the future and not just giving tax write-offs to companies that are already building in those regions.

I am constantly amazed at how much energy the Liberal Party devotes in trying to mollify certain regions of this country—with little success. The reason is that they ignore some of the obvious solutions which have been sitting in front of their noses for some time. Let me use the infamous SYSCO example. This is not the first time my party has brought this matter up in the House. Why should the residents of the Atlantic region believe Liberal promises about an extension of the natural gas pipeline to the maritimes, a coal conversion program or a DREE program targeted at underdeveloped regions when the Liberals cannot even make good on the promises they have made to provide funds to the ailing Sydney Steel Corporation? It is a company which is already operating in this region, and one which would like to continue operating there. It is a company which is providing employment for a lot of people in Cape Breton. Althouth the Minister of Finance himself comes from that region they cannot get money from the Liberal government. They have been given promises year after year. These are promises which the parliamentary secretary to the DREE minister, a member of Parliament from that region, has called peanuts. But even those peanuts will not be delivered. They have gone the same way as the peanut farmer from the United States.

It is time now for the government to keep that particular election promise. They have to modernize Sysco in order to produce the jobs needed there and to give Atlantic Canadians the feeling that this government does care—not just at election time but throughout the year. There is nothing in this budget to indicates that there is any care. Again, there is no promise for Sysco. There is no promise for the people of Sydney.

There are other issues of concern to the Atlantic region which should be discussed during this budget debate. However, I recognize that there is little time left and there is one further item I would like to mention at this time. This budget has failed to make any provisions for the re-establishment of the strong and viable Canadian merchant marine. I had the opportunity to visit Saint John, New Brunswick recently in company with a committee of the NDP caucus concerned with occupational health and safety. I visited the drydocks in Saint John and I was impressed with what can be done in Canada. We, in Canada, need ships to carry our goods to other countries. I use as an example the port of Churchill in my own riding. Grain leaves the port of Churchill in foreign ships. They are mostly Polish ships. Yet sometimes we have had to wait three or four weeks after the season opens for one of those ships to arrive. If we were building our ships in Canada for a Canadian merchant marine this would not be a problem. Again, examining the budget, we find there is nothing there to establish a merchant marine. The Liberal government has failed to provide any economic leadership for Canada or, specifically, for the Atlantic region. We need those ships. We can build them here. The budget does nothing to assist the development of this very important industry.

In the few minutes which remain for me to speak I would like to address the members opposite, the rubber stamps of the House of Commons. I ask them to consider this budget quite seriously and look beyond the words of the hon. member for Cape Breton Highlands-Canso and his budget. Look beyond the press releases which the Liberal party has put out. Look at the budget and the decline of Canada's economy. Look at what Liberal governments have done to Canada. Year after year we have had promises from this government. Year after year they have come up with new, improved brands of soap. When you take a look at it, it is really no different from the Crosbie budget. It is in a much better package. It is new and improved; the soap looks better on the outside but it is the same old suds underneath.

If members opposite, especially those from Atlantic Canada, Quebec, Ontario and the two lonely Liberals from the west, have any concern for what is happening in Canada, then they will not support the budget when the vote is taken in a few minutes. They will vote with their conscience on an issue of this nature so that ten years down the road we will not have another bunch of Liberals in government saying that if they had done it back then we would not face these problems today.

The energy minister has said that a partly nationalized oil industry would not have been acceptable to many Canadians ten years ago. So successive Liberal governments waited until the oil was gone, then they moved in, or announced that they would move in some day.

A number of private corporations in our country, especially in the resource extraction industry, have received government help through the provision of generous tax loopholes. Will the same thing happen with those industries once the nickel and iron is gone? Will the government step in then, or will they make announcements at that time of intention to step in and provide aid? By then, of course, they might do so. By the time the resources and jobs have gone, the Liberal government will make its move. Or it will put out the propaganda and the fancy hoopla saying they are going to move against these multinationals some time in the future.

In the cases of Sysco, Devco, Chrysler, de Havilland, Massey-Ferguson and others the government has allowed the privateers to take profits. But the government rushes to the rescue when problems get serious. If the government intends to act in these areas let it act now. Let the backbenchers at their caucus meeting tomorrow make the government act. Do not sit back and say that because those who sit in front are the ministers, the government, you will do what they say—stamp, stamp. Make your government work!

In every election campaign across this country Liberal candidates say the voters need somebody on the government side to make sure things will happen. They say, maybe you will et a DREE grant or some other grant. Mr. Speaker, they cannot do anything to make this cabinet act in a more responsible manner than the members of the official opposition. But we have the advantage of being able to get up here and point out the errors of the party opposite and the problems this country faces. We can suggest alternatives and members across the way can say nothing. Of course, when the vote is taken tonight they will get up in turn, nod in agreement and baa like sheep.

The Liberals have lost all hope of regaining power in the west because they have ignored the problems of the west for too long. Today, they are continuing to ignore the problems in western Canada but they are also ignoring the problems of eastern areas, of native people and of women. The Liberals use token gestures to get support from the various groups at election time and to prove that they have a progressive image. But when we get right down to it, whether, for example, it is in the Treasury Board which talks about giving rights to women, or somewhere else, nothing happens when it comes to affirmative action within the various departments of government.

• (2140)

An hon. Member: All talk!

Mr. Murphy: It is all talk. What happens, of course, is that time after time employees of the government have had to drag their employer through the courts and through the human rights tribunals to enforce the laws of Canada. The worst employer in this country is the Government of Canada. If a private corporation which came under federal legislation were ignoring the human rights code it would be prosecuted by the federal government, instead of the administration being the defender and dragged through the courts.

The other day during the budget debate the President of the Treasury Board (Mr. Johnston) said that one of the reasons he was moving to provide benefits for part-time employees was so that women could have the benefit of a home life and a job. Right now there is a translators' strike, the main outstanding issue of which is paid maternity leave. We cannot believe the government. The Minister of Employment and Immigration (Mr. Axworthy), who is responsible for the status of women speaks of affirmative action programs within the government. What has the Liberal government introduced? What has that great new minister from the west introduced?

Mr. Murphy: Band-aids.

Miss Jewett: A lousy charter.

Mr. Murphy: A lousy charter and more studies. He is now taking the great initial step of studying four departments, not for the sake of action or to see what can be done, but to see whether there is a problem. It does not matter what the Public Service Commission has been telling them for years or what the various advisory councils have been telling them for years; they get up and say, "Is there a problem? We will send out a survey".

Miss Jewett: Another study.

Mr. Kristiansen: Take a poll.

Mr. Murphy: Take a poll, that is what they will do. If this government had any commitment to women, it would act not talk. If this government had any commitment to human rights, it would not be introducing a charter, it would be acting with the powers it now holds. When it comes to the budget, we would not see this piece of litter, we would see a budget which would be meeting the needs of Canadians, helping all the regions of this country and helping the fishermen, the miners and the unemployed.

Mr. Paproski: Small business.

Mr. Murphy: And the small businessmen across this country. I would like to thank the hon. member from the agricultural belt for his assistance.

Mr. Paproski: Edmonton North, please.

Mr. Murphy: I realize, Mr. Speaker, that in a few minutes you will be calling for the vote, and I see that the Liberal sheep are entering the chamber.

Some hon. Members: Baa!

Mr. Lapointe (Beauce): One thing you have not yet learned, is to be polite.

Mr. Paproski: Here come the turkeys.

Mr. Murphy: The problem is that as the sheep come in for the vote, they have not heard the advice they have been given. They have not been listening to the budget debate. Of course, hon. members opposite will come in and stand up one after the other because they have been told that they should vote for the government. Those members from Atlantic Canada and those members of the constituencies which the NDP visited in the last couple of weeks, listened to complaints and heard about phony sod-turning ceremonies, will have trouble in the next election because they do not have the respect of their constituents, because they do not vote for the interests of their constituency.

Mr. Lefebvre: You know when to vote with us.

Mr. Broadbent: About twice a year.

• (2150)

[*Translation*]

Mr. Deputy Speaker: It being 9.45 p.m., it is my duty to interrupt the debate and put forthwith every question necessary to dispose of the subamendment and the amendment now before the House, in accordance with the order passed on Tuesday, October 28, 1980.

[*English*]

The question is on the amendment to the amendment (Mr. Rae). Is it the pleasure of the House to adopt the amendment to the amendment?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: Those in favour of the amendment to the amendment will please say yea.

Some hon. Members: Yea!

Mr. Deputy Speaker: Those opposed to the amendment to the amendment will please say nay.

Some hon. Members: Nay!

Mr. Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

The House divided on the amendment to the amendment (Mr. Rae) which was negatived on the following division:

(*Division No. 19*)

YEAS

Messrs.

Althouse	Knowles	Rae
Benjamin	Kristiansen	Riis
Blackburn	Lewycky	Robinson (Burnaby)
Blaikie	Manly	Rose
Broadbent	Miller	Sargeant
Deans	Mitchell (Mrs.)	Skelly
de Jong	Murphy	Waddell
Hovdebo	Nystrom	Young—29.
Ittinuar	Ogle	
Jewett (Miss)	Parker	
Keeper		

NAYS

Messrs.

Allmand	Cook	Elzinga
Andre	Cooper	Epp
Appolloni (Mrs.)	Corbett	Erola (Mrs.)
Axworthy	Corbin	Ethier
Bachand	Corriveau	Evans
Baker (Gander-Twillingate)	Cosgrove	Fennell
Baker (Nepean-Carleton)	Côté (Mrs.)	Ferguson
Beatty	Cousineau	Fisher
Beauchamp-Niquet (Mrs.)	Crombie	Fleming
Bégin (Miss)	Crosbie (St. John's West)	Flis
Berger	Crosby (Halifax West)	Forrestall
Blais	Crouse	Foster
Blaker	Cullen	Fox
Blenkarn	Cyr	Francis
Bloomfield	Dantzer	Fraser
Bockstael	Darling	Fretz
Bosley	Dawson	Friesen
Bossy	De Bané	Frith
Bradley	de Corneille	Gamble
Breau	Demers	Garant
Bujold	Deniger	Gauthier
Bussières	Desmarais	Gendron
Campbell (Miss) (South West Nova)	Dick	Gilchrist
Campbell (LaSalle)	Dingwall	Gimaïel
Cardiff	Dinsdale	Gingras
Chénier	Dion	Gourd
Chrétien	Dionne (Chicoutimi)	Gray
Clark (Yellowhead)	Dionne (Northumberland-Miramichi)	Greenaway
Clarke (Vancouver Quadra)	Domm	Guilbault
Collenette	Dubois	Gurbin
Comtois	Duclos	Gustafson
	Dupont	Halliday
	Dupras	Hamilton (Qu'Appelle-Moose Mountain)
	Duquet	Hamilton (Swift Current-Maple Creek)
	Ellis	Hargrave
		Harquail

Messrs.

Hawkes	MacEachen	Prud'homme
Hees	MacGuigan	Reid (St. Catharines)
Henderson	MacKay	Reid (Kenora-Rainy River)
Herbert	MacLaren	Roberts
Hervieux-Payette (Mrs.)	MacLellan	Robinson (Etobicoke-Lakeshore)
Hnatyshyn	Malépart	Roche
Hopkins	Malone	Rompkey
Howie	Maltais	Rooney
Hudecki	Marceau	Rossi
Huntington	Massé	Roy
Irwin	Masters	Savard
Isabelle	Mayer	Schellenberger
Jarvis	Mazankowski	Schroder
Jelinek	McCain	Scott (Hamilton-Wentworth)
Johnston	McCauley	Scott (Victoria-Haliburton)
Joyal	McCuish	Shields
Kaplan	McDermid	Siddon
Kelly	McGrath	Simmons
Kempling	McKenzie	Smith
Kilgour	McKinnon	Speyer
Killens (Mrs.)	McKnight	Stevens
King	McLean	Stewart
Kushner	McMillan	Stollery
Lachance	McRae	Tardif
Lajoie	Mitges	Taylor
Lalonde	Munro (Esquimalt-Saanich)	Tessier
Lambert	Munro (Hamilton East)	Thacker
Lamontagne	Murta	Thomson
Landers	Neil	Tobin
Lang	Nicholson (Miss)	Tousignant
Laniel	Nickerson	Towers
Lapierre	Nielsen	Trudeau
Lapointe (Charlevoix)	Nowlan	Turner
Lapointe (Beauce)	Oberle	Vankoughnet
La Salle	Olivier	Veillette
Lawrence	Ostiguy	Watson
LeBlanc	Ouellet	Weatherhead
Leduc	Paproski	Wenman
Lefebvre	Parent	Whelan
Lewis	Patterson	Wilson
Loiselle	Pelletier	Wise
Lonsdale	Penner	Wright
Lumley	Pepin	Yanakis
MacBain	Peterson	Yurko—237.
MacDonald (Miss)	Pinard	
	Portelance	

● (2210)

Madam Speaker: I declare the amendment to the amendment lost.

The question now is on the amendment of the hon. member for St. John's West (Mr. Crosbie). All those in favour of the motion will please say yea.

Some hon. Members: Yea!

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay!

Madam Speaker: In my opinion the nays have it.

And more than five members having risen:

● (2220)

Madam Speaker: Shall we dispense with the ringing of the bells?

Some hon. Members: Agreed.

The House divided on the amendment (Mr. Crosbie) which was negatived on the following division:

(*Division No. 20*)

YEAS

Messrs.

Althouse
Andre
Baker (Nepean-Carleton)
Beatty
Benjamin
Blackburn
Blaikie
Blenkarn
Bosley
Bradley
Broadbent
Cardiff
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Coates
Cook
Cooper
Corbett
Crombie
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Dantzer
Darling
Deans
de Jong
Dick
Dinsdale
Domm
Ellis
Elzinga
Epp
Fennell
Forrestall
Fraser
Fretz
Friesen
Gamble
Gilchrist
Greenaway
Gurbin
Gustafson
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hargrave
Hawkes
Hees
Hnatyshyn
Hovdebo
Howie
Huntington
Ittinuar
Jarvis
Jelinek
Jewett (Miss)
Keeper
Kempling
Kilgour
King
Knowles
Kristiansen
Kushner
Lambert
La Salle
Lawrence
Lewis
Lewycky
MacDonald (Miss)
MacKay
Malone
Manly
Mayer
Mazankowski
McCain
McCuish
McDermid
McGrath
McKenzie
McKinnon
McKnight
McLean
McMillan
Miller
Mitchell (Mrs.)
Mitges
Munro (Esquimalt-Saanich)
Murphy
Murta
Neil
Nickerson
Nielsen
Nowlan
Nystrom
Oberle
Ogle
Paproski
Parker
Patterson
Rae
Reid (St. Catharines)
Riis
Robinson (Burnaby)
Roche
Rose
Sargeant
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shields
Siddon
Skelly
Speyer
Stevens
Stewart
Taylor
Thacker
Thomson
Towers
Vankoughnet
Waddell
Wenman
Wilson
Wise
Wright
Young
Yurko—127.

NAYS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Bussières
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Duclos
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd
Gray
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Leduc
Lefebvre
Loiselle
Lonsdale
Lumley
MacBain
MacEachen
MacGuigan
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Munro (Hamilton East)
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith
Stollery
Tardif
Tessier
Tobin
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Whelan
Yanakis—140.

● (2230)

[*Translation*]

Madam Speaker: I declare the amendment lost.

It being after ten o'clock, the House will now adjourn until tomorrow at 2 p.m. in accordance with Standing Order 2(1).

At 10.30 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, November 5, 1980

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

HOUSING

MORE AFFORDABLE HOUSING UNITS—MOTION UNDER S.O. 43

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, I rise under the provisions of Standing Order 43 to move a motion of urgent and pressing necessity. In light of the fact that Statistics Canada yesterday reported that the number of people filing unemployment insurance claims was up 10 per cent over a year ago and that benefits paid were 12 per cent higher than a year ago, and in light of the budget's almost total lack of action to stimulate activity in the labour-intensive Canadian-owned housing sector, I move, seconded by the hon. member for Mississauga South (Mr. Blenkarn):

That the government immediately bring in measures to enable more affordable family housing units to be built to fill the estimated required 47,000 units over 1980-81, thus simultaneously meeting both social and economic needs.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

EXEMPTION OF CHIP GRANTS FROM TAXATION—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Madam Speaker, I rise under the authority of Standing Order 43 to present a matter of urgent and pressing necessity. Whereas the homes of thousands of low and middle-income families require insulation to keep out the cold and to conserve energy, whereas the price of home insulating materials continues to increase while the grants remain constant, and whereas the government makes a good fellow of itself by providing funds to insulate such homes and then takes back a chunk of the money by making the said grants taxable, I move, seconded by the hon. member for Pembina (Mr. Elzinga):

That the members of this House request the government to desist from this hyprocrisy and exempt the funds from income tax provisions.

Madam Speaker: For presentation, such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

CALL FOR PROGRAM TO ALLEVIATE MORTGAGE INTEREST COSTS—MOTION UNDER S.O. 43

Mr. Don Blenkarn (Mississauga South): Madam Speaker, I rise under Standing Order 43 to move a motion of urgent necessity. As a result of the inept fiscal policies of this government bidding out other borrowers in the financial markets, interest rates have started to rise dramatically. Increased interest costs are particularly damaging to young people and people with low and moderate incomes trying to pay for a home. I therefore move, seconded by the hon. member for York-Sunbury (Mr. Howie):

That this House direct the Minister of Finance to produce forthwith a program to alleviate mortgage interest costs in excess of 12 per cent, payable by people with low and moderate incomes.

Madam Speaker: For presentation, such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

LABOUR DISPUTES

RADIO-CANADA—CALL FOR GOOD FAITH BARGAINING WITH UNION OF JOURNALISTS—MOTION UNDER S.O. 43

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, I too rise under the provisions of Standing Order 43. Given the fact that journalists of Radio-Canada are now on strike, and given the fact that this strike has deprived Francophones across Canada of national news for more than a week, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the Secretary of State use his good offices to urge the board of directors of Radio-Canada to bargain in good faith with the union of journalists.

Madam Speaker: For presentation, such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HOUSING

CALL FOR NATIONAL TASK FORCE TO EVOLVE POLICIES—MOTION UNDER S.O. 43

Mr. Bill Yurko (Edmonton East): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. This nation is facing a serious supply and affordability housing crisis, particularly in western Canada, as a result of the national government's devastating industrial, energy, fiscal and budgetary policies. Reinitiation of the MURB program is hardly sufficient to deal with the developing housing problems. Therefore I move, seconded by the hon. member for Assiniboia (Mr. Gustafson):

That the government initiate a national housing task force which, working in co-operation with the provinces, will evolve appropriate and needed housing policies to meet the needs and demands of the next decade.

Madam Speaker: For presentation, such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENERGY TAX CREDIT

CALL FOR PLAN TO OFFSET INCREASED GASOLINE PRICES—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, I rise under the provisions of Standing Order 43. Given the fact that the Liberals stated in the last election that they would provide cheap gas for Canadians but this has not materialized because the cost of gas at the pumps has increased as much as 40 cents a gallon since December, 1979, I move, seconded by the hon. member for Assiniboia (Mr. Gustafson):

That this House instruct the Minister of Finance to bring in a tax credit plan needed to offset these increases which would place an unnecessary burden on farmers, fishermen, commuters and low income groups.

Madam Speaker: For presentation, such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ENERGY

INCREASED OIL PRICES FOR NORTHERN RESIDENTS—MOTION UNDER S.O. 43

Mr. Dave Nickerson (Western Arctic): Madam Speaker, I rise under the provisions of Standing Order 43. On October 18 the Minister of Indian Affairs and Northern Development (Mr. Munro) gave assurances to the Western Arctic Liberal Association that he would safeguard energy supplies in the north. Just a few days later in his budget, the Deputy Prime Minister and Minister of Finance (Mr. MacEachen) announced heating oil price increases which could see residents of the Yukon and Northwest Territories, where there is no alternative source of domestic heating fuel, paying in excess of $2 per gallon in the near future. Therefore I move, seconded by the hon. member for Prince George-Peace River (Mr. Oberle):

• (1410)

That this House demands that the Minister of Indian Affairs and Northern Development apologize for misleading those few poor credulous souls in the Western Arctic Liberal Association who might have made the mistake of actually believing what the minister had to say.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HOUSING

PROGRAM FOR RURAL AND NORTHERN AREAS—MOTION UNDER S.O. 43

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, I rise under the provisions of Standing Order 43 to propose a motion regarding the fact that it is now virtually impossible for the poorest of the poor in Canada who live in rural, remote and northern areas of the country to afford even the most minimum standard home. I move, seconded by the hon. member for Western Arctic (Mr. Nickerson):

That this House requires the government to arrange immediately its spending priorities to accommodate a program for housing designed to serve the chronic and now crucial needs of Canadians who live in rural and northern areas of our country, and that such a program include a measure whereby the heavy penalties imposed on the poor and northern Canadians by the recent budget be offset through a subsidy of a blended payment, which includes the cost of heating and other utilities and is limited to a percentage of income.

Madam Speaker: Presentation of this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

YEAR OF THE DISABLED

CALL FOR TRANSPORTATION AND SPECIAL HOUSING PROGRAMS—MOTION UNDER S.O. 43

Hon. W. G. Dinsdale (Brandon-Souris): Madam Speaker, I rise on a matter of great urgency under the provisions of Standing Order 43. In view of the fact that 1981, the Year of the Disabled, is fast approaching and the Government of Canada is delaying in getting its programs for the disabled under way, I move, seconded by the hon. member for Oxford (Mr. Halliday):

That the Minister of Transport act immediately on the program of transportation for the disabled which has been awaiting his decision since July, and that the Minister of Public Works responsible for housing proceed to amend regulations under the National Housing Act making it possible for non-government organizations to provide group homes and special housing for the physically and mentally disabled as a vital part of the movement toward independent living.

Madam Speaker: Presentation of this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

LABOUR CONDITIONS

LAY-OFFS AND ECONOMIC INSECURITY—ALLEGED DOUBLE STANDARD—MOTION UNDER S.O. 43

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, I move, seconded by the hon. member for New Westminster-Coquitlam (Miss Jewett):

That the government be condemned for a grotesque double standard in its handling of the problem of lay-offs and economic insecurity, in that as a result of the politicization of the federal service, Michael Pitfield was laid off with severance pay of over $100,000 on which he has, on his rehiring, paid back less than $10,000, at the same time as hundreds of thousands of Canadians, including many federal employees, have been fired or laid off without their security rights being recognized in law or compensated by either their employers or the federal government.

Madam Speaker: Presentation of this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

LABOUR CONDITIONS

PROJECTED INCREASE IN NUMBER OF UNEMPLOYED

Hon. David Crombie (Rosedale): Madam Speaker, my question is for the Minister of Employment and Immigration.

The minister will know that on Monday of this week the Canadian Council on Social Development indicated that "the budget can only have a devastating impact on the standard of living of millions of disadvantaged Canadians". Also he will know that this morning, Leonard Shifrin, a social policy analyst in Ottawa, said that this budget is "socking it to the little guy". Finally, the minister will know that the root of the growing discontent with this budget lies in the fact that it is a projection for one million Canadians to be unemployed. I would like to ask the minister how he can justify an increase in the unemployment rolls next year of 150,000 Canadians, and what does he intend to do about it?

● (1415)

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, no one is justifying additions to the unemployment rolls. As the hon. member well knows, the question of unemployment in this country is a product of a number of factors, many of which are beyond our control. Certainly developments in the international economy and the basic questions of oil prices are significant problems. I would draw to the attention of the hon. member that, contrary to the position taken by his government, which was to introduce severe cutbacks and restraints in government spending that would create further recession and more unemployment—higher than was predicted in our budget—we maintained a balance of our deficit and provided a high degree of economic stimulation through the incentives to the oil and gas industry.

Mr. Crombie: Madam Speaker, I think people are going to get very tired of hearing the government blame other people. I think what Canadians are looking for are some answers. In the past the minister has indicated that a program which involves $350 million will solve the problems. He neatly forgets that that program, which he has touted as being able to solve the problems, amounts to about 12,000 person-years of employment. That is about 1 per cent of the projected unemployment rate. What I want to know is what new programs the minister has to offer to the other 99 per cent of Canadians who are going to be unemployed as a consequence of his colleague's budget.

Some hon. Members: Hear, hear!

Mr. Axworthy: Madam Speaker, nobody has ever claimed that that particular program will solve the problem. It is simply a response to the problem. There is a great difference between the two. The hon. member might do well to recognize that it is not the only measure that has been taken to respond to the problem of unemployment. For example, when I took over this ministry I was required to reintroduce a number of direct job creation programs, which the hon. member, as a member of the previous government, had cancelled. In fact, those programs were the ones which hit most heavily in the areas of highest unemployment. We had to put people back to work as a result of the cancellation of those programs, which cancellation took work away from them.

Mr. Crombie: Madam Speaker, the problem of one million unemployed in this country is not to be dealt with in such a light fashion. I would like to ask the minister another question. If he has also read the report of the council, he will know they say that "the budget is antagonistic towards the unemployed, most of whom are women, youth and the handicapped". I would like to know, as would the people, what the minister intends to do with those groups now and in the future. When will he quit trying to blame other people for his failure to meet his responsibilities?

Mr. Axworthy: As the hon. member well knows, in the job creation programs which we introduced this summer to replace the ones the previous government had cancelled—

Some hon. Members: Oh, oh!

Mr. Axworthy: —we put the priority on the hiring of women. We established the affirmative action principle so that priority would be given to the hiring of women, young people and minority groups.

* * *

CONSUMER AFFAIRS

PROJECTED INCREASE IN FOOD PRICES

Mr. Don Blenkarn (Mississauga South): Madam Speaker, my question is for the Minister of Finance. I do not know what the minister knows about the fiscal management of families, but most members in this House know that a family's fiscal and financial management shows up at the check-out counter of the grocery store. The minister projected food prices to rise 12 per cent next year. With the depreciation in the current value of our dollar from the minister's projections, and bearing in mind that food prices are really affected by exchange rates, will the minister confirm that on the basis of the depreciation of the dollar the increase in food prices next year is likely to be more like 15 per cent or 16 per cent?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): No, Madam Speaker.

Mr. Blenkarn: Madam Speaker, the minister made all sorts of other projections. He projected that the exchange value of the dollar would be 86 cents this year and 87½ cents next year. My supplementary question is in connection with fuel oil. The minister knows, as a result of his inept budget, that he will have to pay more for imported oil next year than he anticipated. Would the minister tell the House how much more it will cost people to purchase heating oil as a result of depreciation in the value of the dollar? I would remind him that he has already spent—

● (1420)

Madam Speaker: Order.

Mr. Blenkarn: —over $250 million to prop up the dollar.

Madam Speaker: Order. The question has been asked.

Mr. MacEachen: Madam Speaker, I would like to hear the question, if I may.

Mr. Blenkarn: Madam Speaker, due to the depreciation of our dollar we will have to pay more for foreign oil. Will the cost of that foreign oil be reflected in the price people will have to pay for heating oil, and so on, as a result of this problem?

Mr. MacEachen: Madam Speaker, the hon. member knows that a large number of projections were made in the budget, and especially in the budget papers extending over a period of four years. He knows as well as I that it is very risky business indeed to make projections for six months in an uncertain economy and an uncertain world, let alone for four years. I put forward those projections in order to give the fullest possible information to the Canadian public and in accordance with the useful precedent established by my predecessor. But I believe that at this stage to regard the projections as hard reality is a bit risky. For that reason I do not intend to be drawn into making long-term cost estimates on the basis of long-term projections except where necessary.

Mr. Paproski: Why don't you just say 36 cents a gallon?

* * *

NORTHERN PIPELINES

ALASKA GAS PIPELINE—ASSURANCE OF U.S. FINANCIAL GUARANTEES

Mr. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Minister of Energy, Mines and Resources. Last week the minister expressed his serious concern that the $23 billion Alaska highway natural gas pipeline might not be completed. He at last recognized that reality. He said that "activity must be increased. There has already been too much delay."

Since President Carter failed to obtain from Congress any financial guarantees for the northern pipeline and provided instead simply a personal letter of endorsation to the Government of Canada at the last minute—which certainly is quite worthless now—will the minister ensure that representatives of the Canadian government contact president-elect Reagan early (a) to obtain his personal commitment to this project, and (b), more importantly, to obtain his assurance that he will request the newly-elected Congress to provide the iron-clad financial guarantees which the minister himself said were so essential to this project?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, contrary to what the Leader of the New Democratic Party has just said, I have not raised doubts as to the construction of the pipeline. I indicated quite clearly in a speech which I made in Vancouver that there was no justification or reason for doubting that Congress and the President would continue to be completely committed to the construction of that pipeline. However, I said that since the signing of the treaty several years ago there has been too much

delay, and that we were following developments very closely. In the last few weeks developments have been very encouraging in terms of commitments from firms and new participants in the project.

I would remind the hon. Leader of the New Democratic Party that not only President Carter but Congress unanimously indicated that the Alaska gas pipeline was of the highest priority to the United States. Therefore, there is no reason to doubt that the new Congress or that the new President would put in jeopardy this strong commitment. I can assure the hon. member that as soon as the new administration takes office in January, we will be in touch with it in order to ensure that the commitment will continue to be as firm as it ever was.

● (1425)

Mr. Broadbent: A supplementary question, Madam Speaker. First, the minister himself said last week that there has been, and I quote, "too much delay already"—referring to the present activity. Second, the minister knows that the pious wish expressed by the U.S. Congress was precisely that—a pious wish that contained no guarantees.

Finally, since president-elect Reagan is already on record as favouring a continental energy policy, which is a marked shift from the Carter administration, I should like to ask the minister why he is expressing no concern at all about Canadian interests in this vital matter.

Mr. Lalonde: On the contrary, Madam Speaker, this government and myself have the interests of Canada very much at heart in all these developments. I should like to remind the hon. member again that he has not reported accurately what I said. The best example is that he said I said this last week, when actually I said it two weeks ago in Vancouver. I could go on to the other aspects which are all on the record. There is a speech on the record and I would recommend that the hon. member refer to it.

As far as the supposed commitment of Governor Reagan to a continental energy policy, I have found in many discussions with United States elected officials that they have a very different concept of the phrase "continental energy" as they use it and as we perceive it. We have indicated repeatedly to them—

Some hon. Members: Order, order!

Mr. Lalonde: —that there is no question about our support for an integrated continental policy.

An hon. Member: Speech.

Mr. Lalonde: There is no question about that at all; this government does not favour that.

Mr. Broadbent: A further supplementary question, Madam Speaker. We are witnessing the same, typical lack of concern from the government which will last until we are faced with a disaster coming from the United States.

An hon. Member: Get up in caucus, Ed.

An hon. Member: Question.

Mr. Broadbent: Considering that the president-elect has expressed different views on controlling the environment, on the Canada-U.S. automotive agreement and on fisheries treaties, to name just a few—

Some hon. Members: Question.

Mr. Broadbent: —from the President who now holds office, is the minister telling the House that his government is not concerned at all that there is going to be any departure in American policy as it affects Canadians?

Mr. Paproski: Say yes, Marc.

Mr. Lalonde: Madam Speaker, I do not know how much I can repeat the same answer for the hon. member.

Mr. Baker (Nepean-Carleton): Don't bother. It is too long.

Mr. Lalonde: This government is indeed very concerned about ensuring that Canadian interests come first and are protected under this government. This is what we have been elected to do and this is what we will continue to do. At the same time we have to wait for the president-elect to come into office. Contrary again to what the hon. member said, he is not in office yet, he will be in office only in January.

Some hon. Members: Order, order!

Mr. Lalonde: We will certainly make sure that the views of the Canadian government are well known to the new government of the United States when it comes into office.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF SPEAKER OF LEGISLATURE OF MANITOBA

Madam Speaker: Order, please. I should like to draw the attention of the House to the presence in our gallery of a colleague, the hon. Harry Graham, Speaker of the legislature of Manitoba.

Some hon. Members: Hear, hear!

* * *

SOCIAL SECURITY

EFFECT OF BUDGET MEASURES ON POOR AND ELDERLY

Hon. James A. McGrath (St. John's East): Madam Speaker, yesterday the Minister of National Health and Welfare accused me of misleading the House and presenting wrong facts in terms of the comments made by the Canadian Council on Social Development. Yet according to Statistics Canada, those who were forced to live on old age pensions and the guaranteed income supplement have, in fact, fallen behind.

For example, in 1971, they were 22.75 per cent below the poverty line, yet for 1980 they were 21.32 per cent below the poverty line, in a period when indexing was in place. Given the budget which calls for a 22 per cent increase in energy pricess, which includes fuel oil, and for a 12 per cent increase in food prices, it is obvious that indexing will not even bring the poor and elderly of this country up to the poverty level.

My question to the minister is this. In face of the budget presented by her colleague, what does she propose to do, given her statutory responsibility, to protect the poor and elderly of this country?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, the hon. member just played a dangerous game by again quoting statistics absolutely out of context and without any particular reference, thus not permitting me to understand exactly what he is talking about. I repeat that the first responsibility for a minister in charge of social security and social affairs is to make sure that we are fighting poverty and getting people out of it altogether. The best mechanism of protection—and we reassessed it in the discussions that led to this budget—is to keep the full indexation to the cost of living the way we have it in Canada.

• (1430)

I resented what the hon. member said yesterday because it does create panic among people who do not have access to a copy of this budget. The hon. member quoted from the top of page 2 of the CCSD document, which says that no program exists to counter-attack the increased cost of living. There is such a program; it is the GIS. I have the statistics here from Statistics Canada. I said that 20 per cent of Canadians were living in poverty and that percentage had dropped to 12 per cent. The figure was 11.2 per cent in 1978, and that figure will continue to decrease.

Mr. McGrath: Madam Speaker, it is the minister who is playing games by shamefully misleading this House and the Canadian public. I would say that that is not in keeping with the social responsibilities of the minister's portfolio. I have demonstrated, and I stand by my facts, that the elderly of this country who are forced to live on the old age pension and the guaranteed income supplement have consistently fallen behind since 1971, indexing notwithstanding. Now we are facing energy increases which will increase the price of fuel oil by at least 75 cents a gallon. We know the price of food will go up yet the minister has the gall to stand in her place and say I am playing games. What is she going to do about it?

Miss Bégin: Madam Speaker, I am very pleased that we did not live through a full mandate of a Conservative government and its social policy.

Some hon. Members: Hear, hear!

Miss Bégin: I wish we knew what the former minister responsible for pensions meant in September a year ago when he announced in Montreal that old age pensions would be changed and the GIS might be changed as well. That is what I call a destabilizing factor for the elderly. The CCSD report says that as a result of the budget many seniors may be forced to move into high-cost public and private institutions. This is false. It is not true that people—

Some hon. Members: Oh, oh!

Miss Bégin: I am sorry, but hon. members must listen to facts if they want to help those most in need.

Mr. Clark: Do you believe anyone but yourself?

Miss Bégin: It is true that if we keep indexation to the exact cost of living, inclusive of the energy factor, as we do in Canada, the help people receive will reflect the cost of living and that will permit people to stay in their own homes.

* * *

HOUSING

ASSISTANCE TO MEET HIGH INTEREST COSTS

Hon. John C. Crosbie (St. John's West): Madam Speaker, I would like to remind that minister that had we still been in office, the people of Canada would be getting an energy tax allowance.

Some hon. Members: Oh, oh!

Mr. Crosbie: Hon. members opposite hate to hear the truth.

Some hon. Members: Hear, hear!

Mr. Crosbie: My question is for the minister of uneasy projections, the Minister of Finance. The minister will be aware that the Bank of Canada rate went up .40 per cent; the prime bank rate is up .5 per cent to 13.25 per cent and now the bank mortgage rates are ranging from 14.75 per cent to 15.25 per cent. This is a very heavy expense for home owners and those who want to buy homes in this country.

Will the minister tell the House what programs he will introduce to help these home owners or would-be home owners meet these high interest costs, which are forecast, I might remind him, to go up in excess of 18 per cent during the coming year?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I think I dealt with that question yesterday when I advised the hon. member that it was not my intention to renew or bring in the mortgage deductibility program which he had brought forward. One of the reasons which led me to reach that conclusion is that his program, as it was designed, would have benefited only 10 per cent of the low-income families, which he and his party have suddenly discovered but forgot about when they designed this program last year.

Some hon. Members: Hear, hear!

Mr. Crosbie: Madam Speaker, I never asked the minister whether he was going to bring in my programs. He has brought in most of them already, but this one he will not bring in.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Crosbie: Might I remind the minister that the refundable energy tax credit has been found to be a very progressive measure that would help the lower income people in this country and no one but the lower income people. So I want to remind him of that.

* * *

ENERGY TAX CREDIT

REQUEST THAT CONSERVATIVE BUDGET PROPOSAL BE IMPLEMENTED

Hon. John C. Crosbie (St. John's West): My supplementary question to the minister is this: Dian Cohen and other observers have pointed out that home heating oil costs are going to increase something like $8 a month as a result of the minister's budget, unemployment insurance contributions $7 a month and the average driver will have to face an increase of $7 a month. Miss Cohen estimates the tax bite at around $300 a year for the average taxpayer and home owner. Could I also remind the minister that more and more families are going to run into credit difficulties in this period of high interest rates.

In view of these facts, will the minister forget the mortgage interest and property tax program—he is not going to help home owners—and will he bring in an energy tax credit, similar to the one we proposed last year to help the low and middle income people of this country, 70 per cent of which would go to people who earn under $20,000 a year. Will the minister do that? Can the minister bring himself to do that and help these people upon whom he has imposed high taxes?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, it is obviously worth repeating what I have stated on earlier occasions, namely, that it is not my intention to bring in an energy tax credit.

An hon. Member: Why not?

Mr. MacEachen: It is not because the government did not consider the impact of increased energy prices on all groups in the country.

Mr. McGrath: That is to your discredit, Allan.

Mr. MacEachen: We decided not to bring it in because over the four-year period the burden of increased energy prices put forward in the budget will be about $1,200 less per family than was the case in the Tory budget, including the energy tax credit.

An hon. Member: That is a lie.

An hon. Member: Treat us seriously, Allan.

Mr. MacEachen: They will be better off by $1,200 over the next period of time.

Some hon. Members: Hear, hear!

Mr. MacEachen: That is my belief and that is why I did not bring in an energy tax credit. If hon. members want to attack those statistics and prove them wrong, then, of course, they are free to do so. But it is on the basis of those facts that the energy tax credit was not brought in.

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INDUSTRY

WHITE FARM EQUIPMENT—INQUIRY AS TO ACTION TO AVERT CLOSURE

Mr. Derek Blackburn (Brant): Madam Speaker, my question is directed to the Minister of Industry, Trade and Commerce. In view of the fact that White Motor Company in the United States is about to close out its Canadian subsidiary, White Farm Equipment of Brantford, Ontario, throwing 1,200 employees out of work, in view of the fact that this will cause grave financial and psychological strain on the workers and their families in an already depressed community, and in view of the further fact that the employees and retirees may lose all or part of their pension benefits, what specifically, and in concrete terms, is the federal government going to do to save this very viable farm implement company which is yet another victim of a foreign-owned multinational?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, we are keeping in very close touch with developments connected with the White Motor Company.

Some hon. Members: Oh, oh!

Mr. Gray: We are very much aware of the importance of the company in terms of the over-all viability of the farm machinery sector. We certainly want to see what can be done to ensure the viability of the sector as a whole, including the White Motor component.

Mr. Blackburn: Madam Speaker, I am getting rather tired of these answers from the minister which mean absolutely nothing.

Some hon. Members: Hear, hear!

An hon. Member: Bring it up in caucus.

Mr. Blackburn: My supplementary question is directed to the same minister. Given that White Farm Equipment already owes Massey-Ferguson about $2 million, and in view of the fact that White Farm has developed and produced the 9700 combine, largely at public expense through research and development grants from the federal government, which could greatly assist Massey-Ferguson in its own recovery, would the

minister assist in the present discussions between Massey-Ferguson and White Farm Equipment with a view to having Massey-Ferguson take over the White Farm operation in Brantford to rationalize the two industries and save 1,200 Canadian jobs?

An hon. Member: Wall to wall socialism.

Mr. Gray: Madam Speaker, we are very much aware of the possibilities connected with White Motor and White Farm Equipment. This is certainly something which can be looked at in terms of a potential over-all solution.

An hon. Member: What about Petro-Canada?

Mr. Gray: I want to say to my hon. friends that if my answers had meant nothing, there would be no possibility today for the survival of Massey-Ferguson and the 6,000 jobs there, and no possibility in turn for any assistance for White Motor.

Fortunately for my hon. friend, my answer and those of the government with respect to the farm machinery industry have meant a lot more than nothing. They have meant the potential for the survival of jobs in this important industry in the interests of the entire Canadian economy.

* * *

● (1440)

COMBINES INVESTIGATION ACT

INQUIRY WHETHER AMENDMENTS WILL BE INTRODUCED

Mr. Peter Lang (Kitchener): Madam Speaker, my question is for the Minister of Consumer and Corporate Affairs. Could the minister inform the House whether there are any proposed measures to strengthen anti-combines legislation and, in particular, whether freedom of the press can be protected from monopolistic takeovers?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Yes, Madam Speaker. Indeed, the amendments to the Combines Investigation Act are long overdue. I hope to be in a position to bring forward appropriate legislation early next year.

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THE BUDGET

EDUCATIONAL ASSISTANCE FOR STUDENTS

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, my question is for the Minister of Finance. We all know that his budget did not help the low and middle-income Canadian, and believe it or not there are low and middle-income Canadians under the age of 65 who are not provided for by the $35 a month increase that this government likes to pretend is the panacea to all the problems of low and middle-income Canadians. I want to ask the minister why he did not listen to the pleas and representations made to him by students, young people from low and moderate income families, who need help to continue their education or retraining. Why did he turn a deaf ear to them and provide nothing in this budget that would help?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): In direct reply to the question, Madam Speaker, I have listened to all the representations and have attempted to put together a budget that is in the interests of the broad community, including all sectors in Canada.

Mr. McDermid: The minister stated in his budget that significant savings will be achieved when the transfer agreements come up for renewal with the provinces, which I believe is in 1982. Will the minister assure this House and the young people of Canada that any action the government takes in this area will not place additional burdens on the youth of Canada by causing drastic increases in tuition fees by cutbacks of moneys for post-secondary education?

Mr. MacEachen: What I provided in the budget, Madam Speaker, was that before the agreements with the provinces expire we would, as is customary, enter into negotiations with the provinces, and that it was my intention to secure savings in the renegotiation of these broad transfers to the provinces. That is a declaration of intent and that is my purpose. Until the negotiations begin and until some results are achieved, it will not be my intention to indicate in advance the results of those negotiations, except to say that I intend to be very respectful of the progress that has been made in this country as a result of very substantial federal support to a variety of programs supported through transfers. Having said that, I do not intend to deal specifically with, and forecast an attitude on, every item that might come up in the negotiations.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF SPEAKER AND DEPUTY SPEAKER OF BELIZE HOUSE OF REPRESENTATIVES

Madam Speaker: I am sure the House would like to recognize in our gallery the Hon. Charles Hyde, Speaker of the House of Representatives of Belize, accompanied by the Deputy Speaker, the Hon. V. Castillo.

Some hon. Members: Hear, hear!

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HOUSING

INQUIRY WHETHER NATIVE AND RURAL HOUSING PROGRAM WILL BE REVIVED

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, my question is for the minister of housing. It is with regard to a program which the government implemented in

1974 to deliver 50,000 homes to the poorest of poor in Canada who live away from the conventional delivery systems of fuel and home heating oils in remote and northern areas of the country. It was known as the native and rural housing program and when it expired in 1979, it had delivered less than 3,000 homes instead of the 50,000. It failed miserably. In addition, many families in the north are having to leave their homes because they cannot cope with the incredibly high fuel costs which are not included in the blended payment that is being charged and which is indexed to their income.

What does the minister intend to do with this program? Is he going to revive it? Is he going to pay any attention to the poor people in the north and remote areas, or is he, like the Minister of National Health and Welfare, going to say that there really is not a housing crisis in this country, that it is just a rumour started by people who do not have a place to live?

Some hon. Members: Oh, oh!

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, with regard to the people the hon. member is concerned about, I would advise that yes, the program will continue. The program is being reviewed with a view to improving and increasing the amount of funds that are available to this particular segment. One of the objectives of the program and a very important aspect of it was to involve people in native and rural areas in the actual production of that type of housing. That has not been an easy task. The people who are involved in this delivery program are meeting with our officials, CMHC officials, and with officials of the ministry of Indian affairs. We are actively reviewing the program, which continues to have a high priority, indeed a higher priority with this government.

Mr. Oberle: Madam Speaker, in light of the death blow which has been dealt this program as a result of the budget, putting an extraordinary burden on people in northern areas who need more fuel and have no alternative but to drive their cars, will the minister give serious consideration to including in the blended payment figure, which is interest and all the other components of a house payment, a component for energy and other utilities? That is the only way these people will ever be able to live in a house. Also, will he undertake to negotiate with the provinces and territorial governments to improve on the delivery system, which has failed so miserably over the last five years?

Mr. Cosgrove: Those are two questions, Madam Speaker. I think I have already touched upon the question of delivery. We hope that through engaging these people in the actual production and delivery, and in education, in conjunction with the minister of manpower, that program will be improved. In so far as the allowance and how we calculate what benefits are available to people who fall under the native and rural program, I would first of all point out that in the budget provisions with regard to energy, there is already an $800 credit for conversion. Those benefits are directed to areas which will specifically impact on the group we are talking about. Secondly, yes, the program is under review.

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WOMEN

CANCELLATION OF PROGRAMS

Mr. Walter McLean (Waterloo): Madam Speaker my question is directed to the minister responsible for the status of women. It relates to the expectations which were raised in the throne speech in relation to women's programs and the statements made by the minister in this House and before women's groups. I draw the minister's attention to the fact that funding for 1980-81 for all women's programs through the Department of Secretary of State amounted to only $700,000, compared to $2.5 million in 1975. By comparison, I draw his attention to the fact that native peoples are funded to a level of $25 million, multiculturalism $6 million and bilingualism $11 million. This lack of support for women has resulted in the cancelling of many programs.

In light of this devastating budget and its impact on women, why is the minister not putting money where his mouth has been?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I would like to correct some of the statements the hon. member has made. We in fact have been putting a large amount of money into new women's programs. We have just introduced a new program for the training of women in non-traditional work, which is becoming highly successful in providing major opportunities for women, and in developing employment opportunities in new areas. We took a very major step this summer when we introduced affirmative action principles into the federal public service. This is a major step in removing the barriers of discrimination, and we have put substantial resources of the government toward implementing that kind of program.

• (1450)

Furthermore, the hon. member was wrong in saying that there have been no increases. We have increased the amount of money going into the Outreach programs for women's employment, and additional resources have gone to the Department of the Secretary of State. I suggest that before the hon. member asks a question it would be helpful if he got the right facts.

Mr. McLean: Madam Speaker, the minister should communicate the facts to groups such as the National Action Committee, because we are talking about funds directed to women's groups across Canada and not about the other support mechanisms which are not in dispute. This minister is supposedly the champion of women's rights in terms of funding, and he cannot deliver in that regard. The minister has not been able to deliver in terms of the human rights package in the proposed constitution.

Will the minister now use his good offices to ensure that the joint constitutional committee is covered by television so that women, who are most affected and least able to travel to the committee, are able to see and hear those proceedings?

Mr. Axworthy: Madam Speaker, I point out to the hon. member that the entrenchment of non-discriminatory rights in the constitution is one of the most significant and important steps toward the advancement of women's rights in this country.

Miss Jewett: Garbage.

Mr. McGrath: Tell that to Indian women.

Mr. Axworthy: The fact that there will be entrenched non-discriminatory and guaranteed rights for all women across the country will mean that every provincial government and the federal government will be required to eliminate from their statutes all known discriminatory aspects. These provisions will also give women a much better opportunity to go to the courts and test their rights. I do not think women in this country need television in the committee. I think they are fully informed and well aware of what an important step forward that really is.

STEPS TO INCREASE EMPLOYMENT TRAINING OPPORTUNITIES

Mr. Neil Young (Beaches): Madam Speaker, my question is for the Minister of Employment and Immigration. As a result of the government's budget, it is estimated that the yearly unemployment average for 1981 will be the highest since the depression years. Given that fact and the fact that increasing numbers of women will be working in order to keep their families above the poverty line, what is the minister doing to increase employment training opportunities for women besides the cosmetic amount he allocated earlier this year?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, as I pointed out in an answer to a previous question, we have taken a very important step forward in the development of affirmative action programs.

An hon. Member: Studies.

Mr. Axworthy: They are designed to eliminate barriers of discrimination in the workplace. Over many generations we have allowed a number of barriers to develop which have prevented women from getting access to normal or non-traditional work. We in the government have taken the step we said in the throne speech we would take to eliminate those barriers, and we took the first important step this summer in introducing it into our own public service.

Beyond that we are offering a number of incentives in our job creation programs and in our training programs and well over 40 per cent of the enrollees in our training programs are women. We have taken a special measure to provide an incentive to private employers by giving them 75 per cent of all training allowances to bring women into non-traditional areas of employment.

I will say finally that we are also awaiting with a great deal of interest the discussions of the parliamentary committee chaired by the hon. member for Notre-Dame-de-Grâce which will give us further recommendations as to steps we can take to improve the employability of women in this country. In the last seven months I think we have taken a number of important steps, and we will see the results of those steps.

Mr. Young: Madam Speaker, I hear the minister talk about steps, but what women in this country want to hear more about is commitment from the minister.

In a recent speech the minister announced that employment growth areas in the future will be in business services, manufacturing and construction, all of which are traditionally male-dominated industries. He also announced that he will encourage skilled workers from other countries to take these jobs. Why does the minister not increase funding for programs which would allow women to take these jobs?

Mr. Axworthy: Madam Speaker, I tried to point out in the previous answer that this government presently spends $800 million on training programs right across Canada. In addition to that, we have added special programs like the Outreach programs to provide special recruitment and placement services for women, for minorities and for disadvantaged groups. We have offered a special program to provide an incentive for employers to provide on the job industrial training for women in non-traditional work.

If that program is taken up by the private sector and succeeds, we will add to it next year, but we must first see how it works and whether the private sector will co-operate. We must also get the co-operation of the provinces, which have on their books a number of regulations preventing the advancement of women because they do not agree with the affirmative action principles we have established.

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ENERGY

OIL GENERATED ELECTRICITY—PROTECTION OF NORTHERN CONSUMERS FROM PRICE INCREASES

Mr. Dave Nickerson (Western Arctic): Madam Speaker, my question is for the Minister of Indian Affairs and Northern Development. My question concerns the Crown Corporation NCPC, which has a virtual monopoly on the generation of electricity in the Yukon and Northwest Territories and which has the already doubtful distinction of charging its customers probably the highest rates in the whole world. How does the minister propose to prevent additional horrendous burdens on northern consumers in areas which are dependent on electricity generated from oil resulting from the extremely high increases in oil prices caused by the Liberal budget?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, I met with Mr. Smith, the chairman of the NCPC, yesterday. One of the areas we covered was this very subject matter of what the

future plans would be with respect to energy costs in the Yukon and Northwest Territories. We are going to have further discussions on this within the next ten days. Hopefully I will be able after those meetings are over to give some indication which might alleviate the hon. member's concern.

Mr. Nickerson: Madam Speaker, that is what I would call a non-answer. Just before the budget came down the minister's own office put out a press release. When he was asked by northerners about what they suspected might well be in the budget, increases in the prices of heating oil and oil used for the generation of electricity, he said that he was going to talk to his colleague the Minister of Finance about it. I would like to know whether he neglected to speak to his colleague the Minister of Finance, or was it just that when he did he was ignored by that gentleman?

Mr. Munro (Hamilton East): No, Madam Speaker, I was not ignored. I had discussions not only with the Minister of Finance but also with the Minister of National Revenue. The hon. member may have noticed that there was a decision to extend the moratorium for a further year in terms of taxation of certain benefits. I believe that was designed to alleviate the type of condition the hon. member is talking about. Might I say that it received a good deal of approbation from residents in the north.

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EMPLOYMENT

PROGRAMS TO ENCOURAGE INDUSTRIES TO HIRE UNIVERSITY GRADUATES

Mr. Jim Hawkes (Calgary West): Madam Speaker, my question is a follow-up from yesterday, and it is directed to the Minister of Employment and Immigration. By now he should be aware of the fact that Amoco Corporation and other companies are cancelling their entire campus recruiting programs as a consequence of the devastating budget. The job situation for university students and graduates will be very bad next year.

Can the minister tell us what programs he will have in place by April and May which will encourage industries to hire the graduates of our technical institutes, community colleges and universities?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I will begin by saying that I hope the hon. member will use his good offices with the Premier of Alberta to ask him to withdraw his decision to freeze the development of tar sands projects. It was not this government which froze those projects but the Premier of Alberta. I suggest that the hon. member would be using his time much more fruitfully if he encouraged a much greater degree of openness in negotiations on the part of his friends in the province of Alberta instead of worrying about this government.

Point of Order—Mr. Clark

Mr. Hawkes: Madam Speaker, I repeat what I said yesterday. Unemployment is a serious situation. The minister indicated in the House yesterday that he recently returned from the west and that he was told by oil industry people that there was a shortage of trained workers. I suspect that either he is dead wrong, he cannot listen, or his information is out of date. A week ago the budget changed the situation from a shortage of skilled workers to a surplus of skilled workers. Can the minister tell us to whom he has talked this week in western Canada who would give him information on the effect that this budget has had on the economy of Canada?

• (1500)

An hon. Member: He has not been out there for months.

Mr. Axworthy: Madam Speaker, unlike the hon. member, I try to talk to a wide variety of people, not simply to people within one company in the oil and gas industry.

Some hon. Members: Oh, oh!

Some hon. Members: Order.

Mr. Axworthy: Madam Speaker, if the hon. member has finished his cheer-leading practice, we can get on with the answer to the question. The fact of the matter is that within that budget there is well over $1 billion of grants and incentives to the Canadian-owned oil and gas industry to provide major new developments for exploration and development in that province alone. It is one of the most important incentives offered for the development and expansion of the Canadian-owned oil and gas industry in western Canada.

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POINTS OF ORDER

MR. CLARK—SPECIAL JOINT COMMITTEE ON CONSTITUTION—SENATE REPRESENTATION

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I rise on a point of order having to do with the business of the House and the committees of the House. The government House leader will know that fully two nights ago the other place agreed to refer the constitutional resolution to a joint committee of the Senate and the House of Commons. There has been some difficulty in the government party in finding senators who would serve as its representatives on the committee, and I wonder if the government House leader could tell us which senators will be representing the government party on the joint committee and when that joint committee will begin its sessions. I ask that because not long ago the government was arguing that this matter was so urgent that it had to use closure to cut off debate in the House of Commons. Could the government House leader answer that question about House business?

Point of Order—Mr. Clark

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, this enables me to remind the Leader of the Official Opposition (Mr. Clark) that we have shown every regard for Parliament because we could have introduced a resolution before the House without the committee stage. Instead we gave the House of Commons an opportunity to debate a preliminary formal motion aimed at referring the proposed resolution to a committee. We spent three weeks of the House's time on the formal debate. The committee is now being struck and we do not want to get involved in the business of the Senate. Here in the House of Commons we have selected our own members to sit on that committee. The Senate is doing the same thing. I presume that the final make-up of the joint committee will be known shortly later today or tomorrow morning. But I think the committee has enough maturity and is fully cognizant of parliamentary practices to realize that it is up to the members to set their rules, schedule their hours and sittings, and I have every confidence in hon. members on both sides of the House who sit on the committee as well as in the senators who will be designated, if that has not already been done earlier today. I am sure they will dutifully carry out the work of the committee. Now then, as the Leader of the Official Opposition knows, between now and December 9 the committee's task will be to scrutinize the technical aspects of the bill, hear a few witnesses and consider any serious amendments.

Madam Speaker, the government has indicated its willingness to entertain constructive amendments and once the committee reports on December 9 there will be a third stage, and this shows just how courteous we are, and Parliament will have every opportunity to launch a serious but non-dilatory debate on the report drafted by the committee. Again today we have extended every courtesy by replying to a question of the Leader of the Official Opposition, a query which he could have raised during question period but which cannot in any way be regarded as a point of order.

[*English*]

Mr. Clark: Madam Speaker, I rise again further to my point of order having to do with the business of the House.

An hon. Member: That is no point of order.

Mr. Clark: I notice, and this is a matter of great concern to all members of the House who are interested in a genuine debate on the constitutional question, that the Minister of Employment and Immigration (Mr. Axworthy), presuming to speak for women in the country, said that women do not want television in the committee hearings. I wonder if the minister was also speaking for the government and whether the government has taken a decision to instruct its members—once it can find some members in the Senate to participate in the joint committee—not to support the televising and live radio broadcasting of the sessions.

[*Translation*]

Mr. Pinard: Madam Speaker, not so long ago, I had occasion to explain to the Leader of the Opposition our attitude and the procedure with regard to the televising of the sittings of committees. I did so, and can do so again: we leave it to that committee to make recommendations to us. We have no instructions to give to it on whether or not its debates should be televised or not. The members of the committee—and again, we cannot speak on behalf of the Senate—will decide whether or not it must be done. I say this: they now have the power to so decide under the terms of the decision reached by this House in January of 1977, subject, of course, to the agreement of the Senate, on the one hand, and that of the Speaker and the commissioners of internal economy with regard to costs, on the other. I can assure the House that I, for one, will not oppose televising the debates just because of the cost involved.

Now, I do not want to anticipate the decision of the committee in that regard. It is entirely free to consider whether, first, it can do so while respecting the concept of the electronic *Hansard*; second, it is desirable, under the circumstances; and, third, it wants, without being influenced by anyone, to televise its sittings. Madam Speaker, in reply to the questions of the Leader of the Opposition, I have no intention, as government House leader, to tell the committee what to do in the matter of televising its hearings. The committee has enough experience to make its own decisions on any procedure, including that of televising its debates, if it so decides.

[*English*]

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, I rise on the same point of order concerning the timing of the committee's activities and the House business. The government House leader has referred to the December 9 deadline and the fact that there will be a few witnesses called before that committee. I should like to ask him whether or not he would consider extending the deadline of that committee now because of what has happened in the other place, given the fact that we have many dozens of witnesses who want to appear, many dozens of groups which want to appear before that committee, and especially in light of his statement that the committee should determine its own timetable in terms of broadcasting. Would he also give the same undertaking to us that the committee can determine its own timetable as to when we will hear witnesses and when we will complete the report? We have allowed here in the House some four years for the public to make representations on the Bank Act. Surely to goodness we must allow more than one month for the public to make representations on the constitution of this country.

Some hon. Members: Hear, hear!

Mr. Nystrom: I wonder whether or not the minister can give us a positive response to this. He said the committee should control its own rules so far as broadcasting of its deliberations by radio and television is concerned. Will he not exhibit the

same generosity and let the committee determine the pace at which we want to hear witnesses and the amount of time we need to present a proper resolution to the House of Commons?

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Pinard: Madam Speaker, the NDP member has repeated the answer I just gave to the Progressive Conservative leader. The committee is master of its own procedure, but it must act within the confines of the mandate given to it by the House. It is not my intention to go against the decision taken by the House to ask a joint committee to consider the proposed resolution and to report back by December 9. I certainly do not intend to ask the committee to disregard the wishes expressed by the House and also by the Senate. In the meantime, that is until December 9, the committee is free to set the dates at which it will hear witnesses. The hon. member is well aware of the parliamentary procedure and practice as well as of the terms of reference given to the committee and under which it can create subcommittees with various duties. Indeed, under the circumstances, it might not be a bad idea for the committee to divide itself into subcommittees to hear various groups of witnesses.

But I also remind him, in that respect, that in the last few years, there have been other commissions which travelled across the country. The constitutional issue has been discussed across Canada during commission hearings as well as by members of the House during election campaigns and the recent referendum campaign in Quebec. Therefore, this is not a new issue which the committee will consider. It is a national concern, an issue which has been the subject of in-depth study and on which several witnesses have been heard in the past.

The specific task of the committee will mainly be to discuss the amendements to the bill, to refine it in a technical sense and to hear some witnesses. In answer to the NDP member, I want to make it clear that we have no intention of going against the decision made by the House of Commons and by the Senate asking that the committee consider the matter as quickly as possible and report back by December 9. Moreover, it is not our intention to meddle in the affairs of the committee. According to parliamentary practice, we will leave it free to decide its procedure.

• (1510)

[*English*]

Madam Speaker: Quite obviously this is not a point of order. It is an extension of the question period.

Mr. Clark: Not at all.

Some hon. Members: Oh, oh!

Hon. Jake Epp (Provencher): Madam Speaker, I rise on a point of order.

Point of Order—Mr. Clark

Madam Speaker: Order, please. In the beginning a question was asked about the business of the House. I can allow questions on the business of the House, and if hon. members who are now seeking the floor want to ask questions about the business of the House, I can allow that.

Mr. Epp: Madam Speaker, on the same point of order, arising from comments made by the President of the Privy Council (Mr. Pinard)—

Madam Speaker: Order, please. I just said that I did not feel this was a point of order. If the hon. member has a question on the business of the House, I can allow that.

Mr. Epp: Well, on the business of the House, Madam Speaker, the President of the Privy Council indicated in his remarks that the government would hear "a few witnesses".

Mr. Chrétien: No, he never said that.

Mr. Epp: That is what he said.

Mr. Pinard: No.

Some hon. Members: He said that.

Mr. Chrétien: "Many".

Mr. Clark: Perhaps he meants "plusieurs".

Mr. Epp: We have had assurances in this House, and hon. senators in the other place have had assurances from the Senate leader over there, that in fact witnesses would be heard. Surely it is a point which must be clarified now, whether instructions were given to the members of the committee on the government side. Not only was the House stopped from speaking through closure, but now Canadians who want to appear as witnesses will not have that opportunity. In fact they are to be stifled even before they have a chance to appear.

Some hon. Members: Shame!

Mr. Epp: That is the point. Also on this point of business I want to ask the President of the Privy Council a question. He said that this question has been asked before and that there have been joint committees and royal commissions travelling across the country. The point of the matter is that on this proposed resolution that has not taken place.

Mr. Chrétien: That is not what he said.

Mr. Clark: Read the record.

Mr. Epp: That is not what has taken place, and this has not been before the Canadian people. So, it needs clarification before the committee sits, whether the President of the Privy Council in fact has now instructed that there will be only a limited number of witnesses heard, and also that he has no intention to follow up what was said in the other place by the Senate leader there that in fact consideration would be given to the extension of the time of the committee.

Point of Order—Mr. Hnatyshyn

[*Translation*]

Mr. Pinard: Madam Speaker, I have not given any instruction to the committee, I trust it entirely.

[*English*]

MR. HNATYSHYN—COMPOSITION OF SPECIAL JOINT COMMITTEE ON CONSTITUTION

Madam Speaker: Is the hon. member for Saskatoon West (Mr. Hnatyshyn) rising on a point of order?

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, It is on a point of order with respect to business of the House and a matter directly under the jurisdiction of the government House leader. There has developed, in the course of the selection process in terms of this particular joint committee, a precedent which the government House leader has direct authority to curtail. It is contrary to every principle of parliamentary tradition which we have in the country. It is the nomination of a member of cabinet as a member of this committee. I refer to Senator Argue being promoted by the other place to be a member of this committee.

We have a number of other senators from Saskatchewan, Senator Balfour, Senator Buckwold, and Senator Steuart, who are all known and can participate in a meaningful way on this particular committee.

In terms of the membership of this committee and in accordance with our parliamentary traditions, will the government House leader undertake not to introduce and allow the introduction of a colleague of his as a member of this committee, so that the average rank and file member of the House of Commons in fact can participate in that committee without direct government intervention?

Madam Speaker: It seems to me I cannot allow the hon. member to raise a point of order on something which is taking place in the other chamber.

Mr. Epp: It is on the joint committee.

Madam Speaker: Probably the minister cannot answer about what is going on in the other chamber.

Some hon. Members: Yes he can.

Madam Speaker: At any rate, I have given him the floor so that he might answer, but I just warn hon. members that questions about what is going on in the Senate should be asked in the Senate.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I did not give any instruction to the senators about the election of the members of the committee and I do not intend to do so. The comments of the hon. member does not affect me at all because once again I do not intend to intervene in the selection of the members of the committee, especially those appointed by the Senate. I have not been involved in any manner whatever in the appointment of the members of the committee and I do not intend to be.

[*English*]

Madam Speaker: Is the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty) seeking the floor on a point of order?

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, it is on a question of House business. The business of the House is very directly affected by the date of reporting of that committee, in that the report will have to be considered by the House. Was Senator Perrault, the government House leader in the Senate, speaking on behalf of the government when he indicated on Monday night in the Senate—

Miss Bégin: Ask him.

Mr. Beatty: —that the government would entertain seriously an interim report by the committee asking for an extension of the December 9 deadline?

[*Translation*]

Mr. Pinard: Madam Speaker, the question could perhaps be put in the Senate but I do not know how I could comment on Senator Perrault's reply with which I am not acquainted. Anyhow I do not intend to comment on what Senator Perrault said in the other place. If he has a question to put in the Senate, he has colleagues there who could do it.

[*English*]

Madam Speaker: The right hon. Leader of the Opposition (Mr. Clark).

Some hon. Members: Oh, oh!

MR. CLARK—STATEMENTS MADE IN SENATE BY GOVERNMENT MINISTERS

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, this raises an entirely new question of order and entirely new question of the practices of the House of Commons. We have now, as we had in the last Parliament, a situation where, as a result of electoral return, it was necessary for the Government of Canada to reach beyond this House for ministers and to have senators sit as full ministers, carrying full ministerial responsibility and carrying the limitations of ministers as members of the cabinet of Canada. That is the situation in the House.

As was stated frequently last year, it raises some difficulties and perhaps infringes on our privileges. At least it raises some difficulties for members of the House of Commons who might want to put questions directly to cabinet ministers who do not sit here in the House of Commons.

We all regret the electoral situation which causes cabinet ministers to be drawn from the other place. All of us would prefer to have cabinet ministers directly elected and reporting here in the House of Commons. But what has happened here is

that we have a situation where a minister of the Crown has been nominated by the government party to serve on a parliamentary joint committee. This is a breach of all traditions and practices of the House of Commons because that minister, by virtue of his oath and by virtue of being a member of the cabinet of Canada, is not able to participate in that committee discussion with the same freedom of action as other members of the House of Commons or of the Senate who are members of that committee. There is a clear change in the practice of the House.

Obviously it must have been taken with the knowledge of the government House leader who is a member of cabinet and is a colleague of not only the minister who was named but of the other ministers in that place who, presumably, took part in that decision. What troubles me and causes me to rise at this time is that this marks at least the second time in, I think, ten days where the minister responsible to the House of Commons on government business has declined to accept responsibility for statements of a ministerial colleague in the House of Commons or has declined to tell the House of Commons whether a statement made in the other place in fact represents the position of the Government of Canada. Why has he declined that? It is because the other minister is not here. That is simply not acceptable to the House of Commons.

Some hon. Members: Right on.

Mr. Clark: It is simply not acceptable that we are denied an indication or a statement from the mouth of the government House leader here in the House of Commons as to what is the position of the Government of Canada when a position has been stated by a cabinet colleague in the other place, and it is neither confirmed nor denied by the government House leader here. There is a dangerous new practice which is developing here. First of all, it is dangerous in its attempt to smuggle a person to a joint committee of the House of Commons and the Senate, who is not free to act independently in the way other members are. Secondly, it is a dangerous practice in that the repeated refusals of this government House leader to accept the principle of government solidarity, to accept the principle of cabinet solidarity, and to accept that ministerial responsibility means that a statement made by one of his colleagues must bind the government, or, if it does not, it must be specifically rejected and disclaimed by the responsible government House leader here in the House of Commons.

● (1520)

Some hon. Members: Hear, hear!

[*Translation*]

Madam Speaker: Before recognizing another member, I should remind those who have risen on this point of order that I find myself in an absolutely impossible situation because I cannot rule on this matter since I am bound only by the rules of this House. What goes on in the Senate is therefore the affair of the Speaker of that assembly.

Point of Order—Mr. Clark

The Right Hon. Leader of the Opposition has initiated a discussion because he has not had an answer from the President of the Privy Council (Mr. Pinard) about something which was discussed in the Senate. He may quite legitimately try to obtain an answer to his question, but this is a debate and we are in fact having a debate. This is not a point of order. Therefore, since it is not a point of order, I admit that there can be a debate, but there are other occasions when we have such debates in the House of Commons and I am certain that the Right Hon. Leader of the Opposition will take the first opportunity to have one. I shall now recognize the President of the Privy Council as he has been asked a direct question, but I cannot recognize other members on this point of order.

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, there is no reason for the Right Hon. Leader of the Opposition to panic. In fact, I do not know whether there will be a minister among the members of the joint committee, but it would not be the first time that this has happened. I can give him a list of members of a committee and even of chairmen of committees who were ministers at the time. Not so long ago, in 1976-77, Madam Speaker, Mr. Sharp was the chairman of the Standing Committee on Procedure and Organization. The present Minister of Finance has served as chairman of a committee, as did Sir Wilfrid Laurier and Sir John A. Macdonald.

I therefore do not see why the right hon. member should be shocked by what happened in the Senate yesterday or by the attempt to have a minister appointed to a joint committee. I do not see how this can go against all the precedents. I believe that the right hon. member should check on his facts and perhaps learn a bit more about parliamentary procedure and the practices of this House and of this noble institiution for which we all have the highest respect. Therefore, there is no reason to panic. If it did happen, it would not be the first time. That would not be a precedent because it has happened before that a minister has been appointed to sit on a committee. I am not saying that one would be appointed again this time, for I do not intend to interfere with the senators' choice. I leave them entirely free to appoint whomever they please to sit on this joint committee. I repeat, Madam Speaker, on what senators may say in the other place, I assume that there are Progressive Conservative senators there to ask relevant questions.

As far as our position is concerned—I can repeat to the Leader of the Opposition what I said earlier to the NDP member—it is clearly that we want to honour the decision which has been reached by both the House of Commons and the Senate concerning the mandate entrusted to the Joint Committee: first, to consider the joint resolution, and second, to submit its report not later than December 9. I suggest that things could not be clearer, and if the Leader of the Opposition does not understand, I am sorry, but there is nothing I can add. I repeat, therefore, what I have just said, Madam Speak-

er, namely, that the effect of the resolution which has been accepted by both the House of Commons and the Senate is to compel the committee to submit its report not later than December 9, 1980, and as far as I am concerned, such is the position of the government at this time, and we have no intention of changing it.

[*English*]

Mr. Clark: Madam Speaker, if I remember correctly, in your remarks you indicated there was a dilemma for the Chair in that you do not have the power to decide on a matter that was raised in the other place, the Senate. That other place is now occupied by three ministers of the Crown who are making statements of government policy on which they cannot be questioned here, and on which government ministers opposite will not provide either response or clarification. You have indicated there is a dilemma.

I am rising at this time simply to reserve my right tomorrow, or at some later time, to file and raise a question of privilege relating to the limitation upon the privileges of members of the House of Commons to obtain information relating to the business of the Government of Canada confirmed by ministers of the Crown who are members of this House. I think this is a very real question which I have raised with respect to our ability to deal with answers which are given in another chamber by responsible ministers—ministers who are not accountable in any way to us. That breach of our privilege, or the potential breach of it, is further aggravated by the persistent reaction and response of the government House leader, who says he does not know what his cabinet colleague has been saying, and his persistent refusal to respond to questions in this House. So, I simply rise at this time to reserve my right to raise a question of privilege at a later time.

[*Translation*]

Madam Speaker: I only wish to remind the Right Hon. Leader of the Opposition that I did not mention a dilemma. I categorically stated that I was not in a position to rule on anything going on in the Senate, as the Standing Orders only give me the authority to make rulings pertaining to procedure in the House of Commons.

[*English*]

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, with respect to this issue it seems to me it has been made unnecessarily complicated by dragging in the Senate. Let us forget about the Senate altogether. The fact is that a minister of the government, whose name is Hon. Raymond Perrault, has made a statement somewhere other than in this House. It does not matter where he made it. Traditionally we have the right in this House to ask the Prime Minister (Mr. Trudeau) if a statement made by a minister represents government policy. Therefore in the absence of the Prime Minister I submit that we have the right to ask the government House leader whether the Hon. Raymond Perrault, who is a member of the cabinet and a minister of the Crown, was uttering government policy when he said that the government would entertain the idea of a change in the final date assigned to the committee.

[*Translation*]

Mr. Pinard: There are two things, Madam Speaker. First, a question of that nature should be asked during the oral question period and not through a point of order. Second, in answer to the hon. member for Winnipeg North Centre (Mr. Knowles) I said earlier, responding to a question put by the Progressive Conservative Party that I was not aware of the remark that Senator Perrault was alleged to have made. And I do not know any more now than I did five minutes ago. Hence I cannot make any comment. All I can say is that government policy is in keeping with the answer that I gave earlier to the hon. member from his party and to the Leader of the Opposition. Consequently, Madam Speaker, I do not think I could have a more open or frank attitude.

[*English*]

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, I would like to add something to this point of order which has come up.

Madam Speaker: No, I am sorry, it is not a point of order. I have said I would not recognize any more speakers on this subject, which is not a point of order. The Right Hon. Leader of the Opposition (Mr. Clark) has spoken but he had another purpose in rising and taking the floor.

Mr. Kilgour: It is not a point of order, Madam Speaker, it is with respect to the business of the House. It is my understanding of Parliament that traditionally the only member of the government in the Senate is the government leader there. We now have a situation where Canada has gone beyond that. I admit that our government went beyond that last year for electoral reasons as well. I submit it is a convention of this House that matters concerning government ministers which are raised in that House are replied to by the President of the Privy Council. Therefore, the very fundamental question which Your Honour has to answer is whether or not the government House leader can decide whether he will tell us if an answer made in the other place is valid here. That was pointed out by the hon. member for Winnipeg North Centre (Mr. Knowles).

I submit that unless our system of parliamentary government is to be changed fundamentally—in which case we might have ten cabinet ministers appointed in the other place who do not have to answer any questions in this House—the Chair should decide what will be the future convention on this point in this House.

• (1530)

Madam Speaker: Ministers are free to answer in any way they wish, and the Chair has no authority to force them to answer questions or to tell them in what way they should answer questions. My feeling today is that the minister did answer the question. The hon. member is not satisfied with the answer and does not like it, but that is not for me to decide.

BUSINESS OF THE HOUSE

Mr. Robinson (Burnaby): Madam Speaker, I have a question for the President of the Privy Council (Mr. Pinard) concerning the business of the House, if I may have his attention for just a moment. It concerns an important piece of legislation, Bill C-43, the Freedom of Information Act. Would the government House leader give some indication of when this important piece of legislation will be brought before the House for second reading? He is aware of the fact that my party has indicated its desire to have the legislation expedited at second reading. We are prepared to co-operate as we did on the previous bill to see this legislation get into committee quickly for a full and comprehensive study. It is an important bill. Would the government House leader indicate when the freedom of information legislation will be brought forward for second reading?

Mr. Pinard: Madam Speaker, I welcome very much the offer of co-operation from the hon. member on this particular bill. I can assure him that at the first opportunity I will make sure that this bill is brought forward for discussion at second reading. The hon. member knows that during the coming days we must deal with the Bank Act before November 30. In order to cope with the parliamentary calendar for this month, I held a House leaders' meeting last night, and I will hold a meeting tonight. I indicated to the House leaders last night that it would be possible, if we have collaboration from both opposition parties, to be in a position to deal with the second reading stage of both the legislation on the access to information and on the Post Office. However, there will be further consultation and discussion with the House leaders. In so far as we are concerned, we are very keen to deal with this bill and to send it to committee. But it all depends on the co-operation we receive from the party of the hon. member and from the Conservative party.

ROUTINE PROCEEDINGS

[*Translation*]

EXTERNAL AFFAIRS AND NATIONAL DEFENCE

Second report of Standing Committee on External Affairs and National Defence—Mr. Prud'homme.

* * *

[*English*]

AGRICULTURE

Fourth report of Standing Committee on Agriculture—Mr. Bossy.

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

Estimates

SUPPLEMENTARY ESTIMATES (B), 1980-81

A message from His Excellency the Governor General transmitting Supplementary Estimates (B) for the financial year ending March 31, 1981, was presented by Hon. Donald J. Johnston (President of the Treasury Board) and read by Madam Speaker to the House.

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, by leave, I should like to table a copy of Supplementary Estimates (B) for the financial year ending March 31, 1981.

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I wish to move the following motion pursuant to Standing Order 59:

That the Supplementary Estimates (B), 1980-81, tabled this day, be referred to the several standing committees of the House as follows:

Because the list is rather long, and there is detailed allocation of the estimates to the committees, if it is agreeable with the House, Madam Speaker, I ask that the list be printed in *Hansard* as if it had been read.

[*Translation*]

Madam Speaker: The House has heard the suggestion of the President of the Privy Council. Is that agreed?

Some hon. Members: Agreed.

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

Some hon. Members: Agreed.

[*English*]

[*Editor's Note: The list is as follows:*]

To the Standing Committee on Agriculture:
Agriculture Votes 5b, 20b, 30b, 35b and 40b

To the Standing Committee on Communications and Culture:
Communications Votes 1b, 5b, 10b and 15b
Secretary of State Votes 1b, 15b, 20b, 30b, 40b, 45b, 50b and 55b

To the Standing Committee on External Affairs and National Defence:
External Affairs Votes 1b, 10b, L13b, L14b, 21b, 25b and L35b
National Defence Votes 1b, 5b and 10b

To the Standing Committee on Finance, Trade and Economic Affairs:
Finance Votes 16b, L18b and 30b
Industry, Trade and Commerce Votes 10b, 25b, L30b, L46b, L47b, 56b and 65b
National Revenue Votes 1b and 5b

To the Standing Committee on Fisheries and Forestry:
Environment Votes 5b, 10b, 15b, 20b and 30b
Fisheries and Oceans Votes 1b and 5b

To the Standing Committee on Health, Welfare and Social Affairs:
National Health and Welfare Votes 10b and 40b

To the Standing Committee on Indian Affairs and Northern Development:
Indian Affairs and Northern Development Votes 5b, 15b, 20b, 30b and 45b

To the Standing Committee on Justice and Legal Affairs:
Justice Votes 1b, 5b and 10b
Solicitor General Votes 5b, 15b and 20b

To the Standing Committee on Labour, Manpower and Immigration:

Order Paper Questions

Employment and Immigration Votes 5b, 10b, 15b, 20b, 25b and 30b

Labour Vote 1b

Secretary of State Vote 130b

To the Standing Committee on Management and Members Services:

Parliament Vote 5b

To the Standing Committee on Miscellaneous Estimates:

Privy Council Votes 1b and 15b

Science and Technology Votes 1b, 10b, 15b and 35b

Treasury Board Votes 1b and 35b

To the Standing Committee on National Resources and Public Works:

Energy, Mines and Resources Votes 1b, 5b, 15b, 16b, 45b and 50b

Public Works Votes 5b, 20b, 40b and 45b

To the Standing Committee on Regional Development:

Regional Economic Expansion Votes 1b, 10b, L16b, 25b, 30b, 31b and 46b

To the Standing Committee on Transport:

Transport Votes 10b, 16b, 17b, L40b, 55b, 65b, 75b, 90b, 91b and 110b

To the Standing Committee on Veterans Affairs:

Veterans Affairs Votes 1b, 5b and 20b

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BUSINESS OF THE HOUSE

TWO-DAY ADJOURNMENT

Mr. Pinard: Madam Speaker, I would like to move the following motion:

That, when the House adjourns on Friday, November 7, 1980, it shall stand adjourned until Wednesday, November 12, 1980; and

On Thursday, November 13, 1980 and Tuesday, November 18, 1980, the House shall sit from 11.00 a.m. to 1.00 p.m. for the consideration of Bill C-6.

That is the Bank Act.

[*Translation*]

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

Some hon. Members: Agreed.

Motion agreed to.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 725, 1,045, 1,321, 1,562 and 1,569.

I ask, Madam Speaker, that the remaining questions be allowed to stand.

[*Text*]

GASOHOL

Question No. 725—**Mr. Greenaway:**

1. Did the government or any of its departments or agencies undertake cost analysis studies to determine the viability of "gasohol" as a substitute for gasoline in the (a) short (b) long term and, if so, what were the results?

2. Did the government or any of its departments or agencies investigate and/or consider (a) exemption of excise tax on gasohol (b) financial assistance of any kind to encourage research and/or development of gasohol (c) benefits which may accrue to the agriculture industry and/or other industries arising from the manufacture of gasohol (d) benefits to the Canadian consumer arising from the development of gasohol and, if so, what (i) was the nature of such investigations or considerations (ii) were the results and/or decisions taken (iii) were the names of any companies and/or agencies which have been involved?

3. If the government or any of its departments or agencies did not undertake such studies or investigations, what is the reason?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Agriculture, Energy, Mines and Resources and Finance as follows: 1. The government has undertaken several studies during the last three years regarding the economic viability of gasohol in Canada. The findings of these investigations suggest that we can make very limited quantities of alcohol suitable for gasohol blends at costs approximately those of equivalent imported oil. The sources of such alcohol would be the waste streams of certain plants and substandard crops. Larger quantities of fermentation alcohol can be made from grains at substantially higher costs.

2. (a) The Minister of Finance in his April 21, 1980, economic statement announced amendments to the Excise Act to permit easing of licensing requirements for researchers who wish to manufacture denatured spirits for use in experimentation and development of fuels. Among other changes the bonding requirement will be reduced to $10,000. Persons holding this license are also made exempt from the excise duties levied on spirits. There are no provisions currently in the Excise Tax Act which would impose a special excise tax on gasohol analogous to the excise tax currently levied on gasoline. A decision pertaining to the tax treatment of gasohol will be made in the event that gasohol becomes available for sale in commercial quantities.

2. (b), (c) and (d) The Department of Energy, Mines and Resources, in co-operation with other government departments, is reviewing the alcohol fuels issues facing Canada. This review is well advanced and input from the provinces will be sought in the next few weeks. In addition to fermentation type alcohol (ethanol), Canada has the potential to produce large quantities of methanol (wood alcohol) from natural gas, coal and biomass. The issues involved relate to both production of use of alcohols. When the analysis and consultations are completed, the Minister of Energy,

Mines and Resources will announce the government decisions in the House of Commons.

2. (c) The Canadian Dairy Commission financed two research projects in this area. The benefits that may accrue to the agricultural industry are:

(1) Positive use of a product considered to be a waste and environmental problem.

(2) Production of energy, and considerations regarding improved use.

(i) These projects consisted in studying:

(1) The fermentation of whey for the manufacture of alcohol.

(2) The fermentation of whey for the manufacture of gas.

(ii) Conclusion of research by ACP Marketing and Sodispro:

(1) Technically, there is no particular problem in obtaining alcohol through the fermentation of lactose (sugar in dairy products).

(2) Alcohol obtained from whey is suitable for use in alcoholic beverages and in mixtures of 10 per cent alcohol to gasoline.

(3) Present distillers are not very interested in stocking up with whey because of market uncertainties.

(4) Alcohol manufacture is attractive at first sight in that it offers interesting profits.

(5) The authors make a comparison between lactose and alcohol manufacture.

(6) The production of alcohol through the fermentation of whey would be profitable only if co-operation is obtained from Canada's various liquor boards.

(7) For the following reasons, it was recommended (1978) that attempts not be made to use whey as a source of alcohol for the beverage market:

7.1 The market is highly controlled and the rules of the game are often changed very quickly.

7.2 The potential production of a plant like Sodispro represents 20 per cent of the present Canadian market.

7.3 Possible consumer reactions.

7.4 Uncertainty of the market and uneconomical returns at current prices.

7.5 A decision of this nature could cause an increase in the price of powdered whey.

(8) The production of alcohol from whey was considered possible but not very profitable under existing economic conditions (1977).

(9) This report includes an analysis of the possibility of fermenting the ultrafiltrate of concentrated whey (through ultrafiltration) and the ultrafiltrate of skim milk, and an analysis of the effect of temperature on the rate of fermentation of the ultrafiltrate. Certain parameters (pH, temperature, total solids) are also determined.

(iii) This research was carried out by:

(1) ACP Marketing, Montreal.

(2) Sodispro, Saint-Hyacinthe.

3. Not applicable.

SECRETARY OF STATE FOR EXTERNAL AFFAIRS—TRAVEL

Question No. 1,045—**Miss MacDonald:**

1. When and for what occasions has the present Secretary of State for External Affairs used (a) commercial transportation (b) ministerial aircraft?

2. For each occasion, who accompanied the minister from his (a) non-departmental (b) departmental staff and what was the cost?

3. Did the minister use regularly scheduled DND flights, and, if so (a) on what dates (b) for what reason or occasion (c) was the regular schedule altered (d) were any DND personnel bumped by the minister or his staff?

Hon. Mark MacGuigan (Secretary of State for External Affairs): In so far as the Department of External Affairs is concerned the reply is as follows: the answers to the first two questions and to parts (a) and (b) of the third question are attached. Regarding parts (c) and (d) of the third question, the minister travelled aboard a DND flight to attend the NATO ministerial meeting in Brussels on May 11, and returned on a DND flight May 14. The schedule was altered for the Minister and the Deputy Minister of National Defence to allow them to land directly in Brussels, the site of the NATO Conference. No DND personnel were bumped. The above answer does not include information about regular trips to and from the minister's constituency on the House of Commons account.

Date	March	Cost	TPT
10	Event: Dinner for Paul Martin given by province of Ontario		
	Ottawa/Windsor/Ottawa	492	MOT
	Passengers: SSEA		
11/12	Event: Funeral/Father McCorkell, Toronto		
	Ottawa/Toronto/Windsor/Ottawa (No commercial flights available to meet timetable)	610	MOT
	Passengers: SSEA, C. Momotiuk (non-departmental staff)		
24	Event: ACCT meeting, Paris		
	Ottawa/Mirabel		
	Mirabel/Paris	256	MOT
28	Paris/New York	6,932	COMM
	New York/Windsor	792	COMM
	Passengers: SSEA, C. Anderson (non-departmental staff) V. Turner, A. Simard (departmental staff)		

Date	March	Cost	TPT
30	Event: Official business		
	Windsor/Ottawa	492	MOT
	—appointment in Ottawa —no commercial flight available		
	Passengers: SSEA		

Date	April	Cost	TPT
6	Event: Official visit to Mexico city		
	Windsor/Mexico City	1,738	MOT
	Passengers: SSEA, C. Momotiuk, A. Thornton-Hill (non-departmental staff) A. Simard, J. Gignac (departmental staff)		
13	Event: Return from official visit to Mexico city		
	Mexico City/Dallas/ Detroit	1,177.50	COMM
	Passengers: SSEA, C. Momotiuk A. Thornton-Hill (non-departmental staff)		
	Event: Zimbabwe Independence, Salisbury		
15	Ottawa/Toronto Toronto/London	376	MOT
16	London/Salisbury		
19	Salisbury/London		
20	London/New York	14,959	COMM
	New York/Ottawa	444	MOT
	Passengers: SSEA, J. Thordarson (non-departmental staff) A. Sullivan, R. McLaren (departmental)		

Date	May	Cost	TPT
4	Event: Official guest "Battle of the Atlantic" Ceremony, Windsor		
	Ottawa/Windsor	492	MOT
5	Windsor/Ottawa		
	Passengers: SSEA		
6	Event: Meeting with Japanese prime minister and foreign minister		
	Ottawa/Vancouver	0	MOT
	Passengers: SSEA, M. St.-Louis, Irene Kushnir Derek McLean (non-departmental staff)		
7	Event: Return from meeting with Japaneese prime minister and foreign minister		
	Vancouver/Ottawa	0	MOT
	Passengers: SSEA, M. St.-Louis, Irene Kushnir Derek McLean (non-departmental staff)		
11	Event: NATO ministerial meeting, Brussels		
	Ottawa/Brussels	0	DND
	Passengers: SSEA, M. St.-Louis (non-departmental staff)		
14	Event: Return from NATO ministerial meeting		
	Brussels/Ottawa	0	DND
	Passengers: SSEA, M. St.-Louis (non-departmental staff)		

Date	June	Cost	TPT
1	Event: OECD meeting, Paris		
	Windsor/Mirabel	650	MOT
	Passengers: SSEA		
	Mirabel/Paris	3,059	COMM
	Passengers: SSEA, C. Anderson, D. McLean (non-departmental staff) A. Sullivan, A. Simard (departmental)		

Question No. 1,321—**Mr. Friesen:**

1. (a) In 1980, what percentage of the total budget of the Company Film Accord is being financed by CFDC (b) what amount is involved (c) what are the projected costs for 1981?

2. In what locations are Film Accord's offices to be located?

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): I am informed by the Canadian Film Development Corporation as follows: 1. The corporation does not make this type of information available in keeping with established procedures of confidentiality with its clients.

2. Address: Film Accord Inc.
1110 Sherbrooke St. West
Suite 510
Montreal, Que.

CFB—GAGETOWN

Question No. 1,562—**Mr. Howie:**

Are any permanent civilian positions at CFB Gagetown being (a) deleted from (b) added to the plan or organization within the current year and, if so, how many in each case?

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence): (a) Yes. 25; (b) Yes. 48.

CIDA—TRAVEL AGENTS

Question No. 1,569—**Mr. Lewis:**

During the year (a) 1979 (b) 1980 to date, how many different travel agents did CIDA utilize for the purpose of airline tickets and (i) what were their names (ii) in which city and province were they located (iii) what was the amount spent with each agent?

Hon. Mark MacGuigan (Secretary of State for External Affairs): None.

[*Translation*]

Madam Speaker: The questions enumerated by the hon. parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Stand.

[*English*]

Mr. Gordon Towers (Red Deer): Madam Speaker, I have two questions, No. 810 and No. 811, which have been on the order paper now for six months. In view of the fact that they deal with the expenditures of the Metric Commission I was wondering if the parliamentary secretary would see fit to have these questions answered as soon as possible.

Mr. Collenette: Madam Speaker, I have made a note of the two questions. I should say that we have answered 1,165 questions of the approximately 1,600 questions on the order paper, which is not a bad performance.

* * *

[*Translation*]

MOTIONS FOR PAPERS

Madam Speaker: May I add that all notices of motion stand?

Some hon. Members: Stand.

* * *

[*English*]

BUSINESS OF THE HOUSE

Mr. Nielsen: Madam Speaker, as soon as I can catch the attention of the government House leader, I believe that there is a disposition to carry on the budget debate today with the regular length of speeches, and that tomorrow the time for speeches will be limited for all members of the House to 20 minutes. If this is the disposition, we are prepared to agree to that arrangement.

Mr. Knowles: Madam Speaker, the remark just made by the hon. member for Yukon (Mr. Nielsen) does represent the discussions which have been held. We would be willing to agree that all speeches tomorrow be limited to 20 minutes.

Mr. Pinard: Madam Speaker, we agree.

Mr. Nielsen: Perhaps that can be made an order of the House today.

Madam Speaker: Is it agreed and so ordered?

Some hon. Members: Agreed.

• (1540)

GOVERNMENT ORDERS

[*Translation*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed, from Tuesday, November 4, 1980, consideration of the motion of Mr. MacEachen that this House approves in general the budgetary policy of the government.

Mr. Pierre Deniger (Parliamentary Secretary to Minister of State (Multiculturalism)): Madam Speaker, I am indeed enormously proud of and grateful for the continued support of the voters in the Laprairie riding, which is made up of the cities of Saint-Lambert, LeMoyne, Greenfield Park, Brossard, Laprairie and Candiac, as I rise this afternoon to take part in this most important debate on the budget which was presented last week by the Minister of Finance (Mr. MacEachen).

Madam Speaker, I should like to mention first of all how difficult it is to govern in 1980 at whatever level in such an immense territory as the northern hemisphere. In my opinion, regionalism has never been promoted so intensely in Canada, thereby limiting a Canadian dimension which is nevertheless so necessary for a proper analysis of the national budget.

In a budget for all Canadians, is it possible to please the ten provincial leaders? I do not think so. However, I think you can please all the Canadians. They have in fact a reason to be proud of their Minister of Finance and of their Minister of Energy, Mines and Resources (Mr. Lalonde), because this fiscal policy accompanied by a national energy policy based on security, sharing and fairness will benefit them, Madam Speaker. Let us be realistic. Canada has a deficit of $14 billion.

With all its national responsibilities, the government will simply no longer have the means to continue the implementation of its various programs such as unemployment insurance, family allowances, old age security pensions, equalization payments and various tranfers of funds from the federal to provincial governments while still subsidizing oil imports in the east, if we do not increase income or reduce expenditures. Obviously, Madam Speaker, oil imports, or rather the funds we give to subsidize oil imports in the east are draining our economy. We must take the bull by the horns without delay and face the music, Madam Speaker, and that is what is proposed in this budget. Rising prices of oil and natural gas are beefing up provincial treasuries. And in order to ensure uniform energy prices throughout Canada, the government had to compensate eastern Canada consumers.

In my view, it would have been quite immoral to penalize the eastern provinces by preventing them benefiting from a resource which, for the time being, seems to be vested in the

west. Obviously, this new source of income has had the effect of widening the gap between rich provinces and less fortunate ones, resulting in a 50 per cent raise in the federal equalization payments between 1977 and 1980. Moreover, the existing equalization formula had to be changed since Ontario was now eligible by virtue of this formula, based on 29 sources of income, including oil and gas. It would have been rather difficult to explain to the maritime provinces that from now on Ontario would be eligible for these payments. So the formula was changed with the agreement of this province. Before the 1979 election, the Progressive Conservative caucus was divided on the keystone of any energy policy, that is the price.

The Ontario Conservative members wanted to keep the price as low as possible and, of course, the members from Alberta wanted it the other way around. And yet, Mr. Speaker, the former prime minister was congratulating himself for his alleged success during a conference in Kingston where, closeted with a few premiers, he ratified a certain protocol of agreement. But the former prime minister, now Leader of the Opposition (Mr. Clark), realized quickly enough that once in power he was caught indeed between two Conservative premiers, Mr. Davis and Mr. Lougheed, that the Kingston conference automatically amounted to a series of pious wishes and that the premiers could not see much further than their noses when the interests of their province were at stake.

That is not a rebuke, far from it, Mr. Speaker, but I can only describe reality as I see it. Besides, even Liberal members recall the conflicts between Mr. Lesage and Mr. Pearson or Mr. Hepburn and Mr. King, and realize that unfortunately that is the nature of federal-provincial relations. It seems to me, Mr. Speaker, that the Conservative leader ought to get Kingston off his mind, or has he already forgotten that he himself was prime minister once and that he failed to achieve unanimity when more than one province was involved?

Canada's energy shortage is very simple. Canada right now is suffering from a shortage of petroleum and, in my opinion, it is not an incurable illness since our country produces more energy than it consumes. Canada will therefore have to bank on its surpluses of electricity, natural gas and any other fuel to alleviate this oil shortage. Petroleum imports are rising rapidly at a time when Canadian supplies are shrinking, and the gap between the world price and the Canadian price, which was only $3 in 1977-78, has now widened to nearly $17.

2071

There is very little that can be done quickly to increase our Canadian supplies. There are huge quantities of oil in the tar sands of Alberta, in the Beaufort Sea and perhaps even in the Atlantic ocean. But it will take a very long while before we can make full use of these Canadian resources. At the present time, even our foreign supplies are threatened as a result of the unstable situation in the Middle East. What is the solution? There are only two possible solutions, either a firm commitment to reduce the demand through conservation and substitution of other forms of energy combined with periodic increases spread over a four-year period according to the studies which have been made, or a drastic increase in the Canadian price of oil to match the world price.

Mr. Speaker, as far as the oil companies are concerned, those multinational corporations whose interests are well looked after in this House by the hon. member for Calgary Centre (Mr. Andre), their position is quite clear: They tell us: give us enough money and enough tax benefits and we will find all your oil.

To accept such a proposal would be to refuse to recognize all the ancillary aspects of a national energy policy, that is to say the distribution of income among governments and companies, the impact and the already exorbitant profits of these oil companies. On this subject I should like to refer to a press release which Premier Davis of Ontario communicated to the legislature on November 12, 1979, following the Provincial Premiers' Conference on Energy. And I quote:

[*English*]

No appreciation on our part of the desire of the federal government to share its intentions on national energy policy can constrain our intense frustration and alarm about what appears to be a seemingly unrelenting commitment to chase an artificial, erratic and soaring world price—a price set by interests and circumstances foreign to Canada and our economic realities. I must also say, in frankness, that the oil pricing proposal which is being negotiated between Clark's government and the province of Alberta appears, from what we now know, to be an excessive and imprudent response to the claims of the producing provinces and the petroleum industry.

[*Translation*]

Therefore there never was an agreement between the Conservatives on a national energy policy although the former prime minister has tried to make us believe that. Besides, the comments of Alberta legislature Conservative member, Mr. Thomas Sindlinger, would seem to confirm that there never was an agreement between the Leader of the Progressive Conservative Party and Mr. Lougheed.

Mr. Speaker we have rather chosen a step by step solution, if you will pardon me the expression, which would hold as ultimate goal an assured prosperity as well as the certainty for all Canadians of the following points; first, secure supplies and ultimately energy self-sufficiency of Canada. Second, the access of Canadians to an increased participation in the energy industries and particularly in those of oil and gas resources and, third, fair prices and a fair sharing of the revenues between the governments and the industry.

[*English*]

We must look at the price increases in the context of the government's overriding concern to achieve energy security, through encouraging, first, the development of new supplies, and, second, conservation of oil.

This is a policy which, by the way, will enhance Alberta's long-term prospects for prosperity through its effect in curbing the rate of depletion of this most valuable resource. Why should the federal government rely solely on sudden, unpredictable price increases in achieving its energy security

goals, and, in particular, in encouraging conservation? Would the shock, the burden, that such a move entails, be fair to Canadian consumers all across the nation, particularly to those low-income Canadians for whom my Tory friends are expressing such concern?

Is it not much more reasonable to launch a wide variety of new initiatives, and couple these initiatives with a steady, gradual, predictable increase in the price of oil in the years to come? These are measures which will not only encourage the development of new supplies, but will, in addition, make conversion to other energy sources both feasible and economically attractive.

We have been accused in this House of ignoring the west, of tossing it aside, in our refusal to link Canadian oil prices to international levels. But what of other, less prosperous provinces and regions in this country—provinces and regions which will be subject to an alarming increase in income disparities in the event prices rise to world levels? Albertans are the first to admit they are Canadians. I ask, not in a belligerent manner, but because I am truly puzzled, how can their position on oil prices be reconciled with their deep commitment to the principles of equity and parity? Why, one must ask, should we continue to play into the hands of the petroleum industry, at present consisting primarily of foreign-owned multinational corporations which earn excessive profits as it is?

● (1550)

It has been said by industry spokesmen, by Premier Lougheed and by others, that the impact on industry of our scheduled price increases and new energy taxes will be to reduce the cash flows needed for further exploration of new supplies. The government has been fully aware of the billions the industry needs for exploration and development. I believe it has taken great pains to ensure that its proposals in no way impoverish our oil giants. First, under the new pricing schedule, a fourfold increase will accrue by the end of the decade in producer netbacks per barrel of conventional oil. Surely such an increase provides generous incentives to develop and invest in new oil and gas supplies.

Second, we are convinced that company profits are sufficiently high to warrant subtantial, albeit gradual as opposed to excessive, increases in domestic oil prices. For example, in a survey carried out by the Department of Energy, Mines and Resources, it was found that the internal cash flow generated by the petroleum industry exceeded $7.1 billion last year, an increase of 44 per cent from 1978. In 1979 profits were $4.7 billion, up 54 per cent.

Given these figures, surely it is evident that a rapid increase in domestic crude prices will merely serve to fuel further increases in the windfdall profits enjoyed by the petroleum industry, to say nothing of increasing the over-all inflationary pressures in our economy. I might add this is a move which would be in direct contradiction of this government's commitment, in co-operation with the Bank of Canada, to curb inflation by appropriate monetary and fiscal policy.

I fully appreciate and sympathize with Premier Lougheed's concern that Alberta is being forced to sell its rapidly depleting oil resources at less than half their world value, resources which have been developed and tended only, in the words of Premier Lougheed "because of the efforts and the imaginations of Albertans". To this very legitimate concern, I would like to respond in two ways.

First, I do not for a moment doubt that Albertans have worked very hard to develop this resource for all of Canada. But I doubt in all fairness whether this development and exploration carried out over the past number of years, development and exploration which has enabled the people of Alberta to grow, to prosper and to improve their standard of living would have reached such an enviable plateau in the absence of the contributions made by our federal government. These amounted to 63 per cent of every exploration dollar in the oil and gas industry by means of tax incentives compared with 35 cents contributed by the province of Alberta. The point I am trying to make is that it has not, in the final analysis, been a one-way street. Alberta has had its "ups and downs", to use the words of its premier, as have all the provinces of this nation. All I ask is that Alberta not, in its good times, overlook the help it has had in its bad times.

Second, I must plead with Albertans to understand that the federal government's energy proposals, including the scheduling of price increases, in no way denies the producing provinces the opportunity—the financial wherewithal, if you like—to reap the benefits of what is indeed a depleting, non-renewable resource.

If one wishes to make comparisons among the provinces, and Premier Lougheed seems to be so inclined, clearly it is Alberta which stands to gain the most from the new energy proposals. Indeed, it is somewhat ironic in light of Premier Lougheed's statements that it is the province of Ontario which will be adversely affected by last week's federal budget. As the provincial treasurer of Ontario has painstakingly pointed out, higher energy prices will "cost Ontario residents an additional $2 billion next year", a figure which will increase to $5 billion by 1983-1984.

Every $1 a barrel increase in oil will cost Ontario about $300 million, says Frank Miller. Strangely enough, Ontario, the ostensibly favoured province, will get in return only $1 billion in new federal initiatives, while the west will receive development funds to the tune of $4 billion. It is all a very sad, if somewhat amusing, scenario when Premier Lougheed charges he is not receiving a fair deal, while Ontario cries that the western development fund ignores similar eastern priorities. But perhaps Albertans may say—indeed their premier has hinted as much—we understand the price increases, revenue-sharing formula, and so on are fair to Alberta; the proposals do not deny us the means to ensure in terms of financial flows that the basis for an enduring prosperity is protected and maintained. What is at issue is something which is essentially non-negotiable, namely, differing visions of Canada as a federal state and, consequently, differences of opinion regarding the respective "weight" jurisdictional claims should have, for

example, between provincial ownership of resources on the one hand and federal paramountcy in interprovincial and international trade on the other.

It is perhaps sad that it is divergent visions of federalism which provide the foundation, if you like, upon which our current disputes are based. In the final analysis, there is no right or wrong vision of Canada. There is no set of absolute criteria with which we can say, "No, Alberta, you are wrong in believing what you believe, or in feeling what you feel, that, in the words of your premier, 'What we are facing here is a situation where more and more decision-making, more and more control, will be in the hands of decision-makers in Ottawa and your provincial government will become less and less able to influence your future." Personally, I do not agree with that vision of Canada, perhaps because I do not believe that a strong central government entails a priorily weak provincial counterparts. I cannot say that vision is wrong, but I can say I do not think it is the vision best suited to our current economic and political situation, both domestically and internationally.

I suppose for me the key words in this debate over powers, for that is what the budget debate is fundamentally all about, are balance and equity. Resource taxes, to cite one case in point, are merely one of the tools our national government is utilizing in its attempt to restore balance and equity to our political system, to correct the fiscal imbalance currently in effect between our central government and our provinces, simultaneously enabling Ottawa to carry out its responsibilities in redistributing Canada's wealth equitably among all Canadians.

Do not get me wrong. I am not accusing Albertans of being greedy and selfish. As their premier has pointed out, they have paid their price in confederation, whether it be through tariffs, freight rates, or equalization payments. This is as it should be, and, more importrant, as Alberta wishes it to be. But we must ask ourselves the following question: Does Alberta wish for a Canada which confers upon the remaining "have-nots" that very position of inferiority Albertans themselves found so humiliating and so inequitable? I personally do not think the west wants such a Canada. Yet this is precisely where its utilitarian ethics lead it, consciously or not.

It is one thing to feel, deep in your heart, that you, or your province working through you, are the best guardian of your own, very specific, very regionally unique interests. But it is quite another thing to assume that this pursuit of ones own interests somehow results in the greatest good for the greatest number or, in practical terms, results in what is best for Canada as a whole.

● (1600)

[*Translation*]

Mr. Speaker, during a public affairs program last weekend, the interviewer tried two or three times to bring his guest, the President of the National Bank, to say that the budget did nothing for Quebec. Mr. Bélanger then explained very carefully to the interviewer that a budget must be analysed as a whole and that, in his opinion, we were all treated equally. However, in view of the insistence of this interviewer, Mr. Speaker, I feel that I should make a few comments about the impact of the Canadian energy program on Quebec.

Under the national energy program developed by our government, consumer oil prices will be much lower than those set by the previous government which involved a relationship between domestic and international prices. Because of our program, Mr. Speaker, Quebec, like other areas in the country, will pay much less for its oil since our policy is aimed at minimizing the unfavourable impact of price increases on the economic growth of these areas and reducing at the same time inflationary pressures. As for the price of gas, Mr. Speaker, the yearly increase of 45 cents per thousand cubic feet over a period of three years will cause a slower increase for consumer gas prices than for heating oil prices. Under this program, our government also wants to take new energy initiatives in Quebec by stimulating certain areas, including research. These initiatives will cost $1.8 million in the next four years, which is about $280 per capita.

In short, Mr. Speaker, if we look forward to 1984, we can see that, because of our program, the annual costs for the average family in Quebec will be clearly lower than what they would have been if the price of Canadian oil were related to world prices. Through its policy of establishing a better balance between the provinces, our government also intends to encourage Canadians to switch from oil to other energy sources wherever possible. In this optic, grants will be given to replace heating oil systems by systems using natural gas, electricity, solar energy and other more natural fuels in some areas. Assistance of up to 50 per cent of transformation costs up to a maximum of $800 will be given to any individual who wants to take advantage of our program. The national energy program therefore aims at following the trend already started in Quebec where 82 per cent of all new housing built uses electricity instead of oil for heating.

At the same time, Mr. Speaker, our program enables us to assist the taxpayer to improve his residence or its insulation. Logically, if our program replaces oil by other energy sources, it is necessary to provide for Quebec an effective supply of natural gas. This is why some proper and direct steps have been taken to ensure that the construction of a gas line is undertaken as soon as possible. In concluding, Mr. Speaker, I would like to remind members that the national energy program advocated by our Minister of Energy, Mines and Resources fully respects the principle of equity and balance among the provinces. All recognize that our government should increase its revenues.

A corporate income tax on gas and petroleum has been levied rather than resorting to the deindexation of personal income tax. Instead of an excise tax between 18 to 25 cents a gallon on gas in addition to a 14-cent increase, the government

has chosen to increase the tax burden of refineries. Finally, Mr. Speaker, the government has decided to tax where the money is in order to distribute it among Canadians, as it had done previously when it levied more taxes in Ontario and Quebec and as it will surely do in the future, because Canadian federalism is based on one concept—sharing.

[*English*]

Hon. Elmer M. MacKay (Central Nova): Mr. Speaker, I have some sympathy for my colleagues opposite, reading prepared speeches prepared for them by departmental officials. It is very difficult—

Mr. Deniger: On a point of order, Mr. Speaker, I am sure the hon. member for Central Nova will realize that my speech came from no one but me and my staff. It is quite unfair for him to imply that the words I uttered are words that I do not sincerely believe. Believe me, I am concerned about our future and the present situation. Not one word of my speech came from anyone outside of my office. I hope the hon. member has some respect for this institution and for me as an individual. I think he is a fine member of Parliament. I am sure he did not mean to imply I had a prepared speech. I worked very hard on my speech and firmly believe everything I said. He was being most unfair. It is not like him to imply that my speech could have been prepared by anyone except my staff and myself.

Some hon. Members: Hear, hear!

Mr. MacKay: Mr. Speaker, I am very pleased that the hon. member has such a fine opinion of his authorship. I do not wish to cast any aspersions on his speech. He did not let me finish. I was about to say that I felt rather sorry for members opposite who had to read from prepared texts, prepared by departmental officials, defending this budget. The last speaker indicated that is not the case. I am glad to hear that. I am glad to hear that by implication he would dissociate himself from those kinds of speeches prepared by departmental officials because if there were less of those and more speeches prepared—

Mr. Evans: On a point of order, Mr. Speaker. I object very strenuously to the words that have just been uttered by the hon. member for Central Nova (Mr. MacKay). I too have great respect for the member. As Parliamentary Secretary to the Minister of Finance, I can tell him that the departmental officials, in conjunction with the minister, prepared the minister's speech and, in conjunction with the Minister of State for Finance (Mr. Bussières), also prepared his speech. They have not prepared any other speeches that have been given by any member on this side of the House during this budget debate.

Some hon. Members: Hear, hear!

Mr. MacKay: We are getting more information about some of these speeches at this point than we have been able to get all during the budget debate. I thank the hon. member for giving me that kind of assurance. It certainly helps.

At this point in our budget debate, I think it is interesting to note that we have just witnessed an historic election in the United States of America. I believe it would be worth while to refer to that election in passing. As all of us know, what happens in this House as the policies or lack of policies unfold which affect the budget of the Minister of Finance (Mr. MacEachen), the Minister of Energy, Mines and Resources (Mr. Lalonde) and so on, will be determined greatly by the success that president-elect Ronald Reagan and his new administration have in coping with the difficulties that face the free world and face their country.

I hope members of this House of Parliament will join with me in wishing president-elect Reagan and his new administration every success. Obviously there are many, many matters of common interest that we share with our neighbour to the south. I remember it being said in this House at one time, I believe by the then leader of the Social Credit party, that the United States was the best friend we had whether we liked it or not. I think he was being facetious. That is precisely what the United States is not. The Soviet Union may have that particular distinction when people talk about their captive satellites.

We in this country are very fortunate to share a common border with the United States of America. I believe that President Kennedy said—perhaps in this House of Commons, certainly in this country when he visited here—that geography has made us neighbours, history has made us friends, and economics have made us partners. I hope in the months ahead, as the Minister of Energy, Mines and Resources indicated, there will be immediate contact made with the new administration of the United States in order to address some of the very serious irritants and mutual matters of concern between ourselves and that country—a northern pipeline, the fisheries treaties which have not been ratified, and the "Buy America" program. There are many areas of concern. I only mention that today because we are given a fair amount of latitude. I believe hon. members would agree that it is very important we get off to a positive start in making initial approaches to the new administration of our good friends to the south, and I am depending upon hon. members, and members of the cabinet opposite, to do that very thing.

• (1610)

It is obvious that this budget debate has revealed a great many divisive and tense matters which are troubling our country. The last speaker referred to some of them. The positive aspects of this budget, which it would be intellectually dishonest to deny exist, have, I am sure to the disappointment of hon. members opposite and the Minister of Finance, not stilled the criticism which has come in unusual severity from columnists and, indeed, every part of this country.

The movement toward more emphasis on economic development, the movement to close some loopholes permitting foreign vehicles or foreign ships to come in and tank up with cheap Canadian fuel are along with the postponement of deindexing, positive aspects of the budget, but they have not to any

noticeable degree affected the blasts of criticism which have come from practically all quarters of this country.

Without going into too much detail one need only recall what was said by Terry Hunsley, the executive director of the Canadian Council of Social Development, when he expressed the view that this budget would have a devastating effect on low income Canadians.

Don McGillivray, a respected writer for Southam News called it a cheerless document and a gloomy and deceptive document forecasting a gloomy future for Canadians and doing nothing to change things.

Finally, on the distaff side, we hear from Dian Cohen. I see the hon. member for South West Nova (Miss Campbell) approves of Dian Cohen. She is a good economist, and I am sure the hon. member would agree.

Miss Campbell: I do not approve of Southam.

Mr. MacKay: Dian Cohen is a very perceptive economic analyst. She condemns the energy aspects and points out that this time next year both our balance of payments deficit and our budgetary deficit will be higher than they are today.

What can the government do about it? In fact, what can any of us do about it? I think we must first, as Confucius said, begin our longest journey with one small step. I think we as federal members of Parliament must try—and I ask the members of the government to try—to change the kind of attitude which has developed in this country during the past few years and, indeed, during the past few months. The federal government is the only body which has the responsibility and the capacity to mediate and to try to mitigate the differences, the rivalries and the suspicions which exist among different regions of this country and particularly between the federal government and different regions and provinces of this country.

We must replace confrontation with conciliation and induce the provinces to stop bickering over some of their parochial matters. By doing this they are hurting everyone in the country and especially themselves. If our Parliament and our government do not do this, we will continue to project to the international community the image of being on the way to becoming a second-class and unstable country. The only thing which is keeping this country right now from plunging toward the status of a Third World economy is the abundance of our natural resources and the ready market for them. Unfortunately, they are being exported, to too large an extent, in an unfinished state.

Mr. Waddell: Hear, hear!

Mr. MacKay: I hear some support coming from our friends in the New Democratic Party. I will come back to that party's role in recent months in Parliament later. Perhaps they will not be as willing to support me when they hear what I have to say.

Mr. Waddell: We are talking about resources.

Mr. MacKay: The hon. member says they are talking about resources, and I agree that to a large extent their policies on resources have some merit except when they try to undermine the status of the resources in the various provinces by trading the existing status under the BNA Act, that of ownership of those resources, and substituting something much less—management and control.

Mr. Waddell: That is not true.

Mr. MacKay: It is very difficult to manage and control something you do not own. It makes it very unstable.

In looking at what is happening to our country, we could do worse than examine what happened to the United States as the political and economic centre of gravity changed in that country. There was a time, in the lifetime of our parents particularly, when the northwestern part of the United States was the manufacturing centre. Gradually, a change came and the impetus moved into Ohio and to the west coast. Now it is moving down into the sun belt in the southwest United States. In its wake the economic and social disruptions do not appear to have caused the kind of agony, the kind of bickering and the lack of management to prevent the exodus of industry which has characterized conditions in our country.

I think we can learn something about that and from that. As the economic and political centre of gravity, which has long since left the east coast of our country—the east coast once was the linchpin of confederation and once provided the possibility and, indeed, the very *raison d'être* for the nation as we now know it—left the maritimes and moved into Ontario and is now moving out to the west, the government has not come to grips with the proper economic measures to remedy the situation which this shift in economic movement has left behind.

Without going into the historical reasons for the union of this country, before confederation, when the province of Canada seemed bound for dissolution because both the English and French component in that province were dissatisfied, the Montreal traders feared western expansion, backed, as we know, by business interests in Toronto. Does that not sound familiar today? The gaps widened.

There was trouble out west with the Hudson's Bay Company. There were links developing between the Mississippi valley and the Red River valley. The Yankees were coming into the Fraser River valley for gold. All these things were threatening to disintegrate that part of British North America. This was complicated by the Fenian raids and the abrogation of the reciprocity treaty. All these things we remember, if we look at our history. However, the fact is that we did get a country together, and at that time it was a very sound country. It still is, despite the strains which have been caused in recent years by these economic shifts.

As far as the particular responsibilities I used to exercise in our government are concerned, I look across at my friends—I do not see them here at the moment—in economic development and housing, and I feel sorry for them because in the thrust of this budget, despite their undoubted good intentions,

they were not able to focus some of the resources of the budget on their departments, and on the areas of Canada which need them. I am particularly disappointed in the actions of the Deputy Prime Minister and Minister of Finance and the Parliamentary Secretary to the Minister of Regional Economic Expansion (Mr. Harquail), but I will come back to that again in a few moments.

As far as the housing needs of this country are concerned, whether hon. members opposite agree or disagree, a large number of Canadians—over four million of them—would have benefited from the measures we intended to bring in to relieve property owners and taxpayers of this country who qualified for the mortgage interest and tax payment credits.

We also had every intention—and I was disappointed that we were not able to bring in a shelter allowance—to help those people who did not own homes but who were renting, and I am confident that this would have been done. This particular type of assistance, which would have brought relief to several million Canadians and which involved co-operation between our minister of finance and I, never occurred, and I was hoping very much, if hon. members opposite felt constrained about it because of the fact that this program of ours was a matter of controversy, that the housing minister would have had the clout and there would have been enough wisdom to have brought in a shelter allowance which would have done a great deal to help many Canadians. However, that was not done. Instead of that we get the MURBs.

The MURBs provisions are not entirely regressive. They are useful to people who want to invest money as a tax relief dodge. They are useful in an indirect way to stimulate some housing, but they are almost a pitiful gesture of any meaningful assistance with respect to housing problems.

Then we look at the Department of Regional Economic Expansion. There is not a more sincere or dedicated minister in the House than the Minister of Regional Economic Expansion (Mr. De Bané). What does he get in this budget to help disadvantaged areas of Canada? He gets one positive measure. He gets the tax credit of 50 per cent for industries which meet certain criteria in parts of Canada which are particularly needy. That is better than nothing, there is no doubt about that, but again it is a far cry from taking into account the need to do something meaningful to make up for the kind of economic shift to which I referred earlier.

● (1620)

One of the reasons I am disappointed in the Deputy Prime Minister—and there are many reasons—is that when I hear him speak, I think that perhaps he has forgotten he comes from the maritimes. I think he speaks for the Quebec-Ontario axis of the Liberal party. He mentioned yesterday that he was down home travelling in the Atlantic region, as if that were a rare event. I hope it is not, because a member whom you and I know very well, Mr. Speaker, a former member of our party in Nova Scotia, Donald MacInnis—"fighting Donnie" they used to call him—who used to fight very hard for his people, used to say, "Just because you get where you're going, you don't forget where you're from." I think the Deputy Prime Minister should pay a little more attention to that kind of philosophy.

I have in my hand—I referred to it earlier in the House—a speech made by the Prime Minister (Mr. Trudeau). The former premier of Nova Scotia who is now Minister of Labour (Mr. Regan) was with him. They entertained the Halifax board of trade on January 25, 1980, and on that occasion the Prime Minister made some very definite promises. One promise in particular will soon be a year old come January. These promises have been referred to often, and obfuscated. I asked the Minister of Energy, Mines and Resources about them a few months ago, and a few weeks ago and he said that nothing could be done because the NEB is holding things up. I am referring to the oft-promised natural gas pipeline in Nova Scotia. Here is what the Prime Minister said as it appears on page 10 of his speech, if any hon. members opposite want to refer to it. He was speaking about the virtues of switching to natural gas, an alternate energy source, and he said:

> But in order to switch, people must have access to gas. Nowhere is access needed more than in eastern Canada. I am announcing today—

Remember, that was last January:

> —as part of our program, that a Liberal government will take immediate action to ensure the full co-operation of all parties in the construction of a natural gas pipeline to Quebec City and the maritimes.

It was only a few days ago that the Minister of Energy, Mines and Resources gave the undertaking that, pursuant to this latest promise in the budget, he would, if necessary, bring in a bill to carry out that undertaking. So months and months have been wasted. The Prime Minister went on to say:

> The pipeline will have reversible capacity so that maritimers will have the opportunity, both to use western natural gas now and to send offshore gas to central Canada later. Like the railroad in the 1880s, energy pipelines in the 1980s have the potential to be a steel link uniting the nation.

The Minister of Transport (Mr. Pepin) is trying to close some of the railways in Nova Scotia that were built as fulfilment of a direct promise to induce Nova Scotia to come into confederation. We will go into that on another day.

Are we forgetting, because of the lack of clout or lack or attention of the Deputy Prime Minister—perhaps he is more concerned with aspiring to be the prime minister for a few months than he is in taking care of his own people—are we forgetting that we are going to be deprived of the opportunity to develop a petrochemical industry in Atlantic Canada—I hope in Nova Scotia, in the Strait of Canso area—if we do not do something soon to get that pipeline which has been promised so many times? Are we going to see the natural gas from the high Arctic and, the Sable Island shelf, and from Newfoundland, transported by ship up to central Canada? Are we going to be keepers of pipelines only? Will we not have an opportunity to use that feedstock in an LNG terminal, that natural gas we have, to develop a petrochemical industry and target it for export offshore? I see the hon. member for South West Nova is concerned, as she should be, because I know she wants to see Nova Scotia—

Miss Campbell: On a point of order, Mr. Speaker. All I was concerned about, as the hon. member should be, is that I do

not see Premier Buchanan doing anything about commencing a petrochemical industry.

Mr. MacKay: Mr. Speaker, I do not know how a provincial premier can possibly do the kind of thing the hon. member for South West Nova is suggesting. What would she have him do? Would she have him start building a petrochemical complex when there is no source of gas and no way to transport it? Just imagine the ridicule the Premier of Nova Scotia would face.

That is not the only thing that concerns me about the attitude of the Deputy Prime Minister. Nowhere in Canada is there a greater need for housing than in Cape Breton because of the history of that part of the country. I remember when the former NDP member from that area, Father Hogan, was in the House. He was always after me, when I was minister of housing, to urge CMHC to do something. That is why I again take the opportunity to remind the House that I cannot understand the lack of concern for Nova Scotia that is being exhibited by this government, especially the lack of concern for housing for low income people.

I realize you cannot have it both ways and that there is only so much income available from which to do these socially necessary and responsible things. In this budget there is a proposed expenditure of $66.6 billion, and if there is not enough money to do some of these things, then I firmly believe in other measures than just socking it to the west to raise this money in its entirety. If the Minister of Finance wants to restore confidence in this country and if he wants to start reducing the deficit, as we were prepared to do, and if he wants to show the international community that the Canadian dollar can become more valuable in the future by reducing our deficit, why does he not put another surtax on top of the 5 per cent surtax which he extended on the corporate side? Or why does he not raise the corporation tax rate a little? Sure, big business will not like him, but, as Samuel Gompers used to say "you back the masses against the classes. " You know, Mr. Speaker, it is very easy to see from the answers given by the Minister of Energy, Mines and Resources that he has considered raising corporate taxes.

When I was thinking about this problem, I happened to see in the Ottawa *Citizen* of October 29 of this year—not really a strong supporter of the Conservative party—an article which makes a lot of sense. It reads:

> There are obviously several ways in which the deficit could be reduced. One is through a major revision of social spending—

I do not go for that. I do not think it is equitable under these circumstances. The editorial goes on to read:

> Another is to reduce the level of corporate welfare in this country.

That might not be a bad idea in certain cases. Corporate taxes, which are nominally at 46 per cent in this country, in the last three years have been, on the average, about 18 per cent.

I would like to see, as a matter of policy, this government able to obtain more revenue from other tax sources, but I would not like to see this money wasted as it is being wasted by the Department of Employment and Immigration. Today the minister bragged about the $800 million for training. I would like to see some of that money go to my friend, the Minister of DREE (Mr. De Bané), to create some real jobs and for development. The much touted $800 conversion is a sham because in the Atlantic region electricity, which is priced out of all reasonable proportion, is not an option and we do not have any natural gas either thanks to the procrastination of the Prime Minister and his government. I believe that up in the Yukon they cannot convert to natural gas either.

Mr. Nielsen: Not unless you take the cabinet up there.

Mr. MacKay: That is about it. What should we put this money into? One of the basic responsibilities imposed on leaders, right since the time nation states were first created, was to protect the sovereignty of a nation and to keep its currency from being debased. As a start, looking at our sovereignty and the territory issues, we should put a little more money into our defence because we cannot even effectively patrol the greatest treasure house any nation in the world has, that is our north. Our militia is using equipment that is older than they are. There are more people in the Russian KGB alone than there are in our entire armed forces. The Minister of National Defence (Mr. Lamontagne) tries to do his best, but again he is the victim of lack of proper priorities and planning. Surely we can put a little more money into ensuring that we meet our NATO commitments because with the projected rate of inflation, using the figures of the Department of National Defence own model, there is no way in which we will be able to keep our promises to that organization. So, I would like to see another billion dollars or two raised by some increase in corporate taxes, supposing the Minister of Finance does it by way of a supplementary budget measure. Also I would like to see a portion of that money placed directly towards the reduction of our deficit, either the money we owe abroad or the budget on which we are overspending at home.

● (1630)

I know the corporate sector and Canadians who have to pay the tax would not be particularly happy to have to pay more taxes. But if they could see that their tax moneys were going to increase the stature of their country by reducing its deficit, by improving its stature in the international community, by increasing its respectability in the eyes of its allies by letting it meet its military commitments, then I do not think there would be any complaints if the Minister of Finance sought to raise a billion or two dollars by raising the rate of corporate tax, particularly if he showed a little ingenuity about doing it.

I have a particular interest down in the constituency of the Deputy Prime Minister—I do not want to pick on him today—but it used to trouble me when I was the minister responsible for Devco and was involved with some things concerning Sysco. Those of us who have been following this know the much touted business plan, which has been used as an excuse for not proceeding with the needed aid for Sysco, has been around in the hands of the department and available to the minister and his parliamentary secretary for weeks. All this three-phase plan does in its first phase is exactly what the plan

by R. B. Cameron did when he first began to rehabilitate this Crown corporation. It is designed to improve the basic operations, reduce its operational costs and improve its productivity.

It is disgraceful every time Massey-Ferguson hiccups or Chrysler needs help that something is done. Now we hear about the White Equipment company, and the Minister of Industry, Trade and Commerce (Mr. Gray) is most sympathetic; he is looking into it. But the "coal dust twins", the Deputy Prime Minister and the Minister of Labour (Mr. Regan), had over ten years in office to do something about Sysco. At one time they talked about the Gabarouse project. They were going to build a whole new steel plant down there, a Greenfields project. In steel industry argot, they "ate off that" for a long time. I remember the then hon. member for Cape Breton-The Sydneys, now Senator Muir, questioning the Deputy Prime Minister about it. It is almost criminal negligence that they have to reinvent the wheel after all this time and still there is nothing done. Despite that, thanks to the improved management and certain other factors—I like to think partly because of the aid they received last year to some extent—Sysco is making progress.

Now, what about Devco? It is a corporation which needs a little shaking up. It is not a bad corporation, but it has been a retreat operation for far too long. It is time that Devco began to fill its primary function—that is, to mine coal more efficiently—and concentrate less on collateral activities. One trivial example is the Holiday Inn down there. The building is owned by Devco. That inn could be expanded, I know it could. There could be more employment, more jobs, but they are not interested in it. Also, recently they hired a professor from York University to do corporate planning. Is there no one in Cape Breton who can do that?

I say the Minister of Regional Economic Expansion should look at Devco because it is something which can be used much more effectively than it is being used now to create the kind of economic assistance which is so appropriate in that part of Canada passed by temporarily by economic events and which has been so slow in recovering partly because the government has not taken any imaginative or meaningful steps to let it do what it does best.

The imprimatur of this budget must begin and end with the Prime Minister. He is the man who sets the priorities, and the Deputy Prime Minister helps. The attitude which has been created in the country puzzles me. I am not a student of political science, I do not have any great parliamentary or historical expertise, but I wondered why the Prime Minister in many cases seemed to take such a personal acerbic approach. Anyone who does not agree with him somehow is alienated—they are not Canadian or they are somehow against the national interest. That may not be true, but it is the way I perceive it. I wondered why. Then I began to remember some of the terrible things he said about the party he now leads. I do not know whether or not that gives one any insight into the attitude which seems to be causing trouble all over the country.

I have looked at some of his writings. I looked at sort of an anthology, it is interesting reading. It was published when he was minister of justice. It is entitled: "Federalism and the French Canadians". It is an interesting book, but I do not have time to read a lot of it into the record. One thing which has troubled me and many politicians in the country is polarization in Canada; far better that the Liberal party had some members in Alberta, far better that the Conservative party had some members in Quebec. However, the NDP do not have a hope of getting members anywhere. They will be like the Creditistes after the next election; they will be gone.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. MacKay: I will tell the House why they will be gone. Look at this country from coast to coast—

Mr. Waddell: Tell us what great things you did for the maritimes.

Mr. MacKay: The member talks about the great things we did for the maritimes. For years the Conservative party was the poor man's socialist in Nova Scotia when Bob Stanfield was premier.

In his book the present Prime Minister talked about the history of the Liberal party in Quebec. This article was entitled: "Some Obstacles to Democracy in Quebec". Page 119 reads in part as follows:

> But power entails responsibilities; and there is no doubt that the Liberals tragically failed to shoulder theirs. A party cannot have the approval of a majority of the electorate for well over half a century without accepting much of the blame for that electorate's political immaturity. If French Canadians even today have learnt so little about democracy, if they twist its rules so shockingly, if they are constantly tempted by authoritarianism, it is to a large degree because the Liberal party has been miserably remiss in its simple political duty. Instead of educating the French-speaking electorate to believe in democracy, the Liberals seem content to cultivate the ignorance and prejudice of the electorate.

I think that is shocking. I do not agree with it, but that is what he wrote. The book continues:

> But the fact remains that throughout most of its existence the federal Liberal party was overwhelmingly an English-speaking party. And that majority in my view should bear the blame for serious faults of omission with respect to the backwardness of democracy in Quebec . . . the shameful incompetence of the average Liberal MP from Quebec was a welcome asset to a government that needed little more than a herd of—

I do not understand this, I cannot translate this word.

> —ânes savants to file in when the division bell rang. The party strategists had but to find an acceptable stable master—

And he called them "donkeys". If he would say that about the party he now leads, then it is more clear to me now why he takes that attitude toward some provincial governments which disagree with him.

My time is about up, but I should like to refer briefly to the constitutional debate which will be coming back into the House. I would like to emphasize that I hope the quality of the debate, which has been very high, will be allowed to continue in the House of Commons. I came across a piece of literature the other day by a writer, James Russell Lowell, which I hope

summed up the attitude of members of Parliament of all parties in responding to the needs of their constituents. He talked about the man who was willing to sink half his present repute for the freedom to think. There was more to the effect that this same man, be his cause strong or weak, would gladly risk the rest for the freedom to speak. That is exactly what members of Parliament want to do—have the freedom to speak—and if the government co-operates they will do that.

Some hon. Members: Hear, hear!

• (1640)

Mr. Waddell: On a question of privilege, Mr. Speaker—

The Acting Speaker (Mr. Blaker): Is the hon. member rising on a point of order?

Mr. Waddell: I did not want to interrupt the hon. member for Central Nova (Mr. MacKay) when he was speaking because he is such a fine speaker. I have admired him for a long time, even before I came to Parliament. For one thing, he was always accurate with his information. I know the hon. member did not intend to mislead the House, but he and some of his colleagues, especially from British Columbia, have been misleading the House. He did so today by stating the New Democratic Party's position falsely with respect to a resource control amendment to the constitution. The hon. member must know that the position is quite clear—it adds to the ownership of provincial resources by dealing with interprovincial trade and other matters.

The hon. member must also know that it is just illogical for a party to advocate an amendment which is less than the existing situation. So he should not mislead the House by indicating that the New Democratic Party is pressing for an amendment which would result in less than the existing constitution allows the provinces. Indeed, it is more. I ask the hon. member not to mislead the House in that way.

The Acting Speaker (Mr. Blaker): I will recognize the hon. member for Central Nova (Mr. MacKay) because the hon. member for Vancouver-Kingsway (Mr. Waddell) has indicated to the Chair and to the House that this is a matter of privilege. The absence of a motion and of argument to that effect lead me to believe that we are into a matter of debate rather than of privilege. The Chair does not have the right to reach a conclusion before any input is made on the subject. My current inclination is to advise the hon. member that he does not appear to have a question of privilege. I will now hear the hon. member for Central Nova. I want to emphasize that what I have said to the hon. member for Vancouver-Kingsway applies equally to the hon. member for Central Nova.

Mr. MacKay: Mr. Speaker, I appreciate the intervention made by the hon. member for the New Democratic Party. He is quite right. In some policy matters, such as the environment and civil rights, there is a certain amount of agreement between our parties although we have disagreed in other areas. I welcome his assurance that he is saying now that what he really supports is ownership and he does not want to see the resource base of the provinces undermined by the federal government. He does not want to see the provinces lose what they now have. I welcome his correction, Mr. Speaker. I do not want to misstate the NDP position but that was the way I understood it. I understood that having lost their chance of any leverage they now find themselves like a eunuch. They are a minority party in a majority parliament which they probably went too far and too fast trying to accommodate.

Mr. Waddell: We want something for our region.

Mr. MacKay: I very much respect the NDP members who come and came from British Columbia, particularly my good friend Stuart Leggatt. I think it is terrible that with 40 per cent of their caucus from British Columbia, including the fine justice critic from Burnaby, they are not being given an opportunity to sit on the constitution committee.

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, I am delighted to be able to participate in this debate. First, I want to convey my congratulations to the Minister of Finance (Mr. MacEachen) on behalf of my constituents on the presentation of his first budget to the Parliament of Canada. The budget will clearly establish a sound basis for the economy over the long term by taking the necessary steps to deal with the problems in the area of energy. This includes Canada's reliance on oil imports, the deficit, productivity, employment, and inflation. Furthermore, the budget introduced and tabled by the Minister of Finance will continue to strengthen the stronger regions of the country, like Alberta, and assist those other regions which are somewhat less fortunate.

I also want to congratulate the Minister of Energy, Mines and Resources (Mr. Lalonde) for introducing a national energy program which allows Canadians throughout the country to participate in and benefit from this prudent and responsible national energy program.

I represent an area in this country which, over the years, has experienced more than its fair share of what I would deem to be economic casualties, these casualties being exceptionally high unemployment, slow economic growth, sky-rocketing energy costs and, yes, a high rate of migration of young people who have had to leave their communities in search of economic security and go elsewhere to pursue their careers. But despite these setbacks my constituents from the towns of New Waterford, Glace Bay, Dominion and the counties of Cape Breton and Richmond remain loyal to Canada. In remaining loyal to Canada I suggest they are good Canadians. In being good Canadians I believe they are excited about their future and they are very eager to play a meaningful part in realizing the potential of our region and, indeed, our country.

Notwithstanding this sense of optimism, we are aware of those problems. We are aware that the solutions to those problems will not be easy to find. This budget, unlike the previous one, attempts to address those issues in very specific ways. But before I go on to this particular budget I would like to review the previous budget introduced by the hon. member

for St. John's West (Mr. Crosbie). In introducing his budget he placed before the people of Canada an energy plan which, in my opinion, he did not really understand. He could not conclude an agreement with the producing provinces which prior to the election would have been very easy to accomplish. The energy tax proposed in that budget was not fully enumerated. The proposed national energy bank's objectives were vague at best.

Of course, when it came to research and development across this country we had the hon. member from St. John's West indicating that his plan of action was to engage in further studies of tax incentives. The Crosbie way—if I may call it that—to increase employment opportunities was to reduce the deficit or, better yet, to provide more incentives to the private sector and, particularly, to his good friends the multinationals. His best move, which every member of this House recalls very well, was the imposition of an 18-cent excise tax on gasoline. We know what the people of Canada thought about that.

The budget before us addresses these questions very clearly. On behalf of my constituents I would indicate what the differences are, particularly as they affect the farmers and fishermen in my constituency. For instance, under the Crosbie budget diesel fuel in 1981 would cost $1.19 per gallon, while under our budget it will cost $1.06 per gallon. In 1982 the cost under the Crosbie budget would have been $1.36 as compared to $1.23 under our budget. In 1983, the cost under the Crosbie budget would have been $1.88 as compared to $1.41 under our budget. In 1984 the price per gallon for diesel fuel under the Crosbie budget—

Mr. Gustafson: On a point of order, Mr. Speaker, would the hon. member permit a question?

Mr. Deputy Speaker: Would the hon. member permit a question?

Mr. Dingwall: Mr. Speaker, I will permit a question at the end of my remarks, if there is time.

In 1984 the price per gallon of diesel fuel under the Crosbie budget would have been $2.27, and under our national energy program it will be $1.63. That is a difference of 64 cents.

With respect to gasoline, the price per gallon under the Crosbie budget, back in 1979, was $1.56, and under our program it will be $1.36 in 1981. The figures for 1982 are $1.75 under the Crosbie budget and $1.53 under ours, for 1983 under the Crosbie budget $2.32, and $1.71 under ours. For 1984, under the great paragon and defender of the little guy, the price was to be $2.63 as compared to our $1.95, a 68-cent difference.

● (1650)

The fiasco does not end there, it goes on to the price of natural gas at the Toronto city gate. Under the 1979 budget introduced by the hon. member for St. John's West, in 1980 the price would be $2.75 while our price is, unfortunately, $2.90. But when we come to 1981 the price under the Conservative budget would be $3.45 whereas our price will be $3.05. Then we go on to 1984 when the price under the Crosbie budget would be $7.90 while our price under the national energy program is $4.60. There is a difference of $3.30. Shame on the hon. member for St. John's West!

Mr. Siddon: Full of deceit.

Mr. Dingwall: Of course this endless barrage on the Canadian public continues with crude oil prices. In 1981 the Conservatives proposed under their budget a price of $25.20 per barrel. Our price is $24.90. For 1983 their proposed price was $46.70, whereas our price is $34 per barrel, a substantial difference. Of course for 1984, the hon. member for St. John's West who talks about defending the little guy and who worries about the low-income Canadian, set the price of crude oil per barrel at $55.30. Under our proposal the price in 1984 will be $40.50 per barrel. There is a difference of $15.20.

Mr. Siddon: You are misleading the public.

Mr. Dingwall: That is the price of the great defender of the little guy.

Mr. McDermid: That will be thrown back at you in the next election, my friend. Be very careful.

Mr. Dingwall: Obviously, Mr. Speaker, I have shaken a few nerves of members on the opposite side.

The national energy program is of particular importance to the economy of Nova Scotia. The Government of Canada will act to resolve regulatory issues so that the construction of the natural gas pipeline extension through Quebec into the maritimes may begin as soon as possible. The pipeline will be reversible. The government will involve itself in the construction of the main line if necessary. The Government of Canada has provided a sum of $500 million to be set aside for that particular purpose.

I was interested to hear the comments of the hon. member for Central Nova (Mr. MacKay) who has now left the chamber. However, he did not refer to the comments and the position taken by the Premier of New Brunswick on this particular pipeline. The hon. member talked about his own premier, John Buchanan, but he made no mention of the Premier of New Brunswick or of his comments on this particular pipeline.

Under the national energy program, grants will be provided for conversion or replacement of oil fired heating systems to enable home owners and businesses to use natural gas, propane, wood, solar or other regional appropriate fuels. At least initially conversions to electricity will not be eligible, since much of it is generated from oil.

Mr. McDermid: Not in Ontario.

Mr. Dingwall: The taxable grants will cover 50 per cent of conversion costs up to a maximum grant of $800. Some 200,000 homes in Nova Scotia are currently oil heated. The program target is the conversion of at least 171,000 homes by the year 1990. In the transportation sector grants of $400 per

vehicle will be available to commercial fleet operators to assist in the conversion of motor vehicles from gasoline to propane fuel systems.

This budget, unlike the previous budget, has particular significance to the economy of industrial Cape Breton.

Mr. Crosbie: Yes, it finishes it off. That is the end of it.

Mr. Dingwall: I was hoping that the hon. member for Central Nova would have remained in the chamber so that we could have an interchange of some of the facts which he so eloquently tried to put before the House. Nova Scotia will be eligible for $175 million in federal funds to help finance the conversion of oil fired electrical generating plants to coal. Coleson Cove in New Brunswick is one example, and Tufts Cove in Nova Scotia is another example. Nova Scotians will also be eligible for federal funds for the demonstration of advanced coal use technologies. This will include the development of fluidized-bed combustion at a utility-scale power plant in Cape Breton. The new technology allows the use of high-sulphur coals with minimal environmental impact.

When I heard the hon. member for Central Nova talk about the wonderful things that he and his party could do for this country, I wondered where he was as the junior minister of DREE for six months. Where was he?

Mr. Crosbie: Where were you?

Mr. Dingwall: Did he provide any moneys for the Donkin Mines? Not one copper under the Tories! The federal government has provided $14 million for tunnelling at the Donkin Mine, while the Tories, the paragons and defenders of the little guy, have done nothing. This government has also provided $50 million for the period 1980-83, and another $100 million for the period 1984-85 for coal technologies.

Also, the coal testing institute will be established in Cape Breton with $4 million of federal funding for research to support development of regional coal reserves. We do not need to study any further tax incentives for research and development, because we do it.

Mr. McDermid: That is why R and D dropped down to below 1 per cent of the GNP.

Mr. Dingwall: These measures, when taken collectively, will enable many residents of industrial Cape Breton to participate in a real way in the expansion of the coal industry. It is my belief that employment will increase, and when one uses the multiplier effect, these measures will have a dramatic impact on our local economies.

The hon. member for Central Nova indicated in his remarks that the government was doing very little relative to the requests of Sydney Steel Corporation. I would remind him that this government has made a commitment of $50 million. When the same request was made of his government, it took absolutely no decision and made no decision whatsoever to provide that money.

The hon. member for Central Nova also suggested that there should be a major shake-up in the Cape Breton Development Corporation. We had a big shake-up in the Cape Breton Development Corporation by getting rid of that junior minister, whom they call, in the coal mines of my constituency, "Elmer Fub".

In relation to these particular projects in my area of Canada, conservation measures have also been introduced. While encouraging conversion from oil, the national energy program will give increased support for the upgrading of home insulation. Under the Canadian Home Insulation Program, approximately $61 million has been provided to about 156,000 households in Nova Scotia and, I would add, it is tax deductible. A $30 million industrial conservation program which is unique to the Atlantic provinces will fund up to 50 per cent of the cost of energy efficiency improvement in industry. This will reduce vulnerability to energy price increases and enhance its competitiveness in national and international markets.

In addition to these particular measures, my government has not increased personal income taxes. There is no de-indexing of pensions, a possibility suggested by members opposite. There has been an extension of the small business development bonds—

Mr. Crosbie: Those are my bonds. Give me credit.

Mr. Dingwall: —for three months at a cost of $50 million. Petro-Canada's mandate will be expanded to play a bigger role in the oil and gas industry. And, of course, one of the major boosts to the economies of the Atlantic region is a special 50 per cent investment tax credit to promote industrial development in those parts of Canada most adversely affected by economic disparities. Most manufacturing and processing activities will qualify for this tax credit, which includes such things as buildings, machinery and equipment.

The Registered Retirement Savings Plan and the Registered Home Owners Savings Plan have been kept intact.

I have highlighted some of the major things which will take place in Atlantic Canada as a result of this very prudent and reasonable budget and far-reaching national energy program. But it does not stop in Atlantic Canada. It also helps western Canada. Under the national energy program the natural gas bank will bolster the cash flow and viability of the small Canadian natural gas producers. The national energy program will encourage diversification of the western economy, and hence ensure continued prosperity to this rich part of our country by supporting the establishment of a petrochemical industry based on natural gas rather than oil, which will serve to concentrate in Alberta, as it ought to.

• (1700)

The national energy program provides a new pricing formula for oil and gas that will stimulate oilsands and heavy oil development and expand domestic markets for Alberta natural gas producers by making natural gas a more attractive alternative to oil in Canada.

One of the most important measures announced in the national energy program is a $4 billion economic development fund for the west. The Government of Canada recognizes that all of Canada benefits when its regions prosper, and since the west has the resource base to support unprecedented prosperity, one objective of the national energy program is to help transform this potential into reality.

It is anticipated that this money will be used for a number of infrastructure improvements, in particular for the early upgrading of the railroad system and for the improvement of ports to enhance the access of western Canadian products to world markets. The details of these expenditures, Mr. Speaker, will be worked out by the federal government in consultation with the four western provinces in recognition of the need to foster a harmonious, co-operative relationship between all governments in Canada.

In conclusion, I should like to return to a comment I made earlier with respect to the people of Cape Breton. I said that they were good Canadians. What does that mean, Mr. Speaker? These are not words that I use lightly. Fundamental to the concept of being a good Canadian, I believe, is the idea of sharing. What, after all, has held this country together for the last 113 years, if not a generosity of spirit and a willingness to share? It has been said many times that Canada is composed of a diversity of peoples, with differing ideas, aspirations, and needs. Throughout our history we have witnessed the difficulty with which such a wonderful mixture becomes, and remains, one nation. It is testimony to the generosity of spirit and good will of Canadians, Mr. Speaker, that we have reached the state we enjoy today—one of undoubted prosperity and tremendous prospects for the future.

This is not to gloss over the strains that are evident in recent years in confederation; it is, however, to call attention to the positive side of being Canadian—that about which we can be very proud but that which is rarely mentioned nowadays—our national characteristic of sharing.

Mr. Speaker, I believe that the strength of this budget is the fact that it embodies the concept of sharing. It is fitting that the Deputy Prime Minister and Minister of Finance introduced this particular budget at this time in our history. It recognizes that Canada needs strong regions; therefore, policies directed toward those regions are designed to ensure that they remain strong. But it also recognizes, Mr. Speaker, that our ultimate goal and aim as Canadians are to have all regions strong. It therefore contains so many commendable policies—some of which I have outlined—that I urge all hon. members from all political parties to support this budget.

Some hon. Members: Hear, hear!

Mr. Murray Cardiff (Huron-Bruce): Mr. Speaker, I am glad of the opportunity to participate in this budget debate, particularly since I was among those members denied an opportunity to speak when the constitution was being discussed. The budget brought down last Tuesday, like the constitutional measure debated the week before, is an enormous deception launched upon the public to the accompaniment of great advertising—paid for by the taxpayers who are being deceived, with their own money. It distorts the true nature and impact of both the constitutional plans and the budgetary plans of the government. I want to take the opportunity now, Mr. Speaker, to speak for the concerns of my own riding, and to register dismay at the measures this House is being asked to approve.

I would note at the outset that my riding rejected the campaign promises of the Liberal party last February, wisely, as it turns out, because almost every promise of substance has been betrayed in this House in the past two weeks. I do not suppose for a moment, Mr. Speaker, that the voters of my riding elected me solely on my own account. I campaigned on the Crosbie budget. The voters of Huron-Bruce knew it and voted for it. We do not like high energy prices, but we accepted that they were necessary and we understood that the Crosbie budget had faced necessity honestly and squarely.

Huron-Bruce, Mr. Speaker, is a largely rural constituency lying along the shores of Lake Huron in southwestern Ontario. At one time the finest wheat in the world was grown in this part of Ontario; it was the breadbasket of the British empire. We no longer grow wheat in such a significant way because the enormous plains of western Canada have opened up new and bountiful wheatlands which contribute to the wealth of all Canadians. But we have no resentment that the west is now Canada's leading wheat region, for we have adapted and moved with the times. We now produce other crops and we have, by and large, thrived.

Our largest single crop now is corn for livestock feed, because Bruce county is Ontario's largest producer of beef, and Huron county is second. These two counties also are the largest producers of barley in Ontario, and among the leading producers of mixed grains. Apart from producing our own calves, we also use our excellent grasslands to finish western cattle for market, producing the distinctive flavour in beef for which the grasslands of this part of Ontario are particularly suited, and supplying Canadian tables with the lowest priced beef in the world.

But our agricultural economy is very mixed. Over half a million hogs were marketed from this area last year, as well as some $20 million worth of poultry, and $40 million worth of dairy produce. We also have our specialty crops. This year, Huron county, which is Canada's largest grower of white beans, produced about $40 million worth of these beans, the vast majority of the crop being exported and thus contributing to Canada's balance of trade.

There are also many vigorous towns in Huron-Bruce: Hensall, in the south, with its large elevator complexes, is a shipping centre for produce of many sorts. Brussels, in the centre, is the home of stockyards which are among the liveliest in the province. In the northeast the village of Formosa, famous for a century as the home of the famous Formosa springs and still remembered in Ontario for the quality of the beer produced using its waters, is now home to a new trout farming industry which will serve the restaurant industry of Ontario and its homes.

Just to the east of Formosa lie large gravel deposits that will in future make the village of Mildmay a major shipment centre and supplier of central Ontario's sand and gravel. In the northwest the riding rubs up against Kincardine and the Douglas Point nuclear power station. This area is now growing a new energy-efficient greenhousing industry, using the waste heat from the power plant, and in future the same location will attract other energy-consuming industries. In the southwest lies the Great Lakes port of Goderich, which not only ships grain to the world but is also a producer of widely exported road machinery, and is home to a mining operation that exports salt to the central markets of the United States through Chicago. This mine is now undergoing an expansion worth some $37 million, without a penny of federal assistance.

Elsewhere, in other small towns of the riding, small businesses struggle to survive or to become big businesses, producing farm equipment, auto parts, earthmoving machinery, textiles, and sailing craft. For these industries the federal government has done little. They survive, if they do, by the personal initiative of the people who work in them.

The federal government's most notable initiative since the Prime Minister (Mr. Trudeau) took office was to close down the Clinton airbase, which had been of major importance to the local economy, leaving behind nothing but empty buildings which now house some of the small businesses that have sprung from the people of the district.

The point I am making, Mr. Speaker, is that although the economy of my riding has prospered on its agricultural base, we have paid a price. We have been unable to develop and maintain a level of industry which could keep all our sons and daughters employed, and over the years a great many of them have gone elsewhere seeking a livelihood. As one result we in Huron-Bruce have always had strong links of kinship with the west. There have been migrations from our area to the west since the 1880s, first to open up the farmlands, and more recently to work in the cities and in the oil and gas fields.

● (1710)

We still have a vigorous economy, but we have remained vigorous by adapting and by exporting our surplus population to the cities of Ontario and to the west. This is our history. This government has not made it easy for us to develop our own industrial base, but we have never expected to thrive because the federal government grabbed someone else's resources for us. It would be far better for us if this government concentrated on helping us develop what we have so we can continue to flourish.

A couple of weeks ago the Minister of Agriculture (Mr. Whelan) stood in this House and told us about his own trip west long ago on the harvest excursion. That was a feature of life for which many of our farmers were grateful during the lean times. In cash-hungry times the west was a source of money by which many Ontario farming families survived. More recently, many of our sons and daughters have turned to the west and found a new home there without forgetting their old one. It is this kind of movement and link which helps create Canada's identity and strength. The links between farmers in Ontario and the west are strong. In the beef industry they get progressively stronger. No farmer who has seen his sons grow up and set up on their own believes you can have a happy family by trying to run your sons' operations as if they were yours.

We recognize that the west has never seriously asked the rest of Canada to pay world prices for oil and gas, as our American customers do. What the west has asked for is serious negotiation of fair prices and a chance to promote its own development. Westerners do not want a federal fund for western development because it is just an attempt to use their own money to tell them how to run their own development.

I do not suggest for a moment that people in my riding, or anywhere else in Ontario, like large increases in oil and gas prices. But they accept increases as necessary to promote conservation, industrial efficiency, and further development of our own resources. What they do not like, and what I hope they will not accept, is a federal government grab for the resources of any province or combination of provinces, so that the federal government can save itself from its own spending disasters.

Let me be clear on this, Mr. Speaker. All Canadians know by now what the people of my riding knew when they voted to accept the program of the Crosbie budget, namely, that the price of our fuels must rise. I think the vast majority of Canadians agree on the principle that Canadians should not have to pay world prices. I believe the great majority of westerners agree with that principle. But before the federal government tries to grab the resources of any province, I think most Canadians would like to see the government get its own financial house in order, without dropping a billion dollars here, and adding $2.7 billion to the debt there, resulting in a national debt now totalling $107 billion, with this year's interest alone at $1,390 per taxpayer.

In this budget we are presented with the picture of a federal government which has shown no clear evidence that it intended to negotiate seriously with the producing provinces on energy pricing. Instead, it is attempting to take matters into its own hands, deepening the divisions within the country. After all its efforts, energy prices are higher than those contained in the Crosbie budget, which hon. members over there said were too high. For utter bungling, Mr. Speaker, the government's management of energy pricing is equalled only by the cynicism of the constitutional resolution it rammed through the House two weeks ago. That measure so angered the provinces that six of them are taking the government to court. So that the Canadian people would not find out how far the government's constitutional proposal differed from what they said it was, the government made sure the constitutional proposals could not be amended in this House. They invoked closure so that the elected representatives of the people were prevented from discussing it here in the Parliament of Canada, before the debate had scarcely begun. All of this was accompanied by a manipulative advertising campaign designed to make Canadians believe the government was bringing home our constitu-

tion, instead of this weird concoction of the Prime Minister's, which is not our constitution but a bundle of new principles that he wants the British Parliament to pass for us so Canadians will not get a clear sense of what is happening.

The same kind of thinking underlies this budget, Mr. Speaker. The government campaigned on a promise to keep energy costs lower than those in the Crosbie budget, and it has the gall to suggest that it has kept those promises. I would like to draw attention to certain aspects of the budget where the government has broken its promises and betrayed the faith of those who were asked to elect it.

There are many issues I would like to touch on in this budget but one area I do not want to neglect is agriculture. Agriculture should not be neglected by any government in Canada, considering that fully one-quarter of our jobs comes from the food production sector. Yet agriculture is neglected by this government and this budget. Even worse, the very promises upon which this government campaigned for the votes of farmers in Canada have been betrayed. Let me quote the words of the present Minister of Agriculture when he sat in opposition last year. He said, as reported in *Hansard* at page 238, for October 16, 1979, the following:

—I say that in any country you want to check in the world—

And the hon. member continued:

—those who neglect agriculture make the rest of society suffer for that.

These words are wise and true. Everyone eats, and pays increased prices when the cost of food production rises. Yet this government has neglected agriculture, that very sector which the minister said we should not neglect.

Farmers are not fools. They noted the Liberal campaign promise to exempt fuels used in food production from excise tax. They will also note that the main effect of that exemption will be not so much to protect them as to protect consumers from the increase in food costs that would have been passed on. When farmers look at what this budget means to their own pocketbooks, they will see that over the next three of four years farmers will be paying the same increases for fuels for their personal use that all other Canadians are paying. For reasons I shall come to, farmers may well find themselves at a disadvantage compared with urban Canadians because they live beyond the range of natural gas lines.

The Minister of Agriculture when he was in opposition, as reported in *Hansard* for October 16, 1979, said that the cost of land had risen by 14 per cent the previous year, and he added, referring to the Clark government:

This, in itself, underscores the tremendous need for increased funding of the Farm Credit Corporation. This government should practise what it preaches and put up the money for an industry which benefits all Canadians. It is ripe for expansion.

The minister is back in office, Mr. Speaker, and the industry is still ripe for expansion. The minister was right when he said that if agriculture is neglected the whole of society suffers. But the minister has apparently had no effect in trying to convince his cabinet colleagues not to neglect agriculture.

Where is the extra money for the Farm Credit Corporation which the minister urged our government to find? The legislation to increase funding was ready two years ago when the minister was last in office. He helped defeat our government before we could bring it in, though he demanded it be brought in. Where is it now? Young farmers who would like to keep on farming are finding themselves unable to get credit to buy land. The minister takes pride in the favourable rates offered under the Farm Credit Act, but favourable rates mean nothing if the money is not there to lend.

This leads me to another point. In the Crosbie budget provision was made to allow small businesses to issue development bonds which would cut their cost of borrowing in half. Small business creates the vast majority of jobs in Canada. Both small business and the hundreds of thousands of Canadians unemployed need this provision. After defeating the Crosbie budget the present government reintroduced this provision in the April 21 mini-budget which was sneaked into the throne speech debate. This measure, after all, made sense, and was necessary if small business was to go on creating jobs. But legislation to give legal effect to this provision has never been introduced in this House. As a result, banks are unwilling to take up such bonds without a guarantee from the small business issuing them that they will pay the full commercial lending rates, or even more, if the government reneges on its commitment.

Therefore, small businesses are afraid to issue these bonds, for no business can afford to operate in that climate of risk under a government which has broken so many other promises. If the government were really serious about making this provision of the Crosbie budget available and usable, it would bring in the legislation giving it effect. Instead, it has announced a three-month extension of the period within which bonds can be issued. Thus a measure which is presently hampered by a lack of the confirming legislation is going to be hampered for a longer time than originally announced. The question is: when is it going to be made effective? This is the same kind of window-dressing and illusion as the Minister of Agriculture's farm credit, which is advertised at a favourable rate but is not available and usable.

Let me touch briefly on another aspect of the budget which will affect all Canadians when they buy their food, heat their own homes or rent heated homes, when they drive their cars, and when they take buses or trains. That is the aspect of fuel prices. Most Canadians accept the fact that fuel prices must rise. Of course, the price of everything dependent on fuel will rise too.

This budget does two things which will make it more difficult for a great many Canadians to cope with increased fuel costs than the Crosbie budget did. First of all, it eliminates the energy tax credit which would have amounted to $220 a year for the typical low or middle-income earner in my riding. Second, it builds in a number of incentives to encourage a switch from heating with oil to heating with natural gas, but it gives no help to those who cannot get access to that gas.

● (1720)

A strong penalty price is imposed on heating oil to make people want to switch away from it, and there are incentives to gas companies to extend their lines so that people can switch. But we have had natural gas for years in parts of my riding, and many small towns have wished the lines would be extended to them. Does the minister really believe that the small towns and farms of my riding, or for that matter, the small towns and farms of his own area in Cape Breton, will be served by gas in the near future? His attitude seems to be, "Let them chop wood", or in the case of his own riding, "Let them dig coal." While the lucky Canadians with gas wake up to warm houses, the unlucky in my riding and his will tumble out of bed shivering all winter to make their coal or wood fire. That seems to be the minister's attitude, for he has made oil prohibitively expensive and has given no tax credit to shield those who cannot get gas.

It would have been far better if the minister had phased in his penalty price for heating oil as and when gas became available, or had revived the Crosbie energy tax credit for those with no access to gas. But the minister has given us a budget that will raise heating oil by 77 cents a gallon by 1983, 16 cents a gallon more than the Crosbie budget, and with no tax relief.

Finally, Mr. Speaker, let me note how this budget has broken the government's promise to all Canadians that oil would rise this year less than $4 a barrel. The wellhead price of oil has risen by $3 a barrel this year, but in July the government added 75 cents a barrel at the refinery, and now in this budget another 80 cents a barrel, bringing the total price increase this year to $4.55 a barrel. That is not only greater than the $4 the Prime Minister promised to be below, but also greater than the increase announced in the Crosbie budget that the Prime Minister voted against. The Prime Minister's promise was not merely to keep the wellhead increase below $4 but to keep the total price increase below $4. My colleague, the hon. member for Perth (Mr. Jarvis), asked the Prime Minister this on May 1, and the Prime Minister repeated the member's question as he answered it. He said:

> He wants to know, when we say our price will be less than $4 a barrel increase, if we will try and make up for that "less" by some other taxes elsewhere. The answer to that is "no".

Well, now the answer is yes, Mr. Speaker. Despite the Prime Minister's repeated commitment, a barrel of oil now costs $4.55 more than at the end of last year. Gasoline, of course, has risen even more.

To conclude then, Mr. Speaker, this government has broken its promise to Canadians on oil prices, it has made a mockery of the small business development bonds, and it has introduced natural gas incentives that leave many Canadians penalized because they cannot switch to gas and they cannot get an energy tax credit. The Canadian Council on Social Development has said that this budget will have a devastating effect on low-income Canadians. Its executive director said, and I quote:

> Essentially they are having the same increase in energy costs, but they are not receiving the benefit of the energy tax rebate which was included in the previous budget, which would have off-set the energy cost by about $220 per year.

This council speaks from a position that cannot be accused of partisan bias, and it estimates that this budget will increase the cost burden on average Canadian families by $500 more a year than the Crosbie budget. In rural areas where gas is not available, the costs, I would add, may be even higher.

This is not what we were promised, Mr. Speaker, when this government sought election. It is a sad reminder of the many times in the past when Canadians have been deceived by this government, which seeks power at all costs, through manipulation of public opinion, and now through an undermining of Canada's provinces which stand out against this kind of manipulation.

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, on a passing note before I start, I wonder if the hon. member for Huron-Bruce (Mr. Cardiff) has explained to his farmers about whom he spoke so eloquently during the last few minutes, that a farmer using 6,000 gallons of diesel fuel a year over a four-year period would pay over $8,000 more for that diesel fuel under the Crosbie budget than he is going to pay under our budget. I wonder if he told his farmers that.

I rise today, not only to speak in support of this budget but to address myself to some of the more basic principles that have become part of this debate. This budget, and the accompanying national energy policy in particular, are much more than a mere accounting exercise or a simple statement of how government intends to raise money and how government intends to spend money. What we have before this House is a revolutionary gutsy plan of action to break the stranglehold that a small number of powerful foreign multinational oil companies have had on the collective throats of the Canadian people for too long.

Oil and gas energy is as fundamental and as basic to our individual existence or collective existence as is oxygen or water. Without an assured and a reasonably priced supply of energy, we as a society, whether it be as a farmer, fisherman in my riding, housewife or businessman, simply cannot function. Simply put, energy is too important a commodity to be placed today solely in the self-serving hands of foreign, powerful multinational oil and gas companies. The people of this country recognize that. They have known it for years. They have grown impatient waiting for the government to act.

In the last election my party promised to Canadianize to a substantial degree our oil and gas industry. We promised the taxpayers that they, through Petro-Canada, would have a substantially bigger share in this country's oil and gas reserves. We are delivering on those promises, not only because we gave our word but because to do anything less during these troubled times, these times of great turmoil in the Middle East, would be an historic and dramatic betrayal of the people of this country. We have it within our power today to be self-sufficient in energy if we plan now to be no longer at the mercy of the oil companies in the Middle East whose only concerns are profits.

There are a number of schools of thought on how Canada can obtain self-sufficiency. One line of thought proposed by the hon. member for St. John's West (Mr. Crosbie) and the Conservative party is that the Government of Canada should continue to give untold millions of dollars to foreign-owned and controlled oil and gas companies. We are told we should trust those foreigners to spend that money wisely to look for new supplies of oil and gas.

Better still, or worse still, however you look at it, we are told we should trust those foreign oil companies to charge Canadians a fair and just price for gasoline and home heating fuel. Frankly, I do not for one second trust those foreign oil and gas companies as far as I can throw them, and that is not very far.

Some hon. Members: Hear, hear!

Mr. Tobin: They have demonstrated time and time again that the concern of one lonely Canadian like myself is but water off their backs. I have two questions for the hon. member for St. John's West, for members opposite or anyone else in this House or in this land who would be naive enough to suggest that we, as Canadians, should leave our energy future in the hands of the multinationals. Whose interests will they serve in the crunch? Yours and mine, or the board of directors?

Second, where do Canadian consumers stand in their list of priorities? The answers are obvious, or should be obvious to all reasonable men, at least. Their priorities are profits, and when it comes to the crunch they will not be thinking about the people of Canada, those in Newfoundland, British Columbia or Alberta.

Here are just a few of the positive measures contained in the national energy program tabled in this House by the Minister of Finance (Mr. MacEachen) on October 28. Our policy is based on three sound and fundamental principles. We will ensure security of supply and ultimately energy independence for this country. Our target date is 1990. We will provide the opportunity for Canadians to participate in energy industries, especially in the oil and gas sector, and we will ensure fairness in pricing and sharing of revenues not only among governments but also within the industry.

● (1730)

I will be specific about some of our goals. While we recognize that oil imports may rise somewhat for the next few years, our plan would see those imports of oil from the Middle East dramatically decrease, and by 1990 our imports would reach zero.

Mr. King: Do you want to bet?

Mr. Tobin: We would ensure Canadianization. That is the plan. Certainly no man is fool enough, as some would suggest, to try to know everything which can possibly happen in this world, but we are man enough and we care enough at least to have a plan, at least to try, and at least not to lie down and die nor to be the trained parrots of foreign multinationals. That we will not do. I can assure the hon. member of that.

Second, our goal is Canadianization of the petroleum industry which is now dominated by foreign interests, and that goal will be actively pursued through programs designed to achieve at least 50 per cent Canadian ownership by 1990. We will provide direct incentive payments for oil and gas exploration, and that development program will be structured to favour investment by Canadian companies and Canadians who live anywhere in this country.

A final and important aspect of our policy is that producing provinces will continue to have a share of oil and gas revenues.

Mr. King: You are all heart.

Mr. Tobin: Listen carefully. That share is higher than in any other state or province in any other petroleum-producing nation in this world. I will give one example. Under our formula the province of Alberta will have revenues of $100 billion between 1980 and 1990.

Mr. McDermid: It should; it owns the resources.

Mr. Tobin: As a young lad from Newfoundland I cannot find any way to say that that is not reasonable nor fair. It appears perfectly reasonable to me. I think about our $2.5 billion debt, and this looks very reasonable. I do not begrudge Alberta that revenue. It is right and proper, and I certainly feel it is fair, and as a Newfoundlander I too look forward to the day when my province can maximize the benefits of offshore oil and gas.

As I said earlier, these measures are gutsy and revolutionary as far as the oil and gas industry in Canada is concerned. Because this government is in effect taking power out of the hands of the multinational oil and gas companies and giving that power back to the people of Canada, we expected a strong reaction from those powerful multinationals which would rather carry on as they always have, answerable and accountable to nobody but their shareholders and their boards of directors. Can it possibly be a surprise to anybody in this House that the big oil giants, whether they be Gulf, Shell, Imperial or Mobil, one after another have been muttering their displeasure at this government for our new initiatives on behalf of the people of Canada? Does it surprise anybody that these same companies could be brazen-faced enough, as we say in Newfoundland, to try to convince the people of Canada that it is not in Canada's best interests for Canadians to control Canadian oil and gas companies?

As incredible as that sounds, that is exactly what they are trying to convince the people of Canada. They are trying to convince us that it is not in our best interests to take control of our own oil and gas resources. We expected that kind of reaction, and I can assure hon. members that the people of Canada expected that kind of reaction, but what we did not expect was to witness the unholy spectacle of the hon. member for St. John's West standing in his place in this House—

Mr. McDermid: And being honest with the Canadian people.

Mr. Tobin: —and spouting off the line, the arguments, the concerns and the fears of foreign oil and gas companies. He did so like a trained parrot. I have always felt that the mouth of the hon. member for St. John's West was somewhat like an unguided missile. Neither he nor anyone else in this House ever knows what he is going to say next. I suggest he is still shell-shocked by the bomb he dropped on December 13.

Some hon. Members: Hear, hear!

Mr. Tobin: Because of the wit and unpredictability of the hon. member for St. John's West we have all enjoyed his humour on occasion in this House. He is a funny man, but this is no laughing matter. I want to tell hon. members that the hon. member for St. John's West said on October 29 in this House, and I quote from *Hansard:*

> This is an interventionist budget on a massive scale. Now they are going to take power from the private sector. The oil and gas sector is no longer to be called private. If it is private, its privacy has been vastly interfered with.

I regret that the hon. member for St. John's West feels that the privacy of his powerful, foreign, bosom buddies may be interfered with, but we on this side of the House are more concerned about the privacy, the dignity and the way of life of the Canadian people than we are about maintaining the immoral profit levels of the foreign multinational oil and gas companies operating in this country.

Some hon. Members: Hear, hear!

Mr. Tobin: In case there is any doubt left in the mind of the hon. member for St. John's West, let me confirm what he already suspects. This is indeed an interventionist budget. It is a budget which intervenes on behalf of and for the benefit of the people of this country.

Some hon. Members: Hear, hear!

Mr. Tobin: It is a budget which tips the balance of power in favour of the people of this country. It is a budget and a national energy program which break the stranglehold which foreign multinationals have had on the throats of the people of this country. It is an energy policy made in Canada for Canadians by Canadians, and not dictated to us by some board room in the United States or Europe.

Some hon. Members: Hear, hear!

Mr. Tobin: In case hon. members opposite have not already figured it out, we on this side of the House are proud of that budget, and we are proud of that energy program.

Mr. McDermid: Talk about Norcen.

Mr. Tobin: The hon. member for St. John's West, his colleague on the back bench who is hollering to himself, the Conservative party or its buddies in the oil industry would not understand that kind of pride. No, in their fanatic dedication to free enterprise, at any cost, hon. members opposite would sell this country's future down the river in order to ensure that some foreign company's books in the United States or Europe or somewhere else in the world, balance at the end of the year. It was that same kind of fanaticism which led members of the Conservative party to the brilliant conclusion when they were in government that the right thing to do was not to increase Canadian ownership and control of our natural resources but to wipe out totally the little control and ownership we had. Yes, the hon. member for St. John's West and the Hon. Leader of the Opposition (Mr. Clark) were going to sell Petro-Canada and pass its assets over to their foreign bosom buddies.

Mr. McDermid: That is a lie.

Mr. Tobin: However, we on this side of the House and, I am sure, the people of Canada, thank our lucky stars that their visit to this side of the House was so short that no serious damage was done.

What do the people of Canada think about Petro-Canada? A recent Gallup poll indicated that Canadian support of Petro-Canada is not only still very strong but also that that support is growing dramatically. Today more than 82 per cent of Canadians want Petro-Canada involved in exploration for oil and gas. That is up seven percentage points from last year. A solid majority of our people would like to see Petro-Canada continue buying oil and gas internationally. That percentage is 61 per cent today versus 57 per cent a year ago. And 62 per cent of the people of this country want to see Petro-Canada sell oil and gas at the retail level.

What does the Conservative party say about the feelings of the people of Canada? Hon. members opposite respond by putting forward trained parrots, one after another, who come to the defence not of the Canadian people but of the poor, helpless, foreign multinationals. The head trained parrot, the hon. member for St. John's West, predicted in his speech on October 29 that the people of Canada would, and I quote, "erect statues throughout Canada to Clark and Crosbie". Well, if there ever is a monument erected to "foot and mouth disease", I can assure the hon. member that statues will be erected, but not until somebody gets that bright idea! I hope someone in this vast country—I know many are listening to me now—will take up that suggestion. I will be the first to donate to that monument.

• (1740)

We have delivered, in our budget and in our energy program, what we promised in the election. It may bring some comfort to the hon. member for St. John's West in particular to know that it was not only the budget he produced that caused their defeat. No, it was the callous and cynical approach that hon. members opposite took with regard to the Canadian people that caused their downfall.

People's memories are not short, Mr. Speaker. Some people in the House, I am sure, particularly on that side, would like to believe that is so but people's memories are not short. They remember that it was the party opposite which promised decreased taxes, low unemployment, a stimulative deficit and

other goodies while in opposition, only to deliver just the opposite after they formed the government on May 22, 1979.

The party opposite is the party whose finance minister explained to the Canadian people that surely no one expected the PC party to live up to its election campaign promises. "Surely", explained the hon. member for St. John's West, once he had the heady taste of power—my God, I am beginning to sound like the Leader of the Opposition—"you did not honestly expect us to deliver on our promises and to keep our word." Well, hon. members opposite received the collective answer of the Canadian people on February 18. The people expected the Conservatives to keep their word. They trusted them once, but no more. The Canadian people made a wise choice on February 18, and the numbers show that.

Let us compare the so-called Crosbie budget to the MacEachen budget with respect to gasoline prices. The prices vary, of course, from province to province in accordance with provincial sales taxes. However, for this comparison I will use the base rate. At the end of 1981 the people of Canada would have been paying $1.56 a gallon for gas under the Crosbie budget. Under the new budget they will only pay $1.36 a gallon That is a saving of 20 cents a gallon in the first year alone. In the second year, at the end of 1982, the Crosbie budget would have pushed the price up to $1.75 a gallon. Our projections now show that price at only $1.53 a gallon That is a saving of 22 cents a gallon. But in 1983 the savings become even more dramatic. By the end of 1983 the Crosbie price for a gallon of gas would have risen to $2.32 a gallon, and our projected price shows the price to be only $1.71, that is, our price will save the people of Canada 61 cents a gallon. By the end of 1984 the Canadian people will be paying 68 cents less per gallon because of the MacEachen budget.

Some hon. Members: Hear, hear!

An hon. Member: Under your budget we will be walking.

Mr. Tobin: My, oh my! Somebody throw some peanuts, please. I would much appreciate it because it would occupy the monkeys on the other side.

There will also be dramatic savings for the people of Canada in home heating oil prices. The projected base price for the consumer, under the Crosbie budget in 1984, would have been $1.96 a gallon. Our proposal will see home heating oil cost at a maximum of $1.51 a gallon, or a saving of 45 cents per gallon for the people of this country.

Under our budget and the national energy program, several programs and initiatives are introduced which will greatly benefit the people in my constituency, the people of Humber-Port au Port-St. Barbe, and the people of Newfoundland in general. In terms of their personal taxes, the people of Newfoundland and Labrador welcome the announcement of the Minister of Finance of full indexing on their 1981 income tax. This indexing of 9.8 per cent on the personal exemptions and tax bracket limits will ensure that lower and middle-income families will not be forced into higher tax brackets. This measure will provide substantial savings to all Canadian taxpayers and will allow them to keep pace with the rise in the cost of living.

Indeed, Mr. Speaker, the full indexing will mean that in 1981 the basic personal exemption will increase by an additional $280 to $3,170, and the allowable exemptions for a typical family of four with two children under 18 will rise by $630 to $7,130. For example, a married person with two dependants under 18, with an income of $11,000 in 1981, will save approximately $179 because of full indexing, as opposed to an unindexed income.

I notice that hon. members opposite have become quiet. I can only assume that for the first time they cut out the rhetoric and are learning something. Perhaps they have acquired some appreciation of this budget which does as we promised. It helps those first who need help most.

In 1981 as well, Mr. Speaker, the child tax credit will provide even greater savings for Newfoundlanders. It will rise from $238 per child in 1980 to $261 per child in 1981. And, good news for all, the income threshold above which the child tax credit benefits are reduced also will rise from $21,380 to $23,470.

Some hon. Members: Hear, hear!

Mr. Tobin: This increase will ensure that a greater number of families in Newfoundland and elsewhere who need the tax credit most will continue to benefit. In Newfoundland, in 1978 for example, there were 81,113 claims for the child tax credit and the average claim was approximately $433. In 1981, with the increases provided in our budget, the average claim in Newfoundland will rise to over $500.

The national energy program introduced by our government will benefit Canadians right across the country, but it provides some special initiatives for the people in Newfoundland. Recognizing my province's dependence on oil, the government is attempting to lower consumption in the province by ensuring that oil is used in the most efficient way. Newfoundlanders will be eligible to apply for grants under the new super-retrofit program. By providing grants up to a maximum of $800 to cover 50 per cent of the eligible costs, the government is urging Newfoundlanders to ensure that their homes are energy efficient. The moneys from this grant can be used to retrofit oil furnaces with devices which will mean lower consumption, and encourage further conservation with the use of additional insulation. In fact simply by retrofitting their oil furnaces with nozzles, retention heads and solenoid valves, the people of Newfoundland will be able to achieve 20 per cent savings in fuel.

On top of this Newfoundlanders will also be eligible for further grants under CHIP, providing them with grants of up to $500 to assist them in insulating their homes. This government has ensured that more Canadians will benefit from CHIP by increasing the budget for the program from $80 million annually to $265 million annually.

As you can see, contrary to what hon. members opposite would like the people of Canada to believe, our budget does

help first those who need most. Our gas prices will be lower than those proposed by the hon. member for St. John's West, and so will home heating costs. Further savings in home heating costs will be experienced by those who take advantage of the government's grants under both the super-retrofit program and CHIP. As well, Canadians will be able to keep pace with inflation because of full indexing. We have stuck to our commitments.

I should like to add as well that we have introduced a measure in particular for my part of the world, and for all parts of Canada where unemployment is high. It will create jobs in this country. Our budget introduces the 50 per cent investment tax credit for selected capital projects in areas of high unemployment. This is a dramatic step taken by the government to provide more jobs in those areas most in need. The program has been highly praised, for example, by Mr. Harvey Webber, president of the Atlantic Canada Plus Association. He views the tax credit as:

An important step to self-reliance and a chance in a lifetime to expand our manufacturing and processing industries.

I am happy to say that, from all indications, practically my whole riding will be eligible for this 50 per cent tax investment credit.

● (1750)

As well, the government is providing—and this is an important measure for Newfoundland—an equity contribution of up to $200 million to support hydro development on the lower Churchill River in Labrador. As well, the government will provide credit support to ensure that debt financing for the development can be obtained at acceptable rates. The hydro development in Labrador means a great deal to the people of my riding, the people of Newfoundland, and particularly the people of Labrador.

At the present time 40 per cent of Newfoundland's electric power comes from expensive oil-fired electricity plants. Oil consumption by the Holyrood power plant near St. John's will cost the people of Newfoundland $50 million this year at the subsidized rate. When the lower Churchill hydro development comes on stream, Newfoundland will immediately be able to shut down the oil-fired plant and will no longer be dependent upon costly oil for the generation of electricity. That power is brought down to help, first, the people of Newfoundland. Also Newfoundland will benefit financially from the exporting of some of the power generated from the lower Churchill development. But I say again that the power should be developed first for the benefit of Labradorians and Newfoundlanders. I realize the details will have to be worked out by the premier of our province, Premier Peckford, in consultation with the federal government.

Following on that line of thought there is another matter on which I want to set the record straight before taking my seat. The government and the Prime Minister of Canada (Mr. Trudeau) have said time and time again that the Government of Canada will take whatever measures are necessary to ensure that when new Labrador hydro power comes on stream, my province will be able to move that power across the province of Quebec to our markets. Despite what some provincial politicians are saying, that is the commitment of the government, the commitment of the Prime Minister of Canada, and the commitment I give to my constituents in Humber-Port au Port-St. Barbe. The ball is now in Premier Peckford's court. It is up the Premier of Newfoundland and his government, with the financial assistance of the federal government, to find markets for Labrador power in our own province and elsewhere, and to bring a solid proposal to the Government of Canada. The people of Newfoundland have had enough words and constant partisan political bickering. I say in good conscience to Premier Peckford, it is time to show some good will; let us cut out the rhetoric and get on with the job together.

Some hon. Members: Hear, hear!

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, listening to the hon. member who has just resumed his seat reminded me of the preacher who happened to leave his notes on the pulpit after the service was over. Someone glanced at them and saw the words, "argument weak, yell loudly". That is what came to my mind when I listened to the hon. member for Humber-Port au Port-St. Barbe (Mr. Tobin). Apparently he believes what he said because he endeavoured in the best way possible to substantiate his arguments, but in actual fact I think they leave a great deal to be desired.

In preparing for participation in this debate I was reminded of the opening words of a delgate from Samoa to the Commonwealth Parliamentary Association Conference in Jamaica some years ago. He opened his speech with these words:

Following the custom in my country, I would first want to thank our heavenly Father for His goodness.

Perhaps it would be well for us to realize and acknowledge that, in comparison to the needs of many, many people around the world, Canada has been signally blessed.

Some hon. Members: Hear, hear!

Mr. Patterson: I am sure many people who have come to us from other parts of the world would give witness to that fact as well.

Just a few days ago I noticed on the front page of the Ottawa *Citizen* a reference to one of the families brought into this country because of the serious problems in southeast Asia. This family was hardly able to grasp the fact that there could be so much to enjoy in a country. They could hardly believe the goods available as they walked up and down the streets. The friendliness of the people was such that it caused them to stand in amazement and wonderment that there was a place in the world as good as Canada.

The fact we are now discussing serious and urgent problems cannot be blamed upon an unkind providence. But I believe they are the result of our inability to devise a system which would enable society to develop and utilize our abundance for the common good. Canada is uniquely blessed and endowed with vast reservoirs of natural resources, manpower which is

critically underutilized, and the energies, skills, will and enterprise to transform those resources into needed and desired products for the benefit of Canadians, and also a significant surplus to assist in meeting the requirements of others around the world.

We all remember the spirit of 1967 when Canadians were urged to let down their hair and celebrate 100 years of history. As we remember, the result was a great program all across the country, a promotional program which resulted in demonstrations, building projects, excitement, concerts, and a new awareness of what Canada was all about. At that time the satisfaction was real; the expectations were high as we faced the second century. But the question now is: what has happened? Instead of a buoyant and vibrant economy and happy, optimistic and enthusiastic people, we have a no-growth economy and a population which is uncertain, apprehensive and disturbed.

In addition, instead of having a spirit of unity and harmony in this nation from sea to sea, the country is divided and struggling to maintain its equilibrium. What has happened over those few years?

Perhaps when I resume the debate tomorrow we will be able to consider this further.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Deputy Speaker: Order, please. It being six o'clock, the House will now adjourn until tomorrow at 2 p.m. in accordance with Standing Order 2(1).

At 6 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, November 6, 1980

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

GRAIN

CALL FOR INCREASE IN PRICE OF WHEAT—MOTION UNDER S.O. 43

Mr. Len Gustafson (Assiniboia): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. With the substantial increase in the price of hard wheat and durum on the world market, and given the cost-price squeeze with which farmers are faced, I move, seconded by the hon. member for Swift Current-Maple Creek (Mr. Hamilton):

That the initial price of wheat be increased to $6.25 a bushel on hard wheat and $8 a bushel on durum wheat.

Madam Speaker: Presentation of this motion for debate requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

FISHERIES

MEASURES TO CONSERVE SALMON STOCKS—MOTION UNDER S.O. 43

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, I rise under the provisions of Standing Order 43 to propose a motion of urgent necessity. Whereas the Minister of Fisheries and Oceans (Mr. LeBlanc) has announced stringent new fishing regulations which affect commercial salmon fishermen on the west coast of Canada, yet for undisclosed reasons he has failed to place corresponding limitations on the large unlicensed charter boat operators who provide a fisherman's paradise for hundreds of well-to-do foreign tourists, allowing them to take hundreds of thousands of pounds of salmon from British Columbia waters each year, I move, seconded by the hon. member for Surrey-White Rock-North Delta (Mr. Friesen):

That, in the interest of conserving our fast-dwindling stocks of Pacific coast salmon and in the interest of equity, the Minister of Fisheries and Oceans be required to implement measures immediately which will restrain the impact of recreational charter boat operations on salmon stocks; such measures to include a system of licensing, gear restrictions, seasonal closures and catch limits commensurate with the restrictions which have already been placed upon other persons who earn their income through fishing.

Madam Speaker: Presentation of this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

LOUIS RIEL

CALL FOR POSTHUMOUS PARDON—MOTION UNDER S.O. 43

Mr. Simon de Jong (Regina East): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Whereas the trial and execution of Louis Riel has been condemned and damned by scholars throughout Canada, and whereas he was a fighter for the Métis and led the protest against indifference toward the western provinces on the part of the Canadian government, I move, seconded by the hon. member for Selkirk-Interlake (Mr. Sargeant):

That this House do justice to Louis Riel and all Métis throughout Canada by granting him a posthumous pardon, settling this matter once and for all.

Madam Speaker: Presentation of this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

INDUSTRY

FUNDING OF TRIDENT AIRCRAFT—MOTION UNDER S.O. 43

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, I rise under the provisions of Standing Order 43 and hope I will receive unanimous consent for my resolution. Because of the promise of the Liberal party during the last election, with the help of the NDP, to refinance the Trident Aircraft company of Sidney, British Columbia, a commitment obviously intended to unseat the incumbent Progressive Conservative in the riding of Esquimalt-Saanich, an effort which obviously failed, and because the company has now closed its doors again for lack of economic viability, I move, seconded by the hon. member for Moose Jaw (Mr. Neil):

S.O. 43

That the Minister of Industry, Trade and Commerce be required to make a statement on motions explaining why, aside from bare-faced political chicanery and expediency, the government decided to go on financing from public funds a project which long since had shown itself to lack economic viability.

Madam Speaker: Presentation of this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

PROGRESSIVE CONSERVATIVE PARTY

CALL FOR REVIEW OF POSITION ON CONSTITUTION—MOTION UNDER S.O. 43

Mr. Jack Masters (Thunder Bay-Nipigon): Madam Speaker, I rise on a matter of urgent and pressing necessity. In view of positions taken by some premiers and the Leader of the Opposition that the original idea behind confederation was to ensure a double majority for constitutional changes which, if followed to its logical conclusion, would undermine the concept of parliamentary supremacy which has been accepted as a principle by Canadians for 113 years and would lead to a system of government akin to that of the United States, I move, seconded by the hon. member for York South-Weston (Mrs. Appolloni):

That this House urges the official opposition to review immediately its constitutional position so as to ensure that it is not advocating for Canada creeping republicanism.

Some hon. Members: Hear, hear!

Madam Speaker: Presentation of this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Madam Speaker: There is unanimous consent?

Some hon. Members: Agreed.

Madam Speaker: It is moved by the hon. member for Thunder Bay-Nipigon (Mr. Masters), seconded by the hon. member for York South-Weston (Mrs. Appolloni):

That this House urges the official opposition to review immediately its constitutional position so as to ensure that it is not advocating for Canada creeping republicanism.

Some hon. Members: Hear, hear!

Madam Speaker: The Right Hon. Leader of the Opposition (Mr. Clark).

● (1410)

Some hon. Members: Oh, oh!

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, thank you for recognizing me—

Madam Speaker: Order, please. I am not familiar with this situation and I am wondering if the hon. member who proposed the motion—

Mr. Baker (Nepean-Carleton): A point of order, Madam Speaker. You had recognized the Leader of the Opposition.

Madam Speaker: Order, please. I want to ascertain who has the first right to speak.

Mr. Clark: Surely it is the person who has been recognized.

Madam Speaker: The hon. member who moved the motion sat down and did not seek the floor to speak. I therefore recognize the Leader of the Opposition.

Some hon. Members: Hear, hear!

Mr. Clark: Thank you, Madam Speaker. We will not have much time to debate this motion now but there are some very important matters which should be put before the House and the people of Canada.

The motion suggests that there should be a review of the constitutional position taken by one party in this House. I would devoutly hope that there will be a review taken by the Liberal party of the policy they are forcing on many of their members.

Some hon. Members: Hear, hear!

Mr. Clark: I say this particularly since the motion was apparently motivated by a desire to protect the parliamentary principle. What we are interested in here is the defence of the principle of the supremacy of Parliament in two ways. One way, of course, is to have the Parliament of Canada and our partner parliaments in the legislative assemblies across the country maintain their right to make decisions in the spirit of the partnership upon which this federalism is based and not to have those rights eroded and run around by use of the instrument of a national referendum. This could undermine the essence of Canadian federalism by writing out of any agreement on constitutional change the elected legislatures and governments of any of the provinces.

Some hon. Members: Hear, hear!

Mr. Clark: The second matter which deeply concerns us here is in relation to the rights of Parliament and our ability particularly to deal with constitutional change—

[*Translation*]

—and the determination of the Liberal government and party to deny Parliament, here in the House of Commons and in committees, the right to hold public meetings, the opportunity to have a full discussion on all options dealing with the constitution, the basic Canadian legislation. The joint committee on the constitution has advised us today, as we know, Madam Speaker, of a decision to deny Canadians the right of stating their own views on the Canadian Constitution, on the

constitutional resolution introduced by the Canadian government.

In the first place, closure was imposed by the Canadian Parliament. We have now double closure in the joint committee. Secondly, an impossible schedule has been set for the committee. Thirdly, the Liberal party has shown today that it is determined to deny Canadians the right to see directly on television or hear directly on radio the proceedings of a joint committee dealing with the most basic and essential issue in our country, that is, the constitution. This, Madam Speaker, is unacceptable to our party as champion of the rights of the Parliament of Canada.

Madam Speaker: Under Standing Order 15(2), as it is now 2.15 p.m. I must interrupt the debate.

• (1415)

ORAL QUESTION PERIOD

[*English*]

THE CONSTITUTION

SPECIAL JOINT COMMITTEE—TELEVISING AND BROADCASTING OF PROCEEDINGS

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is addressed to the Prime Minister. The Prime Minister will know of the publication today, apparently for the first time, of a letter dated August 13, 1980, from Madam Speaker to the chairman of the Special Committee on the Disabled and the Handicapped, a committee of this House, stating explicitly, that "the committees are without authority to broadcast their proceedings". The Prime Minister will recall that he told this House and I, apparently based on error, the contrary not many days ago in this House when he said that the committees were masters of their own proceedings.

Madam Speaker has ruled that in the matter of broadcasting, the committees are not the masters of their own proceedings. Clearly, then, the only way in which the people of Canada can have an opportunity to see and hear the discussion on the Constitution of Canada is for the government to take a decision in policy to initiate an amendment to a motion of this House, which my party, and I am sure the NDP, would accept and approve without debate, that would allow the full televising and full radio coverage of the joint committee proceedings on the resolution.

Some hon. Members: Hear, hear!

Mr. Clark: My question to the Prime Minister, therefore, relates to the policy of the government. Will the government initiate action immediately to ensure that the proceedings of the constitutional committee will be televised and broadcast?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I do not want to presume to intervene in the matter that has been raised relating to a letter you allegedly wrote to one of the members. But I submit for your consideration and, perhaps, conveyance to the Leader of the Opposition that that is not a ruling of the House, that the doctrine of this House, as I understand it and as has been explained to me by the President of the Privy Council, is that, indeed, the committee is master of its proceedings. As far as I know it is against the rules to discuss matters which have been discussed in committee while they are pending until the report is made.

Mr. Kempling: Another gag.

Mr. Trudeau: I hear the whip of the Conservative party saying "another gag". I am prepared to hear argument on this matter. I am not an expert in procedure and I doubt whether the whip who is opposite me is an expert. But the point, as I stated, Madam Speaker, is that perhaps the Leader of the Opposition should address to you the question: Was that a ruling that you conveyed to a private member in a letter, or is the rule of this House that committees are masters of their own procedures?

Mr. Clark: Madam Speaker, you and I both know that it is outside the rules of this House to put a question to you on this matter, although you will probably have an opportunity to decide later. We have here a clear difference in the interpretation in the rules of Parliament between the Speaker of the House of Commons, writing in an official capacity to the chairman of a special committee of the House of Commons, and the government House leader.

Let me ask a question of the Prime Minister which is, admittedly, hypothetical. In the event that it is determined that Madam Speaker is right and the government House leader is wrong, will the Government of Canada agree to initiate immediately proceedings that will ensure that the deliberations of the joint committee on the constitution will be televised and broadcast live, so that Canadians can know what is going on with regard to their constitution in a committee of this House and the Senate?

Mr. Trudeau: Madam Speaker, as the Leader of the Opposition has said, the question is hypothetical, and I think it is also somewhat offensive since it presumes on a ruling which you have not yet given. As to the substance of the suggestion of the Leader of the Opposition, I point out to him that one can hardly say that a committee has been gagged when the entire press of the country can be present. The matter of televising or not televising is certainly not one which involves freedom of speech or freedom of the press. It is a matter that I understand the committee has decided in one way after I, at this place in the House, indicated last week that I had no preference one way or the other, and that I thought that the committee should be left free to decide.

• (1420)

An hon. Member: Don't weasel around; make a decision.

Mr. Trudeau: Madam Speaker, I think the facts will show that I am not a member of that committee, that I have in no way influenced it in one direction or another—

Some hon. Members: Oh, oh!

Mr. Trudeau: I hear a lot of "oh's" from the other side. If any single member had even the inkling of a clue to the fact that I had indicated any preference to any committee member, I wish he would stand in his place and contradict me.

Mr. Clark: Madam Speaker, the Prime Minister indicated that the committee had decided. The House and the country know that the Liberal party had decided to vote against television and radio coverage of the committee proceedings.

Some hon. Members: Hear, hear!

Mr. Clark: Let me ask the Prime Minister another question. Could he tell me and this House of Commons on what date he, or the government House leader, or the Minister of Justice, or any other minister, first became aware of the contents of the letter dated August 13 to the Liberal member of Parliament for Don Valley East, the chairman of the Special Committee on the Disabled and the Handicapped? On what date did the knowledge of the contents of this letter dated August 13 become known to any minister of the Crown?

Mr. Trudeau: Madam Speaker, the Leader of the Opposition in the preamble to his question indicated that the Liberal party had decided, if I had not. I fail to see how the Leader of the Opposition can draw that inference if I tell this House that there was no decision on my part and certainly none on the part of cabinet. Members, of course, are free to indicate their preference, but I would point out to the Leader of the Opposition and to every member opposite that it is the Liberal party as a government, after, I would say, years of dragging their feet by the Tories, which moved to bring television to the House of Commons.

Some hon. Members: Hear, hear!

Mr. Clark: What date did you say—

Mr. Trudeau: As to the—

Madam Speaker: Order, please.

Mr. Clark: I was going to remind the Prime Minister of the question, but perhaps he is going to answer it. What I want to know is—

Madam Speaker: Order, please. Two people cannot have the floor at the same time.

An hon. Member: Sit down.

Madam Speaker: Did the Right Hon. Prime Minister have something to add to that answer?

Mr. Trudeau: I had, Madam Speaker, but if he prefers—

Madam Speaker: Then I will recognize the Right Hon. Leader of the Opposition.

Mr. Clark: My question to the Right Hon. Prime Minister is, on what date did he or any minister of the Crown become aware for the first time of the contents of the letter dated August 13, 1980, to the Liberal member of Parliament for Don Valley East, the chairman of the Special Committee of this House on the Disabled and the Handicapped?

Mr. Trudeau: Madam Speaker, I cannot speak for every member of cabinet but I can be quite precise in my answer to the Leader of the Opposition. It was exactly at 2.20 on November 6, 1980.

SPECIAL JOINT COMMITTEE—PRESENTATION OF INTERIM REPORT—GOVERNMENT POSITION

Hon. Jake Epp (Provencher): Madam Speaker, I should like to direct a question to the President of the Privy Council, and indicate to him that the entire press is not allowed into that committee; television and radio are not allowed in but, more importantly, Canadians are not allowed to view the proceedings of that committee either.

On October 29, 1980, at page 4214 of *Hansard*, in reply to my question about the proceedings of the committee the President of the Privy Council said the following:

> —and that in this House we cannot decide any procedural question concerning the committee, unless we get a report from committees.

I should like to ask the minister if it is his interpretation that, should an interim report have been presented requesting the permission of the House to broadcast the proceedings of the committee on television and radio, that that, in fact, would have ended the life of the joint committee?

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, the question has two faults: first, it is hypothetical and, second, it requests an opinion. I wonder how I could possibly answer a question that is so much out of order.

[*English*]

Mr. Epp: Madam Speaker, a supplementary question for the President of the Privy Council. This is not hypothetical. The matter did come up and it would obviously influence the work of the committee. Because of that interpretation, I should like to quote from Beauchesne, at page 193, citation 591:

> A special committee ceases to exist at the moment its final report is presented to the House.

My question relates to an interim report. Is it the policy of this government that, had a report been tabled in this House, in fact its members would be instructed to vote against it on the basis that the committee would end?

• (1425)

[*Translation*]

Mr. Pinard: Madam Speaker, obviously, the question being the same, it would be ridiculous of me to contradict myself and give a reply other than the one I just gave. But may I be allowed, through the question, to indicate to the Leader of the Opposition who questioned the Right Hon. Prime Minister about the matter that, as far as I am concerned, since he mentioned my name in his question, I have never read the letter he referred to; I only learned of it at two o'clock on November 6, 1980.

[*English*]

SPECIAL JOINT COMMITTEE—REQUEST FOR ASSURANCE PROCEEDINGS WILL BE TELEVISED

Mr. Edward Broadbent (Oshawa): Madam Speaker, my question is for the Prime Minister. The government House leader said in this House on October 24 that the committee would have the right to decide whether or not to have television, and the Speaker has ruled that she does not have the authority to authorize the use of television unless the House gives her that authority. Therefore, considering the historical importance of this constitutional debate and the right of the people of Canada, through television, to witness this debate, will the Prime Minister assure the House that the government will bring in a motion later today authorizing that committee to televise its proceedings?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, that seems to be an exact repetition of the question asked by the Leader of the Official Opposition.

Some hon. Members: Oh, oh!

Mr. Trudeau: It is referring to what the Leader of the New Democratic Party calls a ruling, which I have stated is not a ruling in my view. Perhaps the hon. member's seatmate can tell us if it is a ruling when the Speaker writes a letter, of which none of us seems to have any knowledge on this side, or very few of us anyhow that I see around me. Therefore, I do not conceive how the official opposition can seriously maintain that a ruling has been brought down when just about nobody on this side of the House knows of its existence.

Mr. Baker (Nepean-Carleton): Here it is.

Mr. Clark: Is Smith a nobody too?

Mr. Trudeau: I see the bearded one over there wanting to get the floor, and maybe you should give him the floor, Madam Speaker, if he wants to ask a question.

Some hon. Members: Hear, hear!

Mr. Broadbent: Madam Speaker, the Prime Minister knows that that answer is not only nonsense, but it was pedantic nonsense of the worst kind.

Since the referendum some of us in the country representing all three political parties across the land have been prepared to put aside petty politics to create a package for constitutional change which might unite this country. Would the Prime Minister not agree, apart from substance in effecting constitutional change, process in a democracy is just as important?

Some hon. Members: Hear, hear!

Mr. Broadbent: If the Prime Minister agrees with that, why is he refusing now to say the people of Canada are going to be permitted the right to see one of the most important debates in the history of our country on television?

Mr. Trudeau: Madam Speaker, I find it objectionable that the hon. member asked his first question in terms of a so-called ruling that has not been given and asked me to base a position of the government on a ruling that does not exist. If he wants to term that pedantic, that is his right. But it would have been less pedantic on his part if he had asked a question without prefacing it with a falsehood.

In so far as my position and that of the government is concerned, it is that the committee can decide what it wants. If hon. members feel very strongly about it, they have representatives on this committee. I am sure they can reopen the question if they want. I am not a member of it. I am abiding by the rules of this House—

An hon. Member: You gag your own gang.

Mr. Trudeau: —in not giving instructions to that committee.

Mr. Clark: Not as the Speaker interprets them.

Mr. Trudeau: I believe that in every other circumstance members opposite would want me to conduct myself in that way.

Mr. Broadbent: Madam Speaker, we have just witnessed at this time, the complete abdication of national leadership, which is so important in this debate.

Some hon. Members: Hear, hear!

• (1430)

Mr. Broadbent: Considering that only one Liberal on that committee, the hon. member for Lincoln, who was widely reported to have been considered to be named chairman of the committee, favoured television and public debate, will the Prime Minister at last admit the truth that it was his government and his Liberal party which decided that television is not to be used, and that the people of Canada are going to be shut out from this important debate?

Mr. Trudeau: Madam Speaker, the hon. gentleman suggests that I admit the truth. I have been telling the truth on this.

Some hon. Members: Oh, oh!

Mr. Trudeau: I really find that offensive.

Mr. Clark: You find the truth offensive?

Mr. Trudeau: No, I find the small and petty attitude of the Leader of the Opposition offensive.

Some hon. Members: Hear, hear!

Mr. Trudeau: The hon. member for Lincoln is as loyal a Liberal as can be found in this House at any time.

Some hon. Members: Hear, hear!

Mr. Trudeau: I can tell the House that the fact that he voted contrary to other Liberal members on that committee is proof of two things; first, that the members are not gagged and, second, that the members were free to vote in the way they wanted.

Some hon. Members: Hear, hear!

Some hon. Members: Baa, baa!

* * *

AIR TRANSPORT

GENERAL AVIATION SERVICES LTD.—LANDING FEES AT CANADIAN AIRPORTS

Mr. J. R. Ellis (Prince Edward-Hastings): Madam Speaker, while I am loth to change the subject, my question is for the Minister of Transport. For the past five to ten years the Department of Transport has adopted an adversary position with regard to General Aviation. Can the minister tell me whether it is his policy or only that of his director of aviation administration when a $5 landing fee is applied to General Aviation landings at major airports, obviously as a deterrent; when no program of support is available for important secondary airports such as Boundary Bay and Toronto Island; when General Aviation aircraft are prevented from landing on available parallel strips to reduce congestion when the practice is common elsewhere in North America; when no formal appeal procedure is allowed when a pilot is given a medical rejection; when DOT regulations are so prohibitive that the U.S. has 60 times as many instrument-rated pilots per capita as Canada and all are allowed to fly in Canadian airspace; when DOT requires encoding altimeters above 14,000 feet, but to put them in is maddeningly unreasonable; and finally when important safety items such as ELTs are treated so casually as to cost lives?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, obviously the head of the department is the minister, and I am responsible for the decisions.

Mr. Ellis: Will the minister tell me why he allows all of these things to take place when, by consultation with available and knowledgeable associations in the aviation field, he could be a support to General Aviation rather than an adversary?

Mr. Pepin: Madam Speaker, I can only take one of these questions. It has to do with landing fees. I presume that was the first question I was asked. It has to do with landing fees for General Aviation in four of the larger airports in Canada. The purpose is simply to have everyone make a proper contribution to the maintenance of these airports. I looked into this in depth and I found that this is the first increase in the last two years. I also found in similar instances in the United States, for example, that the cost of landing fees goes up to $50 as opposed to the $5 my department charges. Therefore, it was a judgment call and the minister made it.

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AIRPORTS

INCREASED SERVICE DEMANDS IN WESTERN AND PACIFIC AIR REGIONS

Hon. Don Mazankowski (Vegreville): Madam Speaker, my question is also directed to the Minister of Transport. It arises out of the very serious difficulties being experienced by the management of the western air region and, indeed, the Pacific air region as a result of increased service demands caused by a very dramatic increase in traffic. Traffic has increased by some 32 per cent over the last two years, generated revenues from these two regions have increased 100 per cent, yet the region is hampered by its inability to provide adequate services and parking facilities because of inadequate financial resources and centralized bureaucratic control. Is the minister aware of this serious situation that has developed, and what is he doing or contemplating doing about it?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I am very much aware of this. The Minister of Finance stated the other day that I had asked him to raise the air transport tax. In return, he promised he would add that revenue to my budget for that particular responsibility in my department. I am now asking cabinet for more money for investment in airports. I will be very pleased to send the hon. member the list of expenditures made in western airports—Edmonton, Calgary, Regina and so on.

Mr. Mazankowski: While I appreciate the good intentions of the minister, there are some very immediate and urgent problems which require attention, such as basic maintenance, snow removal and parking. Plans were laid for these some time ago, but for some reason or other they have been withdrawn. Can the minister undertake if he intends any relaxation, that he will provide the respective regions with more leeway with regard to making decisions within their own regions? Also, will he provide commensurate funding to meet the demands that are required because of the increased traffic?

Mr. Pepin: Madam Speaker, I said a moment ago that I agreed with that. There has been no relaxation and no accentuated centralization as far as I know, and certainly will not be as long as I am minister.

Mr. Mazankowski: The minister and his officials cancelled a program to enlarge parking facilities at Edmonton International Airport. Why was that program withdrawn? It is a

revenue-generating proposition which is self-liquidating, yet the minister saw fit to withdraw that program.

Mr. Pepin: Madam Speaker, there will be an opportunity in a few minutes to talk about that specifically because my estimates are before the committee this afternoon. Edmonton has been well treated.

Some hon. Members: Oh, oh!

Mr. Pepin: We will get the figures in a few minutes. Edmonton has three airports. The international airport has been growing; substantial amounts of money have been spent on it. The municipal one is thriving and efforts are being made to assist the Villeneuve airport.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF MINISTER OF STATE FOR MALAWI

Madam Speaker: I would like to draw the attention of the House to the presence in the gallery of the Hon. Bakili Muluzi, Minister of State for Malawi.

Some hon. Members: Hear, hear!

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GOVERNMENT EXPENDITURES

ARMAMENTS—SOCIAL PROGRAMS—GOVERNMENT POSITION ON PRIORITY

Mr. Terry Sargeant (Selkirk-Interlake): Madam Speaker, my question is for the Minister of Finance. The budget announced that Canada will increase its defence spending by 3 per cent in real terms, which represents an increase of $649 million over and above the effects of inflation during the next three years. At the same time, expenditures in the social affairs envelope will fall $1.4 billion behind the projected increases in the CPI; dollars that could and should go to social programs will be spent on expensive armaments. Is it the government's position that over the next three years spending for guns and weapons of war will have a greater priority than spending on programs which will help people very much in need of assistance?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the government expenditure plan has provided for a real growth in defence expenditures over the next several years in accordance with the commitments which it has made to its allies and in accordance with the desirability of maintaining Canadian defence capabilities. I believe that decision is widely accepted in Canada. It does not represent in any way a change in or a downgrading of our priorities in the social field. The fact is that expenditures on social development remain a basic priority, constitute the largest single element in our budget and have increased over the past ten years by 300 per cent. I think the hon. member ought to keep those figures in mind as well.

• (1440)

Mr. Sargeant: Madam Speaker, this morning the Canadian Council on Social Development reported that this government's budget will have a severe negative impact on the cost of living of lower income Canadians and that it will push both unemployment and inflation higher. Further, in light of the fact that four of our NATO allies, West Germany, Belgium, The Netherlands and Denmark, have all announced that they will restrain their defence spending rather than increase it by 3 per cent, will the minister give an undertaking to this House that he will review our country's commitment in this area with regard to seeing whether we too, like our European allies, can restrain our defence spending in order that social programs will not suffer?

Mr. MacEachen: No, Madam Speaker, it is not my intention to review the commitment we have made to essential defence expenditure. I would be inclined to review that commitment if the hon. member could show that there is any downgrading of our commitment to social development. That is not the case. It still remains a basic priority, and each year there is an annual increase in the total amount spent on social development.

The hon. member talked about inflation. That is, of course, an important consideration, but the universal programs in the social development category, as was pointed out by the Minister of National Health and Welfare, are fully indexed against inflation, which adds substantially to the total cost of these programs.

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EXTERNAL AFFAIRS

RELATIONSHIP BETWEEN CANADA AND NEW ADMINISTRATION IN UNITED STATES

Mr. Gilbert Parent (Welland): Madam Speaker, my question is directed to the Prime Minister. There has been a great deal of speculation in the media in the last few days since the presidential election in the United States regarding the future relationship between Canada and the United States. In view of the fact that this is the fifth U.S. president to be elected since the Prime Minister has been in power, could he indicate to this House what he anticipates will be the relationship with our largest trading partner?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker—

Mr. Paproski: Take it easy now.

Mr. Trudeau: Madam Speaker, I am not sure why the opposition is nervous. This is a perfectly legitimate question. I suppose hon. members opposite are frustrated that they have not thought of asking the question themselves. I can assure

them that the press has asked me this question many times. Generally I have deferred to the Secretary of State for External Affairs, but since he is not here I just want to repeat with emphasis that his view is that of the government, to wit, that we expect to have and entertain very good relations with the new administration of the United States when it takes over.

I wrote to the president-elect the night of the election returns not only congratulating him and expressing our desire to continue improving our relations, but also asking him to seek to visit Canada at a very early occasion in his mandate.

Some hon. Members: Hear, hear!

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CROWN CORPORATIONS

AIR CANADA—CANADIAN NATIONAL RAILWAYS—SALARIES OF RESPECTIVE CHIEF EXECUTIVE OFFICERS

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, my question is for the Minister of Transport and is about a matter which has interested me for some time. I refer to the discrepancy between the salaries of the chief executive officers of Air Canada and CNR. I am wondering when this very large discrepancy, which I believe still exists, will be adjusted and whether the failure of the government to do so is related to reported hostility by the Prime Minister to the president of Air Canada as a result of his not buying the airplane the Prime Minister wanted him to buy a while ago, the air bus.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the salaries of both the president of CN and the president of Air Canada have been decided upon. The decision has been made. Is there a connotation that they should have the same amount of money? I could not hear that question. If there is such an implication, this is the first time I have heard about it.

Mr. MacKay: Madam Speaker, the hon. minister asked me if there is a connotation that they should have the same amount of money. Since he asked my opinion, I think there ought to be some reasonable parity between the two positions. I think Mr. Taylor is doing at least as good a job as Mr. Bandeen, but let me ask a question on one further point. Can the minister confirm or is he aware of reported moves by the board of Air Canada to increase quite substantially on an unaccountable basis the expense account of Mr. Taylor, perhaps to take into account the period of time when Mr. Taylor's salary was not adjusted while Mr. Bandeen's received a very substantial boost?

Mr. Pepin: Yes, Madam Speaker, I have heard the representations of the members of those two boards. The salaries have been decided upon, and there is a degree of retroactivity in them.

AIR SAFETY

DUBIN COMMISSION—EVIDENCE OF POTENTIAL FOR ACCIDENT—INQUIRY AS TO CORRECTIVE MEASURES

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker I also have a question for the Minister of Transport. It is with regard to the alarming statements coming out of the Dubin inquiry into air safety. It has been stated that pilot-controller friction is nearing the danger level, and that the relationship between air traffic controllers and pilots has deteriorated to the point where there could be an incident and that the potential is there for an accident. What action has the minister taken to correct this situation? Has he met with his officials, and can he fill the House in as to what corrective measures he will take in this very serious situation?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, when my predecessor appointed Mr. Justice Dubin to the commission, I understand that there was an informal agreement between them that the department would not make substantial changes to its *modus operandi* without the consent of the judge. That is my understanding, so consequently each time a subject is brought to the commission it is fully studied by the department. Occasionally the views of the department are put to the judge. A number of actions have been taken, and we might talk about that this afternoon in the committee at which I will be present.

Mr. McKenzie: Madam Speaker, charges have also been made at the Dubin inquiry that Air Canada is flying unsafe planes, that Air Canada maintenance supervisors routinely allow passenger jets needing vital repairs to fly, and that many times on-time departures come ahead of safety. Are those statements true or false, and has the minister met with Mr. Taylor to discuss this very serious problem in the maintenance of these planes?

Mr. Pepin: Madam Speaker, that is exactly why a commission was created, to receive all these views. Justice Dubin is there to present a report in due course and to decide what is right, what is not as right or what is wrong in what he has heard. This is really the purpose of the commission, and I think it would be illogical for me to comment on allegations made before this commission. I call it the "Parliament of the air". It receives views pro and con, and sooner or later, as Madam Speaker does, Justice Dubin will have to say what he thinks of what has been said before him.

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AIRPORTS

IMPROVEMENT IN FACILITIES IN METROPOLITAN TORONTO AREA

Mr. Otto Jelinek (Halton): Madam Speaker, my question is also to the Minister of Transport who, as far as Toronto is concerned, does not seem to exist. In view of the fact that the potential solutions to air traffic related problems in and

around metropolitan Toronto have been about as dormant as the minister's own activities, could the minister tell this House when decisions will be made and actions taken on such matters as the SOMPS report, which is long overdue, the over-crowded facilities at Toronto International Airport, the disposal of lands at Pickering, Toronto Island and the STOL situation, the expansion of Mount Hope, the Buttonville satellite airport and so forth?

In other words, why the delay in dealing with these long-lasting problems, particularly since his predecessor, the hon. member for Vegreville, made decisions and found solutions to these problems some time ago?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I note that my hon. friend is asking the same question he asked some months ago. The SOMPS report is known. It has been useful in the planning for railway development, airport development and so forth. A decision on the third terminal at Malton will be coming up in the next few months. The decision on the Hamilton airport has already been announced. I do not remember what other elements there were in the question, but I will be pleased to try to answer if I can be reminded of them.

Mr. Jelinek: Madam Speaker, the minister says that my question was similar to one I asked several months ago, and he is indeed right. I did ask that question, no action was taken then, and no action has been taken since.

● (1450)

Since the minister seems to be confused about a variety of questions on air transport in Toronto put together in one question, I will simplify my supplementary question and ask him specifically about the Toronto International Airport situation where, as the minister should know, aircraft movement has increased to over 10,500 aircraft in the last four years, now reaching 59,637 aircraft movements and increasing very rapidly. In view of the fact that the SOMPS report recommended the construction of a third terminal, and because the existing facilities, particularly at terminal 1, are now at times over-crowded and inadequate, will the minister stop stalling and tell us when he will make a decision as to what actions and decisions will be taken at the Toronto International Airport?

Mr. Pepin: I am quite sure, Madam Speaker, that if the hon. member would look at the question he asked me, he would realize that some months ago I gave an answer on the Hamilton airport.

Mr. Jelinek: I was talking about Toronto.

Mr. Pepin: With regard to the third terminal at Toronto International, I gave an answer a moment ago. I said that this was in the course of being decided now and an announcement will be made in the coming months. What else can I do?

Some hon. Members: Oh, oh!

Mr. Pepin: You have not been the minister during the last three years; another gentleman was for one.

GRAIN

INQUIRY RESPECTING DISCONTINUANCE OF EMBARGO ON SALES TO U.S.S.R.

Mr. Stan J. Hovdebo (Prince Albert): Madam Speaker, my question is also for the Minister of Transport, who sometimes is responsible for the Wheat Board.

An hon. Member: Sometimes.

Mr. Hovdebo: In view of the fact that the United States has moved rather aggressively into our traditional market of China for the sale of wheat, even though they asked us to respect their embargo on wheat to the Soviet Union, and in view of the fact that the Reagan administration is unlikely to favour the continuation of the embargo, would the minister now assure the House and the farmers of Canada that we will ignore the embargo and sell all the grain we possibly can to the Soviet Union?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the Minister of State responsible for the Wheat Board has been saying for a number of weeks now that we will continue to export grain to the Soviet Union along normal and traditional lines. We no longer agree that there should be a maximum or a ceiling on our exports. He has been saying that for a number of weeks now.

Mr. Hovdebo: That statement by the minister has been contrary to the stated policy of the government.

I have a supplementary question, Madam Speaker. In view of the shortage of cash on the prairies and since the University of Saskatchewan agricultural economics department has identified losses of $9 million due to the embargo on barley sales, and earlier identified losses of over $120 million on wheat sales, will the government continue to dither over the calculations, or will they establish the payments as quickly as possible and, if so, how much and when?

Mr. Pepin: Madam Speaker, my colleague the Minister of Agriculture said a number of days ago that he would come up with an answer to this question within a few weeks. I think he mentioned November, if I remember well. So this situation is being attended to.

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[*Translation*]

NATIONAL PAROLE BOARD

REQUEST FOR PAROLE FOR PAUL ROSE—GOVERNMENT POSITION

Mr. Jean-Guy Dubois (Lotbinière): Madam Speaker, my question is directed to the Solicitor General. Recently, and more specifically in Quebec, much has been made in the newpapers of the request for parole for the terrorist member of the FLQ, Paul Rose, and the fact that a specific request to that effect may be addressed to the Solicitor General. Can the

minister tell the House whether in fact he has had such a request and, if so, what the stand of his department is on it?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, might I underline first of all that the government does not make those types of decisions; they fall within the independent responsibility of the Parole Board. I have been advised by that board that it has not yet reached a decision in the matter of Paul Rose.

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[*English*]

THE CONSTITUTION

SPECIAL JOINT COMMITTEE—RECEIPT OF LETTER BY JOINT CHAIRMAN

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I have a question for the hon. member for Hochelaga-Maisonneuve, in his capacity as one of the joint chairmen of the committee on the constitution, with respect to the business before the committee. As the matter of the televising and broadcasting of the committee's proceedings is not closed, can the joint chairman of the committee tell me when he received the letter of August 13, 1980, from whom was that letter received, and what did he do with it after he received it and before it was produced to the committee?

[*Translation*]

Mr. Serge Joyal (Parliamentary Secretary to President of the Treasury Board): If Madam Speaker allows me, of course I will answer the question put to me by the opposition House leader. The letter was brought to my knowledge this morning by the clerk of the House attached to the committee at the time when I heard of a suggestion originating from a colleague of the hon. member asking committee members to study the possibility of televising and broadcasting the debates of the committee.

That was the first time I read the letter, although during previous discussions about gathering the necessary information on procedures I had already met the clerk, but he did not raise with me the point contained in the letter from Madam Speaker. It was this morning, therefore, that I learned of the existence of that letter. Having received and read the letter I asked that it be photocopied for distribution to members of the committee. Having read it and heard comments from various members of the committee I came to the conclusion that the interpretation given by Madam Speaker to the Standing Orders of the House was that broadcasting and televising the debates of a committee fell within the purview of the House of Commons.

[*English*]

Mr. Baker (Nepean-Carleton): I have a supplementary question for the hon. member for Don Valley East—

Some hon. Members: Order.

An hon. Member: He is chairman of the committee.

Mr. Baker (Nepean-Carleton): —with respect to the business of his committee. Could he tell the House when he delivered the letter to his colleague, the hon. member for Hochelaga-Maisonneuve, when he received it, whether he gave it to any minister and, if so, to whom?

Mr. David Smith (Don Valley East): Madam Speaker, may I say through you to the hon. member that I never forwarded the reply to the hon. member for Hochelaga-Maisonneuve.

Mr. Baker (Nepean-Carleton): To anybody else?

Mr. Smith: The seven members of the committee were aware of the reply from Madam Speaker. I do not recall that any other person was sent a copy of it.

Mr. Baker (Nepean-Carleton): There are seven Liberal members.

Mr. Smith: No, there are two Conservative members and one NDP member.

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AIRPORTS

TORONTO ISLAND—IMPROVED FACILITIES FOR STOL AIRCRAFT

Mr. Don Blenkarn (Mississauga South): Madam Speaker, my question is for the Minister of Transport. The minister will know that his department has prepared detailed costs for improving facilities at Toronto Island Airport so that they could be used for STOL aviation to Ottawa and other points in Ontario, that the cost of this improvement is only $5 million and that the revenue would indicate a pay-back in four years. Will the minister set aside the money immediately to allow that work to be done at the Toronto Island Airport so that the public can take advantage of STOL aircraft service from Toronto?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, with regard to the cost of preparing the Toronto airport for STOL, I do not share the certainty of my hon. friend. I have seen estimates that are not as clear as the figures indicated here. What I intend to do on STOL is, first, to meet, as soon as circumstances will allow, the committee which is constituted of federal participants, officials of my department, members of the regional municipal council, members of the Toronto municipal council and officials of the government of Ontario. I will be meeting them in the coming days to assess what degree of enthusiasm there is on their part for this project. That is one of the first things I will do.

● (1500)

The second thing—and I am doing it now—is finding out if in the estimates of my own department there could be some money allocated for that purpose, but obviously other levels of government would have to do their share.

Mr. Blenkarn: Madam Speaker, I think we all want to know whether the minister is in favour of STOL transport, because his seatmate, the Minister of Industry, Trade and Commerce, certainly is supporting research into STOL at de Havilland with the Dash-7 and other planes like it. We would like to know where the minister stands on this. If the minister is in favour of STOL, will he use his best efforts to change the decision of the Canadian Transport Commission to enable Canadians generally to take advantage of pretty excellent technology produced in Canada and demonstrate to people throughout the world that Canadian air technology is first class, so that we have some method of selling and exhibiting it?

Mr. Pepin: Madam Speaker, the decision of the CTC was a rather intriguing one, as my hon. friend knows. The decision was a favourable one but "not a strong one". So my own support for the project depends, in good part, on what extent the project will be demonstrated to be a viable one. That is why I indicated a moment ago that I would be in touch with others interested in the same project to see what extent of enthusiasm and money they would allocate to it.

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HOUSE OF COMMONS

PRESENCE OF SECURITY GUARDS BEHIND CURTAINS IN CHAMBER

Madam Speaker: I wish to advise hon. members that I have received from the Sergeant-at-Arms a report relating to the presence of members of the protective staff behind the curtains during the sitting of the House on Thursday, October 23, 1980, just prior to the vote.

When it became apparent that the Chair was having certain difficulties in putting the question on that occasion, normal precautionary measures were taken. Members of the protective staff placed themselves in the opposition lobby to be available should the Sergeant-at-Arms require their assistance. The guards moved behind the curtains when it became impossible for them to hear the Speaker or to observe proceedings from the lobby, and they left as soon as the vote was called.

While I am satisfied that the actions of the security guards on that occasion were taken in good faith, in understanding of their duty, and the past practice of the protective service, I have asked the Sergeant-at-Arms to review the procedures to find the most appropriate way in which the protective staff could discharge their important responsibilities.

Some hon. Members: Hear, hear!

Mr. Doug Lewis (Simcoe North): Madam Speaker, under the condition that you will cause and bring forward such a report out of your office as Speaker of this House, I am prepared to withdraw my question of privilege on this subject.

PRIVILEGE

MR. CLARK—STATEMENTS MADE IN SENATE BY GOVERNMENT MINISTERS

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, yesterday I gave notice orally, and again this morning in writing, of a question of privilege which I believe affects the rights of members of the House. I argued a large part of that question yesterday and will not impose upon the time of the House to repeat those arguments, except I want to draw the attention of the Chair, in coming to its decision, to page 4460 of *Hansard*. In replying to questions from myself and the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty), the President of the Privy Council (Mr. Pinard) said:

> Anyhow I do not intend to comment on what Senator Perrault said in the other place. If he has a question to put in the Senate, he has colleagues there who could do it.

He was referring to me, my colleagues, or any member of this House of Commons. Clearly the purport of it was that the President of the Privy Council did not intend to answer questions relating to government policy in this House which were raised as a consequence of statements made by his colleague in cabinet, the government leader in the other place.

I think the House has a very clear right to know if a new policy is being put forward here by the President of the Privy Council. The general policy followed—and indeed a policy repeated again today by the Minister of Transport (Mr. Pepin) in replying to a question relating to the Wheat Board—has been that there will be ministers in this House who are prepared to answer to members in this House relating to questions of public policy. That practice is distinctly different from the policy outlined by the President of the Privy Council when he said that if we had questions to put to ministers who serve in the other place, then we should be denied the right as members of Parliament to put them here and, indeed, should pass those questions off to senators or members of the other place.

We have a right to know whether a new policy is being put forward here. Will ministers of the government sitting in the House of Commons be refusing to clarify statements of ministers in the other place, as the President of the Privy Council has now done on two occasions? Will they pretend that they are ignorant of any policy stated on behalf of the Government of Canada by ministers who sit in the other place? Will we now have to arrange, as elected members of the House of Commons, to have questions put by appointed Senators to ministers of the Crown that cannot be put by elected members of the House of Commons to ministers of the Crown? Obviously it would not be an acceptable procedure for us.

Recently, and this was what gave rise to this question, the government House leader in the other place, when asked a question about the possibility of extending the reporting date of the joint committee on the constitution, said the following:

> —it is conceivable that the committee may say, "Because of the vast public interest in the work of the committee, we recommend to both the Senate and the Commons that we be given an additional period of time in which to hear other witnesses from across the country."

In other words, there was a clear indication by the government House leader in the other place that there would be a willingness on the part of the government to consider extending the date of report of the joint committee on constitutional matters which, as Madam Speaker knows, has been a matter of active debate in the House of Commons. We could not get any confirmation from the President of the Privy Council as to whether or not his colleague in cabinet was speaking for the government when he gave that answer.

We all know that the government House leader, and indeed any minister, has a right to decline a question. There is no obligation upon them to answer, and often they do not answer. They have that right to decline a question, that is well-established, but I do not believe that any minister of the Crown has the right to decline categories of questions and to define categories of questions to which no response will be given. In my judgment, what has been done by the President of the Privy Council in this House is that he has defined a category of questions on which, I gather under no circumstances under his control, does he, at least, intend to reply for the government. That is a category of question relating to statements of government policy made on behalf of the government by ministers in the other place.

Also, I believe it is implicit in what the President of the Privy Council said that his position and the position of the Government of Canada is that elected members of the House of Commons—people who have stood for election and have been elected to this place—are not to be permitted to get answers from elected ministers. Instead we have to go to appointed ministers and ask appointed senators to pose questions to them if we are to have either clarification of public policy or statements of public policy.

The government is responsible collectively for policy enunciated in either this House or the other place. It must be able to respond to either House. Particularly, if I may say so, there is an obligation upon this government to respond to questions put in this elected House by elected members to elected ministers. I am fearful that in the statements and conduct of the President of the Privy Council we have seen a departure from that point.

If Madam Speaker finds a question of privilege, I would move, seconded by the hon. member for Nepean-Carleton (Mr. Baker):

> That the failure of the government to take seriously the right of the opposition to put questions to ministers in this House respecting any statement by any minister on a matter of government policy, be referred to the Standing Committee on Privileges and Elections.

Some hon. Members: Hear, hear!

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, very briefly and very succinctly, I would like to raise two points. First, I was asked if the statement made by Senator Perrault was government policy. That transpires from comments made before and after my reply and I would like to emphasize that only the Prime Minister (Mr. Trudeau) can decide and declare in the House whether a statement made outside the House by a minister represents government policy or not. Therefore as minister, as President of the Privy Council and as government House leader I had neither the right nor the power to say whether or not such a statement represented government policy.

Be that as it may—and I am getting to my second point, Madam Speaker—the member for Yellowhead (Mr. Clark), the Leader of the Opposition, referred to part of my statement but he should have read it in full. I spoke clearly, and this is important because those are the facts on which he wants to rest his alleged question of privilege.

This is what I said, and this is my reply which is found on page 4460:

> Madam Speaker, the question could perhaps be put in the Senate but I do not know how I could comment on Senator Perrault's reply—

And this is important, I also said:

> —with which I am not acquainted. Anyhow I do not intend to comment on what Senator Perrault said in the other place.

Madam Speaker, had I been stupid enough, I would have attempted to comment upon something with which I was not acquainted. However, Madam Speaker, I do not possess the same good qualities and the same faults as the Leader of the Opposition. I could certainly not comment upon a statement with which I was not acquainted, of which I was not aware, and that I did not have the right to comment upon in this House. In any event, Madam Speaker, it is obvious that the Leader of the Opposition, instead of attacking the substance of our constitutional proposal, would rather resort to technicalities and procedural arguments, founded or unfounded, and in this case obviously unfounded, to waste the time of the House and to avoid discussing the substantial issue. Therefore, Madam Speaker, the question raised by the hon. member for Yellowhead, the Right Hon. Leader of the Opposition, is groundless because first, I do not have the right to comment on whether or not a statement made by a minister outside the House is government policy and second, I certainly could not comment upon a statement with which I was not acquainted and of which I was not aware.

● (1510)

[*English*]

Madam Speaker: With respect to the question of privilege raised by the Right Hon. Leader of the Opposition (Mr. Clark), it is quite legitimate that members in this House should insist on receiving answers to the questions which they ask of ministers. That is quite legitimate, but it certainly is not a question of privilege. It is a matter of debate, and quite legitimate, and perhaps it is a very important matter of debate. But it certainly is not a question of privilege.

The Leader of the Opposition further insisted that the minister was introducing categories of questions to which he

might or might not answer. I remind him, and all members in the House, that there are no categories of questions to which one might or might not answer. Ministers can choose not to answer questions though, which is their right. In support of this I cite Beauchesne's fourth edition, citation 181(3):

A minister may decline to answer a question without stating the reason for his refusal, and insistence on an answer is out of order, no debate being allowed. A refusal to answer cannot be raised as a question of privilege, nor is it regular to comment upon such refusal. A member can put a question, but has no right to insist upon an answer.

So this has been a matter of debate but, certainly, not a question of privilege.

I have written notice of a question of privilege from the hon. member for Winnipeg North Centre (Mr. Knowles).

MR. KNOWLES—BROADCASTING OF PROCEEDINGS OF SPECIAL JOINT COMMITTEE ON CONSTITUTION

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, thank you for giving me the floor in response to the notice which I sent to you about an hour ago. I raise a point of privilege having to do with the performance of the Prime Minister (Mr. Trudeau) in the House today, in which I feel he is grossly misleading this House, and in which he is also reflecting on Your Honour. He is also compounding the difficulties that we, as members of this House, have in doing our work.

First, may I flesh out the point that I made about the Prime Minister reflecting on Your Honour. As we all now know, you wrote a letter on August 13, 1980, not to a private member of Parliament, not a letter which was a piece of social correspondence, but an official letter in reply to a letter that the chairman of the Special Committee on the Handicapped and Disabled had written to you on July 11. I have a copy of that letter before me. It is a very interesting two-page letter about the desire, not just of the chairman, but of the committee, to have the facilities of broadcasting coverage for that committee.

As I say, that letter was written to you on July 11. It is obvious that you gave it very thorough consideration, as your reply was dated August 13. Again, your reply was written not just to "Mr. David Smith, MP," but to "Mr. David Smith, MP, Chairman, Special Committee on the Disabled and Handicapped, House of Commons, Ottawa, Ontario." In the letter you dealt with his request, which he made on behalf of the committee on July 11, for the right of that committee to have television and radio coverage.

In your letter you recounted how television came into being in the House of Commons, but you made the point that when the matter was settled in the House of Commons it was on very clear terms. This is spelled out in the last sentence of your second paragraph, which I quote:

With regard to standing and special committees, the committee submitted a report to the House which, among other matters, stated that it would be contrary to the order of the House for any radio and television coverage to take place in any standing or special committee on TV and radio broadcasting.

You developed that point further in the last paragraph of your letter and I like the first part in particular—in which you said:

Although I am personally very sympathetic to the endeavours of your Special Committee on the Disabled and the Handicapped, it is my opinion that any committee seeking to televise its proceedings must first get the authorization of the House.

I submit that is your opinion as the Speaker of the House of Commons. You stated that any committee seeking radio and television coverage would have to get the authorization of the House first. I resent very much the Prime Minister standing up today and saying that that might not be an opinion. He said, "How do we know it is an opinion? It is just a letter that the Speaker wrote to a private member of this House." We all know that we cannot ask you questions on the floor of the House. But we also know that the rule is that if any member puts a direct question to Your Honour, you are obligated to reply. I submit that the reply you made in that letter is an opinion. It is a firm ruling that, in your view, no committee could have authorization from you to institute radio and television coverage but would have to get the authorization of the House of Commons. The Prime Minister stood up today and said, "Oh, that was just a personal letter. It was a hypothetical position which members opposite are putting up."

Mr. Broadbent: Sheer rubbish!

Mr. Knowles: Madam Speaker, that is bad enough in itself. But bearing in mind that a question of privilege, to be valid, has to relate to something which is interfering with the capacity of the members of this House to do their job, I recount for you what we have had to endure in this respect when we have asked, from this side of the House, for television and radio coverage of the committee on the constitution. The answer has been that "it is up to the committee", "the committee can do it", "the committee is free", "the Prime Minister has no opinion", and so on. But when we get to the committee and we try to make a motion—the hon. member for Provencher (Mr. Epp) this morning presented a motion that we have radio and television coverage—we are met with the statement by the chairman of the committee that he has learned that there is a letter from Your Honour which deals with this matter which says that the committee cannot do so.

● (1520)

At that point I am satisfied that the hon. member for Hochelaga-Maisonneuve (Mr. Joyal) had not even seen the letter. I know that he had not seen it because he said things about it which turned out to be incorrect. He said that he understood that there was a letter from you, Madam Speaker, saying that it would be illegal—or at least that it would not be legal—to authorize the coverage of our committee. I pointed out that the Speaker never gives a legal or constitutional opinion, that the Speaker can only give opinions on points of order. The hon. member accepted that.

At the end of that procedural discussion the chairman agreed that it was possible for the committee to broadcast its proceedings if it received the authority of the House. So the

next thing, of course, was that there was a debate on that motion. And then, all of a sudden, some other member turns up with a point or order that because the motion which set up our committee did not have in it the phrase, "the right to report from time to time", we could not make a report requesting television coverage without running the risk of that bringing on the end of our committee.

I believe that we on that committee have the right to say that this frustration has gone a little bit too far.

Some hon. Members: Hear, hear!

Mr. Knowles: We come back to the House and the Leader of the Opposition (Mr. Clark) raises the point with the Prime Minister that it has been established that the committee cannot be televised unless it receives the authority of the House on the basis of your ruling. Then the Prime Minister stands up and says that that is just a private letter Madam Speaker wrote to a member of the House.

Surely things are a little more firm, a little clearer than that. This is a run-around and it is a case of being pushed from pillar to post. I say that if ever there was a case of members of Parliament being denied the opportunity to do their job as members of Parliament, it is on this issue of the right even to request radio and television coverage of the proceedings of that joint committee.

I am doing my best to stick to the procedural point. I am not getting into the substance of the debate in the committee, although I am tempted to do so after the things which I heard this morning in the committee as to the reasons why it should not be broadcast or televised, such as, "the lights would be too hot", "some people won't want to come", and "too many would come." We had the silliest arguments I have ever heard.

An hon. Member: All by Liberals.

Mr. Knowles: Do not condemn all the Liberals. There was one Liberal there who voted our way. Everyone was present, for the vote and even the non-presiding chairman voted. It was a clear gang-up. You may say, Madam Speaker, that that is up to the committee, and one cannot deny that the committee has the right to make the decision by a majority, but it comes only after we have been pushed from one position to another. First we are told the committee can make its own decision, and then we get into the committee we are told, first of all, that we cannot, then we are told that we can only have broadcasting if we get the authority of the House, and then we are told that we cannot even ask the authority of the House without causing the committee to die.

It makes one wonder if the drafting of the motion to set up the committee was not done so carefully as to leave out the right to submit reports from time to time. I submit that the authority of the members of the House to do their job is being frustrated and challenged by this position taken by the side opposite. The Prime Minister said that it is up to the committee, and the President of the Privy Council (Mr. Pinard) has said the same thing. I suppose that the President of the Privy Council will now say that the committee has decided by a vote of 13 to 11 that it does not want coverage of the proceedings.

Even if the motion had carried, there was still the other point of order as to how we may submit a report without bringing about the demise of the committee. Some Conservative said, "Let's submit it and get the committee over with." But surely this is not the way to run a free Parliament or a committee system. My leader said in the question period today that since the days of the referendum some of us have been doing everything possible on the side of redrafting our constitution and making headway in that area. My leader and the rest of us in this party have taken a certain amount of flak because we have found some good things in the proposition before us. I do not know how much longer we can take that flak from one side and take this kind of abusive treatment from the government of the day.

Just this afternoon my leader suggested that the Prime Minister might put a motion, today, to give the committee authority to have its proceedings covered by radio and television. The Prime Minister wondered why he should put such a motion when the letter written by the Speaker to the chairman of the Special Committee on the Disabled and the Handicapped was only a personal, private letter, not an opinion.

Mr. Lalonde: Oh, oh!

Mr. Knowles: I believe that the co-chairman of the joint committee did not see the letter until some time around 11.30 or twelve o'clock this morning in the middle of the committee meeting. He had been told that there was such a letter. As I have said, on the basis of that letter the hon. member first of all said it was illegal, then he backed away from that once he received the letter and said that the motion was in order but it was clear that we could not proceed by ourselves, that we must go to the House. Surely this matter must be straightened out.

The Prime Minister could have straightened everything out today in a very few seconds by simply saying, "All right, the government will bring in the necessary motion giving the committee the power to have radio and television coverage." Your letter, Madam Speaker, made it quite clear that it is not determined for all time that television and radio are to be only in the House of Commons. Your letter makes it clear that, as the order now stands, coverage can be only of the House, but that it can be extended to the committees if the House so orders that a committee can have permission to have radio and television coverage.

Some of us feel that, in view of the importance of this issue, the Prime Minister should have grabbed at the opportunity today, but he failed to do so. Perhaps I am a little more worked up about this matter than I sometimes am on these issues, but it is because I sat through most of that committee meeting this morning. I was at a committee meeting chaired by you, Madam Speaker, for a while. Then I left it to go to the other, then I left that one and went to another, then I went back to it, and it was only an organizational meeting called for 9.30. I thought it would last for 15 or 20 minutes, but it was

still going at approximately 12.45, and even then it adjourned to meet again at 3.30, and I do not know how long it will last.

There is a lot of good will around here. Even my friends to the right, who sometimes sound as thought they are contentious and cantankerous over the issue, I believe are approaching this matter with a degree of good will, certainly good faith. But the good will is being dried up by virtue of the kind of performance we had at a simple organization meeting of that committee which is still not over. I think it is a serious matter which should be gone into.

If the matter cannot be resolved in any other way and you find that I have a prima facie case of privilege, Madam Speaker, related to the misleading statements made by the Prime Minister, I would be prepared to make the appropriate motion to the effect that the question of the way in which a committee can get radio and television coverage, in light of the motion which is on the books of the House of Commons, be referred to the Standing Committee on Privileges and Elections.

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, the hon. member for Winnipeg North Centre (Mr. Knowles) has advanced a case for Parliament. In supporting him in that case, I think it is important that we recount the history of this matter. First, there has been a history of stifling of debate and discussion in this House of Commons. That has been the underpinning of the history of this matter. Standing Order 33, closure was invoked before all members of Parliament had a chance to answer the invitation of the Prime Minister (Mr. Trudeau) that all members should have an opportunity to speak.

Second, there was a refusal to increase the time during which the committee could respond to the matter. Third, we now have the issue that was raised today, namely, that the Prime Minister is further attempting to stifle, submerge, hide under the rug, put away or put aside the right of the public to view what is happening in this House of Commons, by playing games with the rules. If ever the government House leader had a duty as a parliamentarian, it is to rise in his place now and say, as a member of the government, that if that is the opinion of the Chair—and I think the hon. member for Winnipeg North Centre has correctly characterized that opinion— then the government accedes to it on the grounds of openness. If it is necessary for this House to move, then the government House leader ought to bring in such a motion.

● (1530)

I say to him, Madam Speaker, and I repeat what the Leader of the Opposition (Mr. Clark) said, that if such a motion is brought in today—and apparently that is what is required according to your ruling on the question of procedure—it will go through without debate.

Mr. Knowles: Hear, hear!

Mr. Baker (Nepean-Carleton): The hon. member for Winnipeg North Centre agrees with me. The government knows, therefore, that it is not going to lose precious time.

I ask the government House leader, through you, Madam Speaker, in support of the position taken by the hon. member for Winnipeg North Centre and in an effort to preserve something of respectability and the sense of openness in this institution, given the importance of the discussion before that committee, to stand in his place now and say that he will bring forward the appropriate motion in light of the assurances that I have given.

I think this is important, Madam Speaker. I think it is very relevant to the operation of this place that he, as leader of the House of Commons, clear up this mess, a mess created by his leader and a situation that is absolutely intolerable to the appropriate operation of this House.

Some hon. Members: Hear, hear!

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, as someone who was at that committee this morning, I should like to say a few words on the subject.

Earlier the Prime Minister (Mr. Trudeau) said that your letter does not really mean that a ruling was made. I want to say to you very clearly, Madam Speaker, that the feeling of all members at that committee this morning was that a ruling had been made. The letter was hanging over the heads of the members of the committee and was taken as a ruling by all those present.

Someone has already said that we had an indication by the Prime Minister on an earlier occasion in the House that we would be free to choose whichever path we wanted in regard to broadcasting the proceedings of the committee on radio and television.

We also had the statement of the government House leader that the committee was free to determine its own course and make its own decision. That is the understanding we had in committee this morning. The co-chairman of the committee is my good friend, the hon. member for Hochelaga-Maisonneuve (Mr. Joyal)—

[*Translation*]

—and I have a great deal of admiration for him. He has, for a very long time, been one of my best friends in the House. I find he deals honestly with all hon. members.

[*English*]

He had drawn to his attention during the proceedings, I gather—and perhaps he could enlighten the House on this in detail for a few moments—the letter from yourself to the chairman of the Special Committee on the Disabled and the Handicapped. He had to read that letter to the members of the committee. It was our clear impression at that time that if we were to decide that the committee's proceedings should be televised, that would go against your ruling, Madam Speaker. With that type of information before the committee, I am sure that a number of members felt somewhat intimidated.

An hon. member from New Brunswick said that if we were to report back to the House with a request that the committee's proceedings be televised, that would terminate the committee; it would be the end of that committee. He quoted to that effect from some books on procedure. It was a double whammy, Madam Speaker—not only were we perhaps doing the wrong thing, but if we came back to the House with a request for permission to televise the committee hearings, that would be the end of the constitutional committee. At that I noticed some members who were sitting opposite me wilt like flowers on a hot July day—except for the hon. member for Lincoln (Mr. Mackasey).

I think it is very important, Madam Speaker, that you understand that the impression left with that committee was that this was a ruling. The interpretation given by the Prime Minister today may be valid in his own mind and in the minds of some others who were not there, but it was not the impression of those of us who were at the committee.

Some hon. Members: Hear, hear!

Hon. Jake Epp (Provencher): Madam Speaker, you will note that I submitted to you in writing a notice of motion on the same question prior to the calling of orders of the day this afternoon.

I intend to raise one or two matters, possibly for clarification, regarding what I believe has resulted in the violation of the rights of individuals and members of Parliament.

I support the position taken by the hon. member for Winnipeg North Centre (Mr. Knowles). I could wish that he had been a little more vigilant about the protection of the rights of members when the motion was passed, however.

Mr. Clark: Hear, hear!

Mr. Epp: I suggest to you, Madam Speaker, that the government House leader has said on a number of occasions that the committee is master of its own proceedings. For instance, at page 4162 of *Hansard* he is reported as follows:

> I am of the opinion that the joint committee which will be established will have the power to determine whether or not it wishes its deliberations or proceedings to be broadcast.

That is quite clear. On October 24, as reported at page 4074 of *Hansard*, he said:

> It will be up to the committee to decide whether the debates should be televised. As to the material organization that would be involved that aspect would come under the responsibility of Madam Speaker.

So it has been very clearly stated in this House by the government House leader that the committee had the right and the power to establish whether television and radio broadcasting should be used by the joint committee studying the constitution.

During the debate on that motion that I placed before the committee, the co-chairman of the committee, the hon. member for Hochelaga-Maisonneuve (Mr. Joyal), made committee members aware of a letter that he had received regarding your ruling, set out in the letter dated August 13, 1980, to the hon. member for Don Valley East (Mr. Smith). I want to say to the hon. member for Hochelaga-Maisonneuve, through you, Madam Speaker, that members on this side who sit on that committee, fully accept his assurance when he said he had not had knowledge of this letter prior to raising the matter in committee. There is no doubt in my mind that such is the case. I think the hon. member for Hochelaga-Maisonneuve, if he were asked, would accept the proposition that your letter of August 13 had a considerable effect on the determination and on the discussion that ensued after the information was made known to the committee.

I should just like to read one additional sentence from your letter, Madam Speaker, that has not been read as yet. In the third paragraph there appears the following:

> Failing such a decision of the House—

Namely, on television broadcasting.

> —the committees are without authority to broadcast their proceedings.

I suggest to you, Madam Speaker, that your letter was interpreted by the co-chairman as a ruling that even if the committees had passed a motion to permit television and/or radio broadcasting of the proceedings of the joint committee, in fact the committee was not empowered to do so on the basis of your ruling as expressed in the letter of August 13, 1980, to the hon. member for Don Valley East. Possibly the entire work of the committee, in terms of moving motions for the right to have the proceedings broadcast on television and radio, was futile as the decision had been taken some months earlier by yourself, Madam Speaker, that such was not possible.

I think we find ourselves in a "Catch 22" situation now, Madam Speaker, regarding our privileges. On the one hand we have your ruling, while on the other hand we have the assurances of the government House leader and the assurances of the Prime Minister today. On October 29, however, as reported at page 4214 of *Hansard*, when reaffirming that the committee was master of its own procedure, the government House leader said:

> Madam Speaker, as Liberals we respect the freedom of our members and I must say to the hon. member that the committee is master of its own procedure, that it is not parliamentary tradition for the House of Commons to get involved in organizing the work of the committee—

● (1540)

Here are the pertinent words:

> —and that in this House we cannot decide any procedural question concerning the committee, unless we get a report from committees.

That question as to whether or not television and radio broadcasting should be allowed in the committee was raised by a Liberal hon. member from New Brunswick. The reference was to page 193 of the current edition of Beauchesne, section 591, which reads:

> A special committee ceases to exist at the moment its final report is presented to the House.

It was the interpretation of our members, and I believe it was also the general interpretation, that we had to refer back to the House for permission in order to have broadcasting. Yet the interpretation given was that if the interim report was

made to this House, the joint committee would also cease to exist. Not only is it a difficulty in a "Catch 22" situation for members of the committee in terms of broadcasting, but it also raises serious doubts as to whether there arises any other need for clarification of assurances given by the government leader in the other place that the date was also a matter which could be examined by committee members and a report could come back to Parliament. On that issue as well members are now caught in a dilemma because should such a report be brought forward, the committee would end. I do not interpret Section 591 in that way at all because it refers to a final report, not an interim report. I believe that the interpretation as well is wrong.

What I am saying to you, Madam Speaker, is that these interpretations were given, quite apart from the assurances we have from the government House leader (Mr. Pinard) from the Prime Minister (Mr. Trudeau), and from the government leader in the other place that in fact this committee had the right to determine the presence of radio and television broadcasting.

With those assurances, and in view of the developments which have now taken place, I believe that my privileges as a member of that committee have not been respected. I believe that, before the committee can continue, this matter should be clarified. If not, the good will of which the hon. member for Winnipeg North Centre speaks, which was resident in the committee and which I believe is still there, will be eroded. I would think it is incumbent upon this House to clarify the matter now.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, since in any procedural debate, the letter and the spirit of the rules as well as the precedents must be considered, in order to be consistent with the position I have always taken in this House concerning the televising of committee proceedings, I wish to say immediately that I accept the request to reconsider the situation and that I hope to be able to report to my colleagues before the adjournment today on the position of the government, pursuant, however, to the Standing Orders of this House and to parliamentary practice.

Having said this, and without binding the government at this stage concerning the decision which might be made on this matter, I would still like to comment on the procedure to be followed if the government decides to abstain from getting involved in the decision of the committee.

Once again, I emphasize that these comments will be subject to the action that I will take in the next few minutes and the report which will be made later today, I hope, to the House of Commons.

First of all, Madam Speaker, reference has been made to a letter that you wrote to the chairman of a special committee of the House. As I said earlier during the question period, I was informed of this letter at two o'clock today. Before that, I was not aware of its existence and even less of its contents. I read it while the hon. member for Winnipeg North Centre (Mr. Knowles) was speaking.

I should inform you that the Prime Minister specified in his reply to the House a little earlier that he had read this letter and had been informed of its existence only around 2.20 this afternoon.

So it is undeniable, Madam Speaker, that cabinet members—and I give the benefit of the doubt to opposition members. I presume that the Leader of the Opposition and his House leader, as well as the House leader of the New Democratic Party and his leader, the hon. member for Oshawa (Mr. Broadbent)—I give them all the benefit of the doubt and I take their word that they were not aware either before this morning of this letter. However, in spite of the answer given by the hon. member for Don Valley East (Mr. Smith) to the effect that a copy of this letter had been handed some time ago to the committee members, to some backbenchers—

Mr. Lalonde: They had been informed.

Mr. Pinard: In any event, what I am saying should not upset my colleagues opposite since I say that I give them the benefit of the doubt as to whether or not they were aware of the existence of this letter. So as far as we are concerned, we were not aware of it. I do not think the Leader of the Opposition nor the Leader of the NDP was aware of it. Whatever the nature of this letter, Madam Speaker, and also in keeping with the reservations I expressed earlier regarding the openmindedness that we want to demonstrate, as the Prime Minister said so clearly, this letter does not constitute a ruling because it is just an opinion. It is so true that in the very text of the letter, the last two lines of the conclusion read as follows:

[*English*]

—it is my opinion that any committee seeking to televise—

And so on.

[*Translation*]

That is an opinion, Madam Speaker, which was expressed in light of advice given to you at the request of a member, and an opinion voiced without the benefit of arguments from either side of the House. So it is not a decision of the House after a procedural debate and, in my humble opinion, I do not consider that the opinion contained in that letter amounts to any kind of precedent whatever on which to base arguments in this instance.

In addition, and I say so with respect, Madam Speaker, I do not agree with the person who offered you that advice and, as I said earlier, it is obvious that my opinion on the subject is known. I have always considered that a decision of the House, the one taken in January, 1977, and approved by the House, did allow the televising of debates in the House and in committees, it is clear from that decision. I have always maintained and I still maintain that that decision of the

House, which was voted on and accepted by the House, must have precedence over any report from a subcommittee or from special committees which has not been endorsed by the House. What your adviser told you in that opinion, Madam Speaker, is that the special committee responsible for supervising the advent of television in the House had tabled a report some time in November, 1977. But one significant fact he forgot, or even if he did mention it—and no one seems to have taken that into consideration—is that that report is worth absolutely nothing from a legal standpoint, from a procedural standpoint, because the House never did concur with it. I feel it would be the height of stupidity to pretend that a report which has not been approved by the House must gain precedence over a decision or an order of the House. I am convinced that no hon. member would argue the contrary.

So, Madam Speaker, with respect I would suggest that the opinion given to you by your adviser in this instance does not take into account the fact that the report of the committee responsible for conducting that experiment has never been approved by the House. Therefore the decision of the House takes priority and that decision is explicit and very clear. We agreed that Parliament, that the House and the committees had the right to televise their debates. If at a given moment the special committee which no longer exists had deemed advisable to submit a report it would have done so. Its mission, and I was a member of the committee as was the hon. member for Nepean-Carleton (Mr. Baker), was to supervise the experiment. We wanted to be certain that the introduction of television in the House, that this experience would show that it could be done while respecting the principle of electronic *Hansard*. This took place in 1977. I am convinced that if the special committee were still in existence in 1980, its recommendation would probably be different because, in the light of experience, experience which the committee did not have back in 1977 when it submitted its report which was not accepted by the House, it is obvious that the concept of an electronic *Hansard* can be respected when our proceedings are televised.

On this first point of the content of the letter, which is not an order of the House but simply an opinion, I say that the letter does not bind anybody, that the adviser who gave you his opinion on the subject forgot to attach enough importance to the fact that the report of the committee was never approved by the House and that he did not recognize the fact that we have a three-year experience of televising our proceedings, which can be of some benefit to the members of the committee, which makes them experienced enough to make their decision to televise their own proceedings. There is also, Madam Speaker, the fact we should face, namely, that this morning the committee decided against broadcasting the proceedings on television and on radio by 13 votes against 11. That is a fact.

Thus, the situation in which we find ourselves following the request made by my hon. colleague, the House leader of the Progressive Conservative Party, the hon. member for Nepean-Carleton, if we are to meet his request, is the following: on the one hand, we have to decide whether we may, without offending the committee members and without any disregard to that institution which is a committee of the House, intervene and say that your decision is not right and, on the other hand, we on the government side have to decide whether the committee proceedings will be televised. It can also be done by negotiation with the members of the committee in light of the new development, that is, the letter in question. Though we do not agree with its contents, and despite the fact the opinion it expressed at the very last minute, and the persons involved and concerned were advised of it a bit later, they can be consulted, as well as the House of Commons, and negotiations can be held with the House leaders. So, what I mentioned at the start of my remarks is this: subject to new developments or those consultations, Madam Speaker, which could lead to an agreement on televising those proceedings, I still wanted to dot the i's with regard to the lack of legal or parliamentary basis of the argument put forward by the hon. member for Winnipeg North Centre (Mr. Knowles) and those who spoke after him.

However, there is more. I said a while ago that we were, that I was willing to take steps in an attempt to try to give an answer in this regard to the House later on today, but I referred at that time to the attitude that has always been mine, as well as that of the right hon. Prime Minister (Mr. Trudeau), with regard to the televising of those proceedings. That attitude is this—I even remember the very words used then by the Right Hon. Prime Minister, specifically, that he was neither for nor against it, and that strictly from a procedural point of view he felt, as I still do, that it was up to the committee to decide on its procedure, including the televising of its proceedings.

For my part, I said that if it were only a matter of cost, in the case where the committee should decide or had decided on televising its hearings, two additional formalities would have to be respected. First, it would not suffice for the committee to decide that its hearings are to be televised; its decision would have to be ratified by the Senate since we are dealing here with a joint committee; and, second, I said that the commission of internal economy, under your chairmanship, Madam Speaker, would have to approve the expenditure. I have always maintained in this House that money would not be an issue, as far as I was concerned, that would prevent the hearings of the committee from being televised. Let that be clear. The stand I have always taken with regard to the televising of debates has always been the one I have just outlined, just as it has also been that of the Right Hon. Prime Minister.

So, in view of the circumstances, we have never said that the House of Commons was against their being televised: we said it was up to the committee to decide, the cost being subject to the approval of the Senate and the commission of internal economy. And there was one condition, that the televising of the proceedings, apart from not being contrary to the concept

of an electronic *Hansard*, was not to result in delaying the report of the committee. That was the only condition I had put on the televising of this committee's proceedings. The fact the proceedings would be televised was not, for any consideration, to allow the committee to report later than December 9.

Having said that, Madam Speaker, I conclude by repeating that in the next few minutes I shall take steps and consult in order to determine whether, without limiting the rights of anyone, we can come to an amicable agreement about the televising of those proceedings as quickly as possible, provided the fact the debates will be televised does not result, first, in delaying the report of the committee and, second, in hindering the work of the committee. Even if the televising should start in a few days, that should not prevent the committee from pursuing the work it has started. Third, I would not want either to prejudge the decision of the Senate which will necessarily have to be consulted regarding that matter, because it is a joint committee. I would not want to place the Chair or the other commissioner of internal economy under any obligation, but I do not see that this would be a major problem, since I am one of the commissioners of internal economy and have already mentioned this issue to some of the others, and they do not see any problem in this regard. That takes care for now of the issue of televising the committee proceedings.

There is a second issue involved in the comments made by the hon. member for Provencher (Mr. Epp). Concerning the report of the committee, he read, in the English version of Beauchesne, section 591, on page 193, which says the following:

● (1550)

[*English*]

A special committee ceases to exist at the moment its final report is presented to the House.

[*Translation*]

It is interesting to note, Madam Speaker, that the French version is more explicit. If you look at the fifth edition of the French version of Beauchesne, on page 197, you will find the following under section 591—and the wording is so different in the French edition that section 591 contains two numbered subsections, while the English version has only one paragraph:

(1) Il importe que la motion proposant l'institution d'un Comité mentionne que celui-ci doit faire rapport de temps à autre, car s'il le faisait une fois sans autorisation, il cesserait d'exister.

It is therefore quite obvious that when the House considered the motion, it knew or should have known that the wording of the motion did not authorize the committee to report occasionally. In this case, the procedure seems to me relatively clear. There is a difference between the English and French versions of Beauchesne, but no contradiction. The French text is much more explicit and much more complete, and I thought it my duty to inform the House of this difference because it is always a good idea to have a complete picture rather than half-truths.

Madam Speaker, this is what I had to say about these questions which, essentially, are not questions of privilege, but we are willing in this case, as we have always been, to co-operate and show our good faith.

[*English*]

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I rise on the same question of privilege. I am pleased to learn from the government House leader that his government is prepared to reconsider its position which, to this point, has been one of refusing to allow television and radio coverage of the discussions on Canada's constitution. I do not know in what position the comments of the President of the Privy Council (Mr. Pinard) in relation to a decision of yours leaves the Chair. That is a matter you will have to decide as, indeed, you will have to decide what interpretation it would be appropriate to place upon the comments offered by the President of the Privy Council in relation to certain of your advisers. That is a matter for you to consider as you review his remarks.

For my part and that of my party, I can simply say that on many occasions we have learned to interpret your opinion as a ruling. That is probably the position that is held by most members of this House of Commons. I regret that it should be put into some question by the government House leader, but that is a matter you will have to consider.

I want to make one or two points. One is certainly that a decision by the government to reconsider its refusal to let television and radio into the committee should not be seen as disposing of the question of privilege because, if they continue to persist in that refusal and not let the public know what is going on, the question of privilege will be very much alive.

● (1600)

I think it is also obvious to all of us, since there appears to be some doubt on the other side as to whether Your Honour's decision is a decision in the letter to the hon. member for Don Valley East (Mr. Smith), that it is going to be important for all of us to have clarified exactly what is the capacity of a committee of this House of Commons in relation to having television and radio coverage of its proceedings.

If I might, I would like for the benefit of the House—I know Your Honour needs no reminding of it—to review the elements upon which Your Honour based your decision in your letter to the chairman of the Special Committee on the Disabled and the Handicapped. You were referring to the deliberations of the Special Committee on Television and Radio Broadcasting of the Proceedings of the House and its Committees, and you went on to say, and I quote from your letter:

With regard to standing and special committees, the committee submitted a report to the House which, among other matters, stated that it would be contrary to the order of the House for any radio and television coverage to take place in any standing or special committee on TV and radio broadcasting.

A motion on the order paper, during the 31st Parliament, which would have appointed a special committee to supervise the implementation of radio and television broadcasting in committees was not debated before that Parliament dissolved. To date, during the current Parliament, no further action has been taken in respect to the broadcasting of the proceedings of committees. Failing

such a decision of the House, the committees are without authority to broadcast their proceedings.

You concluded with the following:

Although I am personally very sympathetic to the endeavours of your Special Committee on the Disabled and the Handicapped, it is my opinion that any committee seeking to televise its proceedings must first get the authorization of the House.

I refer to those reasons given in your capacity as Speaker of the House of Commons in response to a formal request for a ruling by a chairman of a special committee of this House, because I think it important that it be understood that your decision was not related to the nature of the committee from which the request came, nor to the nature of the request. Your decision was based, as your letter makes clear, upon the deliberations of the special committee which had looked into television and radio broadcasting, and its conclusions and the fact that there had not been an opportunity for a successor committee to consider any of those matters. I think it is important that that be borne in mind and what we in this party regard as a clear ruling by the Speaker of the House of Commons on a question on which her decision has been requested in a formal way by the chairman of a special committee of this House.

I think it will be useful for the whole House to know just how this letter came into the possession of the committee. Indeed, I was not clear from the response of the hon. member for Hochelaga-Maisonneuve (Mr. Joyal)—and I am sure it was my fault and not his—as to whether the letter was presented to him by the clerk of his committee. He indicates it was the clerk of his committee. It was not clear whether it was the clerk of his committee or the clerk of the Special Committee on the Disabled and the Handicapped.

I think there will be some lively interest in this House as to how the clerk of that committee came into possession of that letter, a letter which had not been generally known about or generally circulated either to the Leader of the New Democratic Party (Mr. Broadbent), to myself or—we have the word of the government—any ministers of the Crown. I think that will be something which we will all want to be informed about.

The government House leader made reference to the fact that the committee has itself taken a decision on this matter. I want to make only two, I hope, non-contentious points. The first is that that was very much a party decision. The vote was 13 to 11.

An hon. Member: Twelve.

Mr. Clark: Excuse me, 12 to 11? Thirteen to 11. I am reminded by the Parliamentary Secretary to the Minister of Finance (Mr. Evans) that I should not be referring to votes. I apologize for falling into the habit which has been practised by his government House leader. My colleague tells me that there is nothing improper with that, and I am sure you would interrupt me if there was, Madam Speaker. The point is that it was a party vote. The representatives of the Progressive Conservative Party and New Democratic Party on that committee voted for the right of the people to see and hear what was going on. With the one exception of the hon. member for Lincoln (Mr. Mackasey), the members of the Liberal party of that committee voted against the right of the people to see and hear what was going on.

The other matter which is important to note is that the vote was taken in that committee after there had been a ruling offered by the chairman, then in the chair the hon. member for Hochelaga-Maisonneuve, indicating that the committee did not have the power to do what the motion was asking it to do. I think we can assume that there was at least the possibility that some of the members who voted against the motion did so because they thought they were being asked to do something which would violate one of Your Honour's rulings. I think it probable that on their minds was the fact that they would not want to violate a ruling Your Honour had made in your official capacity as Speaker in response to an official request by a chairman of a special committee of the House of Commons.

The government House leader made reference to decisions which have to be taken in the Senate and by the commission of internal economy. We naturally do not dispute the necessity of the other place's agreeing to this change in the procedures and the reference to the special joint committee, just as it has agreed to other terms of reference of that committee. That is obvious, and I hope that could be achieved speedily. Indeed, I have been impressed by the independence of thought of Liberal members in the other place and hope that that proves contagious in this House.

In relation to the commissioners of internal economy I simply want to remind the government House leader of his own words as reported at page 4162 of *Hansard*. He said, and I quote:

If the committee wishes to be broadcast, then all that needs to be considered is the financing. The financing will be allowed if it is requested through the commission of internal economy at this level.

The financing absolutely "will be allowed". In other words, there was no objection on October 28 on the basis of financing, in the words of the government House leader. I am sure that in the interest of consistency, since he had no objection then, he will have no objection now or later.

I think what is clear is that the decision is the decision which has to be taken by the government itself. It is a decision this House of Commons must take, and I am pleased that the government is pulling back from secrecy and is prepared to consider at least giving the people of Canada the right to see and hear the discussion on the Constitution of Canada.

I must comment quickly on the suggestion of the government House leader in relation to the interim report and the capacity of the joint committee to make an interim report. He is arguing that the terms of reference are either ambiguous on the question of preventing the special joint committee from making such a request. If that is so, I am sure that is an oversight. I would not want to believe, nor would the people of Canada, that that joint committee was deliberately denied by this government the right to make interim reports on matters important to it.

I am sure if that is the interpretation the government House leader places upon the matter, since he is now prepared to reconsider the question of televising and radio broadcasting of the proposals, he would also be prepared to submit a change in the terms of reference which would allow interim reports to be made if it was found necessary for them to be made.

I think what is at issue here is a fundamental principle. We are in a situation where there have been two gags applied to Parliament so far, one in closure which cut off the right of this House of Commons to debate the Constitution of Canada, and a second in the insistence of all of the government, with the exception of the government House leader in the other place, on the December 9 deadline. We hope that the government House leader in the other place will prove to be persuasive and bring members of the government to his point of view so that there will in fact not be an artificial limitation on the right of Canadians to be heard on this important question. That is a two-piece gag. We hope there will not be a three-piece gag by also refusing the people of Canada the right to see and hear discussions by their Parliament about their constitution.

What is at issue here is the principle that the public of Canada has a right to know about the Constitution of Canada. That is a position that is upheld universally here. I am pleased to see that as a result of frequent pressure there is now at least some willingness to reconsider the refusal to let the people of Canada see and hear what is being said about their constitution by their elected and appointed representatives. I hope that decision will result in a reversal of the position that the government has taken to shut the public out of constitutional discussions.

I repeat my point that even a decision of that kind, if it is taken by the government, may not necessarily dispose of the question of privilege which is before us, nor will it of itself clarify the question as to whether a committee of this House has the right to decide on its own whether to have its proceedings covered live by radio and television.

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, on this question of privilege I want to augment what my leader was saying with regard to comments by the government House leader a few minutes ago when he read from the French version of Beauchesne as to the ability of the committee to make interim reports. There are a number of matters which are before the committee at present which may require the committee, so that it may conduct its affairs properly, to make reports to both Houses.

● (1610)

Before you make your ruling on this question of privilege, Madam Speaker, it would be useful to bring to your attention the fact that on Monday night in the Senate a motion was moved to amend the main motion. The amendment was moved by Senator Smith, and in it he asked that the time given to the committee be extended before it makes its report. While that debate was taking place, Senator Ray Perrault, Leader of the Government in the Senate and a member of the cabinet, intervened to explain why he felt it was unnecessary for the Senate to amend the motion and to lengthen the time available to the committee before making its report. Senator Perrault said this as the government House leader in the Senate, as reported at page 1146 of the Senate *Hansard* of November 3:

> As far as the proposal to extend the time of the hearings is concerned, I have received advice from the Clerk of the Senate because advice was sought on this point, that it would be possible for the joint committee to recommend extended hearings. The joint committee in an interim report to both Houses could ask for an extension of the reporting date. Both Houses, of course, would have to adopt such a report simultaneously. The possibility exists, then, according to our Senate procedural advisers, that an extension of time could be considered by the joint committee, and I want to assure honourable senators on that point.

On the basis of that assurance from the government House leader in the Senate that it would be possible for the committee to make an interim report to request that the time limit be extended, the Senate then proceeded to vote against the proposed amendment.

I would request from you, Madam Speaker, a ruling on the matter raised by the government House leader when he said that any report made by that committee would result in the termination of that committee, because clearly the information given by his counterpart in the Senate was completely contrary to that. It was given to the Senate on November 3. We saw yesterday and today that the government House leader in this House refuses to feel bound in any way by commitments made by the government House leader in the Senate, but clearly a joint committee is in existence, the membership of which is drawn from both the Senate and the House of Commons. It is incumbent upon the government to speak with one voice and to make it clear whether or not members of a committee ought to have their hands tied, or whether they will be able to report to both Houses to request that important changes be made to the terms of reference. This is essential, and I do not see how the committee can continue its work unless it knows the rules under which it is operating.

So I would request from you that when you give your ruling on the question of privilege raised by the hon. member for Winnipeg North Centre (Mr. Knowles) you also clarify, for the benefit of the House, the point raised by the government House leader in contradiction of the explicit undertaking made by the government House leader in the Senate.

Hon. James A. McGrath (St. John's East): Madam Speaker, there is a very important element to this and I hope that the Chair will not lose sight of it. It is one that causes me considerable concern. I say to the Chair with great respect, and to those who advise the Chair, that I am not at all satisfied that there was no knowledge on the government Treasury benches of this ruling by the Special Committee on Television and Radio Proceedings of the House of 1977 or by your immediate and distinguished predecessor. It seems to me that Mr. Speaker Jerome ruled on this matter as well. I find it passing strange that when the government House leader was giving me an assurance on October 24, as reported at page 4074 of *Hansard* of that day, that:

> It will be up to the committee to decide whether the debates should be televised.

—the existence of this letter, or the report of the Special Committee on Radio and Television Proceedings of the House

and its subsequent adoption by the House, or the subsequent ruling by Mr. Speaker Jerome, would not be known to any single member of the government and would not be known, for example, to the Deputy Prime Minister (Mr. MacEachen) who was the government House leader when these rulings were made. Yet the Deputy Prime Minister, the former government House leader, did not intervene when the Prime Minister (Mr. Trudeau) was giving the House an assurance that the committees were "masters of their own destiny", or when the government House leader was giving us the assurance that the committees had the right to decide whether or not their proceedings should be televised.

What concerns me, Madam Speaker, is that I believe the House has been seriously and, in my view, deliberately misled. I can come to no other conclusion. I accept the word of the government House leader, as obviously I have to do under the rules, and I accept the word of the Prime Minister, but we have not heard from the Minister of Justice (Mr. Chrétien) as yet. Did he know of the existence of this letter? We have not heard from the Deputy Prime Minister. Did he know of the existence of the letter?

Mr. Chrétien: Madam Speaker, I rise on a question of privilege. The hon. member should know that I did not know of it until around 2.20 this afternoon.

Madam Speaker: Order, please. If the minister wants to rise on a point of order, he can do so, but he cannot raise a question of privilege while someone else is speaking on a question of privilege.

Mr. McGrath: Madam Speaker, obviously I will accept the intervention of the minister and I will withdraw without equivocation—

Mr. Lalonde: Disgusting. You are casting aspersions right and left.

Mr. McGrath: It would be interesting to know whether the hon. gentleman who now intervenes from his seat knows of the existence of this letter because he is obviously the author of the face-saving compromise which the government House leader brought before the House this afternoon to try to save face.

Mr. Lalonde: Madam Speaker, I rise on a point of order. I have rarely seen in this House behaviour as disgusting as the one shown by the hon. member.

An hon. Member: Watch yourself.

Mr. Lalonde: It is quite clear that just as no one on the front benches on the other side was aware of your letter, no one on the front benches on this side knew of this letter. The way in which the hon. member is casting aspersions right and left is reprehensible, and he should be ashamed of it.

Some hon. Members: Hear, hear!

Mr. McGrath: Madam Speaker, what I find reprehensible is the fact that the Prime Minister and the government House leader could stand on their feet in the House, time and time again, and tell the House, without equivocation, that the committee had the right to decide whether or not it should televise its proceedings, notwithstanding the fact that there had been rulings on record, and that these rulings were not known to either the Prime Minister, the Deputy Prime Minister or the government House leader. That boggles the mind; it stretches credibility. I am informed that one of the rulings was made by the Secretary of State for External Affairs (Mr. MacGuigan) who was then chairman of the Special Committee on the Constitution.

The fact remains that we are now told we may be able to reach agreement, if we can find money through the commissioners of internal economy and if it does not delay the proceedings of the committee. We are told these things now, but we were not told these things last week. Last week there was no suggestion that there would be any strain on the finances of the House or on the commissioners of internal economy, or that the televising of the proceedings of the committee might unduly delay the committee. No, on the contrary, we were told without equivocation that the committee had the power and the authority to decide whether or not to televise its proceedings and that the money was available.

I want to point out to Your Honour, in the strongest possible terms, that I feel aggrieved as a member of this House. I believe that I have been misled. Whether or not I have been deliberately misled is a question for Your Honour and subsequently, we hope, for the committee to decide. But the fact is that there is a serious prima facie case of privilege before the House right now and I submit that Your Honour should so rule.

Madam Speaker: I recognize the hon. member for Oshawa (Mr. Broadbent). I am sorry he was disappointed that I did not recognize him before, but I recognize members in the order in which they rise. It is the turn now of the hon. member for Oshawa.

Mr. Edward Broadbent (Oshawa): Madam Speaker, I want to deal with this very important question of privilege. I do so in replying to what I regard as a logically absurd and, beyond that, morally offensive argument put forward by the government House leader, and I choose my words with care.

First of all I shall speak with regard to his question about a letter written by you, Madam Speaker, dated August 13, containing the following words in the last paragraph:

> Although I am personally very sympathetic to the endeavours of your Special Committee on the Disabled and the Handicapped, it is my opinion that any committee seeking to televise its proceedings must first get the authorization of the House.

● (1620)

The government House leader is a lawyer and I am not, but I have spent a little time studying legal theory, as a matter of fact. I know enough, when the Speaker of the House of Commons writes a letter in her official capacity to the chairman of a committee saying that it is her opinion that such is the case, whatever the government House leader may say, that

that is the case. It is not simply an idle opinion; it is a judgment coming from the Speaker of the House of Commons.

It is a specious argument of the worst kind for the government House leader to come before us and try to pass off the view that a letter written by the Speaker of the House of Commons saying that it is her opinion simply means an informal suggestion.

A person sentenced to jail for five years should try that when the judge says, "It is my opinion that you should go to jail for five years." A person receiving such a sentence would not, to understate it a wee bit, have very sound legal grounds for appealing the case by saying that the judge was merely expressing an opinion. That is exactly analogous to the kind of phony argument the government House leader tried to pass off in the House of Commons today. That is my first point.

The people in the committee clearly understood when they received this letter which mysteriously appeared from some interesting source. We do not know the ultimate source. I am not questioning at all the honesty of the chairman of the committee as to the time he got the letter and who actually put it in his hands, but certainly I am dubious about the person who originally had the letter transmitted. We would like to know very much who had that letter sent on. The argument of the government House leader that this letter constituted a mere passing judgment without significance, is totally spurious. It was a sound, considered judgment, and the government House leader knows it very well.

My second point deals directly with the phony arguments we have heard in the House of Commons for the past ten days that somehow members of committees do not vote as their parties wish them to vote. The committees of the House of Commons are structured in party terms because it is well understood that members of a committee will not vote as isolated individuals, somehow making up their own minds independently of their considered party positions. It is quite the contrary. In a parliamentary democracy the committees are structured by party members because party members are expected to vote, as a rule, as their party caucuses decide is appropriate for them to vote. That is a well-understood and well-accepted democratic practice in the parliamentary system.

What do we have on the substance of the issue? I will be interested in hearing what the government announces later today. On this issue, and even after a ruling was made about the letter, a motion was put forward requesting the House of Commons, based on the decision of Madam Speaker, to authorize this committee to establish televising. What arguments did Liberal members make, not as isolated individuals making up their own minds, but reflecting government policy? Some said the lights would be too strong.

Mr. Lalonde: Oh, come on.

Mr. Broadbent: "Come on" is right, but these are the arguments used against television. The lights would bother members. Some said there would be grandstanding.

An hon. Member: What are you doing now?

Mr. Broadbent: Some said the people would use the opportunity to grandstand. The third argument was that some people would be afraid to appear, some members of Parliament would be afraid to be here because of the television cameras.

Mr. Knowles: Members of the public.

Mr. Broadbent: Excuse me, members of the public would be afraid.

Madam Speaker: Order, please. The hon. member for Oshawa (Mr. Broadbent) is quoting quite extensively from proceedings of that committee. I think he knows the rule that the proceedings of another committee should not be discussed in the House. I would remind him of that rule, and allow him to continue.

Mr. Broadbent: That is a fair comment, Madam Speaker. I was just making passing comment about what was going on in the committee which showed the intellectual levels reflected by Liberal members.

Some hon. Members: It was just an opinion.

Mr. Broadbent: I will be watching if the government shifts its policy, as it seems about to do. For a week the Prime Minister (Mr. Trudeau) and the Minister of Justice (Mr. Chrétien) were evasive on this. Suddenly they are under heat, they feel some pressure. The only time a Liberal acts with any sense of justice is if he is forced into it. Perhaps that is what we will see this afternoon. I wonder whether all those Liberal members who voted against this in committee, when there is a resolution before the House, will stand up and vote against it now. It will be interesting to see, or will they act with the same degree of independence in the House as they acted in committee?

In conclusion, this is not a light matter. The matter before us is one of great concern. We are debating a measure in this Parliament. It is a resolution which, if it carries, will change the Constitution of Canada. It will bring the constitution home to Canada. The matters are of profound importance. Therefore, in the view of both parties in the opposition, at least, they are matters which the people of Canada ought to have the right to witness through television.

Some hon. Members: Hear, hear!

Mr. Broadbent: Let there be no illusion. For a week the government, the Liberal party, decided that the people were to be shut out. Then they voted that way in committee and they thought they had their way. But today they felt some heat in the House, so perhaps they are about to change their minds. They had better change their minds, if they want to have any support and reasonable consideration by members of all parties in the committee; that is all I can say. If they continue with their anti-democratic attitude in the process of constitutional change, they will do irreparable harm to the country, which is something members on this side will not tolerate.

Some hon. Members: Hear, hear!

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I will be very brief. Particularly in light of the very interesting remarks and submissions made by the hon. Leader of the New Democratic Party (Mr. Broadbent), I think Madam Speaker could take judicial notice, in your capacity as Speaker of the House, of the fact that there is unanimity with respect to the position being put forward in support of this particular motion by both opposition parties.

I think it is very interesting to note that the unanimity extends to the NDP which supported the government in moving this matter out of the House quickly to committee and are now expressing very serious concern with respect to the activities of the government vis-à-vis this particular operation of its committee. When we talk about fundamental rights, and rights of individuals and members of Parliament, nothing could be clearer than the position taken by the government House leader. On October 24, 1980—and this was understood—he said that it was up to the committee to decide whether the debate should be televised, and as to the material organization which would be involved that aspect would come under the responsibility of Madam Speaker.

Clearly Madam Speaker's ruling in the letter to the chairman of the Special Committee on the Disabled and Handicapped is a ruling. It is a ruling on your part. If it is not certain in the mind of the government House leader what is the situation now, and in view of his undertaking that there would be no problems with respect to financing, I think he will find himself in a new situation. If I can be permitted to speculate on what the New Democratic Party will do in this situation, they will lose the support of the NDP for the cozy deal entered into between the Prime Minister (Mr. Trudeau) and the Leader of the New Democratic Party.

It is a serious matter. The government should give very serious consideration to what position it takes if it wants to proceed in an orderly fashion on this particular motion.

Some hon. Members: Hear, hear!

• (1630)

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, I want to participate briefly in this debate. I wish to indicate to the member for Saskatoon-West (Mr. Hnatyshyn) that I think he misspoke himself, to be polite, when he suggested that our party supported the quick removal of debate on the constitution from the floor of the House of Commons. Our party opposed closure when it was moved by the Liberal party. We supported the extension of time for the debate. The Leader of the Opposition (Mr. Clark) has just spoken up and said that we supported the reference to the committee. That is absolutely correct. We have taken a position, which I know the Leader of the Opposition disagrees with, but it happens to be a position which is one of principle.

There are a number of principles contained in the resolution of which we are in favour. There are a number of amendments and improvements which we intend to make in a constructive way. That is the manner in which our party has approached the debate. That is the manner in which we have approached the question of the constitution. It is the manner in which we intend to continue to try to remove from petty, partisan politics the question of the patriation of the constitution as far as possible and the manner in which it will be patriated. It is because of that commitment, Madam Speaker, that I want it to be made perfectly clear what the position of the New Democratic Party is with respect to the process. As my leader has stated today, it is not simply a question of the proposals themselves, it is a question of the process under which the government works and the way in which it works in presenting this package to the Parliament of Canada and the Canadian people.

Some hon. Members: Hear, hear!

Mr. Rae: Closure, in our view, was a mistake. It was a very serious mistake, one which damages the credibility of the government when it says it wants to develop as broad a consensus as possible. In our view the attitude which has been expressed by the Prime Minister (Mr. Trudeau) with respect to the attitudes and the positions of western Canadians is a very serious mistake.

Finally, the way in which the government has treated this committee and the attitude it has taken with respect to the question of the extension of time—

Mr. Clark: Was your deal a mistake?

Mr. Broadbent: No, our deal was not a mistake.

Mr. Rae: The question of time, the question of the treatment of the committee and the way in which we deal with television have been serious mistakes on their part. The Leader of the Opposition has raised a question. He asks if the treatment with respect to the general package was a mistake. My answer to him is, no, sir.

I have no hesitation in saying, and my leader has no hesitation in saying there is a time to state certain principles and there is a time to take a position as a federal party. The Leader of the Opposition can take a position—I am not entirely clear what it is, but he is entitled to take a position. I do not begrudge him that position. But I think there is a very fundamental point which the government has to recognize. It is that the Prime Minister cannot come before the House of Commons and say it is up to the committee to decide what to do, and then have Your Honour make a decision.

I might add it is not simply a decision out of the blue. As a member of the finance committee last fall, under the chairmanship of the hon. member for Vancouver Quadra (Mr. Clarke), we looked into the question of whether or not it would be possible for us to televise the proceedings of the finance committee when we were discussing the question of interest rates. At that point we were informed by the legal officers of Parliament that it would not be possible for the committee itself to decide to have televised hearings. We were required to obtain the approval of Parliament. When we requested the unanimous approval of Parliament under Standing Order 43,

unanimous consent was not forthcoming. That was the reason we did not have televised hearings.

It is not good enough for the Prime Minister and the government House leader to say that your opinion, Madam Speaker, is simply a matter of opinion and that the committees have this power. It is a fact that parliamentary committees have been told consistently by the law officers of Parliament that it requires authorization from the House before the proceedings of a committee can be televised. So it is not simply your own ruling, Your Honour, but a matter of consistent rulings by the law officers, which have been expressed to a number of committee chairmen.

What the Prime Minister is doing is putting the Chair, the House and himself in an impossible position because he is saying it is not up to us, it is up to the committee. Then, lo and behold, in an act of totally spontaneous animation, the members of the committee suddenly agree that there will not be television. The reason for that is obvious. It is the policy of the Liberal party that this matter, rather than be handled in a tripartisan way will be changed from what was a positive package, which was an attempt to appeal to most people, into the policy and attitudes of one party at one particular time in our history. Only the Liberals could do this. When that happens, Madam Speaker, it is a very sad moment for Parliament.

Some hon. Members: Hear, hear!

Hon. Marcel Lambert (Edmonton West): Madam Speaker, I think I have a right to make a contribution in this matter. The Prime Minister (Mr. Trudeau) and the government House leader have made statements to the effect that it was up to the committee to decide about television coverage. This was a fatuous suggestion. It was totally and utterly misleading insofar as the House was concerned.

The question of television coverage of committees was before a committee and it was decided at that time that it should be a decision of the House. Anybody with any serious intention of passing on information knew that it was not possible for any committee to decide to televise its hearings; they knew that the permission of the House was required.

There has been a question raised with respect to the funding of coverage. Under Vote 5, that funding is within the control of the Speaker. The cost of televising and of reporting committee proceedings all comes under Vote No. 5. Also under Vote 5 are moneys which have been voted upon and allocated to interparliamentary relations. Some of the allocations which have been made have not been spent. As treasurer of one particular group I know that there is a quarter of a million dollars not expended from this year's allocation. There was a change in the nature of a conference early in September which was held here, rather than in the Conference Centre, and we were able to save close to a quarter million dollars. That money is available. It does not require an item in any supplementary estimate to transfer it.

There is also the question of whether Room 200, which is the present site of the committee, is not suitable for television coverage as it does not have the facilities. There is the Conference Centre, which is all set up for television and broadcasting. I would like someone to suggest that the first ministers' conference, which dealt with the subject of the constitution, is more important than a joint committee of the Parliament of Canada considering actual changes to the constitution. Therefore, to me it is just as important that the joint committee meetings be held, for example, in the Conference Centre where there are the facilities, rather than being faced with the objection that Room 200 is not set up for television, which therefore would cause a delay in the time that is available to the committee before the guillotine falls upon the date of reporting. I suggest that if a diligent search is made in those other compartments in the Speaker's purse, sufficient money will be found for the proceedings to be televised and broadcast, because we have the proper locale.

• (1640)

The objections which have been raised are merely a smoke screen. It seems to me that it is now up to the government to put forward a motion which would permit the committee to televise its proceedings. It is as simple as that.

Madam Speaker: After hearing the hon. member for Kingston and the Islands (Miss MacDonald), I think it would be reasonable to cut off the debate, unless there is someone on the government side who wishes to have the floor, because I have not recognized many hon. members on that side.

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, I would like to refer briefly to a debate which took place during the summer of 1978 in the committee which was dealing with Bill C-60. It was a joint committee of the House of Commons and the Senate, and it was examining the government's then proposals on the constitution.

At that time it was felt by that joint committee that it was imperative that its meetings and sessions be televised and broadcast to the country. At the time these committee meetings took place there was much debate on the subject, and motions were put forward to the effect that the proceedings should indeed be televised and broadcast. The difficulty which that committee found, and which it ultimately decided upon, was that it was in somewhat of a bind because, unlike the committee itself, the House of Commons and the Senate were not sitting throughout the summer. It was noted that it would be impossible at that point in the proceedings of the committee to go back to the House and the Senate for permission to televise and broadcast the proceedings.

There were some informal discussions between the committee and Mr. Speaker Jerome at that time. I believe that he personally was in agreement with the importance of the debate which was taking place in committee and felt that it was a very critical and crucial debate. Indeed, he suggested that it could be a pilot project for all committee hearings to be televised and broadcast, but that it would have to await the resumption of the House in the autumn to receive its approval to proceed

with the broadcasting and the televising of the committee proceedings.

If the committee did receive the approval of the House, Mr. Speaker Jerome felt that committee was the logical committee to undertake the initiative to show what broadcasting and televising of such proceedings would bring about and how it would benefit Canadian people as a whole. Unfortunately, in order to set that precedent, the committee would have had to continue sitting into the autumn. It did not. It completed its deliberations in August and reported back to the House when it resumed in the autumn.

I wanted to point out that there had been discussions, that, indeed, a way had been foreseen as to how the proceedings of such a committee could be telecast and broadcast. It would be by reference to the House, as you pointed out in your letter, Madam Speaker. I believe that it is one of the matters which you should keep in mind in making your ruling later today.

[*Translation*]

Mr. Eymard Corbin (Madawaska-Victoria): Madam Speaker, I would like to say very briefly, as a member of the committee, that the hon. member for Provencher (Mr. Epp) referred to me earlier as a member from New Brunswick. My riding is, of course, Madawaska-Victoria. It is I who in committee this morning called the attention of all members of the joint committee on the constitution to the interpretation of Beauchesne about the order of reference which says clearly that we cannot make a report. We are not authorized to make any interim reports.

I thought it was my duty to draw this interpretation of Beauchesne to the attention of the co-chairmen of the committee. I do not want to impute motives to anyone, but listening to the debate today, I feel things are put in such a way as to make believe—and if it is not the case I apologize—that there had been some kind of collusion between the government, and the government House leader. I must say, Madam Speaker, that it is the duty of every member of any committee to see to it that the rules are followed. And my concern, as a member of that committee, was to make sure that by coming back to the House to request permission to televise its meetings, the committee would not automatically cease to exist. My motivation was quite honest and justified. We have the duty not only to seriously consider all the matters which are presented to us, but all committee members, in co-operation with the chairman, have the responsibility to make sure that the rules are properly interpreted and that the orders of reference are also obeyed and that our work is being done within the framework which has been approved by Parliament, in this instance by both Houses. That is what we did this morning.

The fact that the committee reached a conclusion disturbs me. This morning, the majority of its membership decided not to give radio and television coverage to its proceedings. It has been repeated time and time again and it has been the ruling of all past Speakers, all your predecessors, Madam Speaker, that the committees are free to make up their own mind. In so doing, this morning we operated within the framework of that authority given to us by both Houses of Parliament. Furthermore, I find it unbelievable that opposition members quite often accuse the government, and especially the government House leader, rightly or wrongly and without any justification, of always wanting to dictate to the members of the committee. As the hon. member for Provencher said this morning, we will have to get the litmus test before we can sit on the committees. I find it very hard to believe that he should come back today to the same point through a legitimate argument, I must admit, rising on a matter or privilege and on a point of order.

Today hon. members bring to the floor of this House a question which we should have been allowed to bring back to the House as a report, otherwise the committee would have ceased to exist. Today, they want the government to impose a decision upon the committee, they want the government to ask the House to allow the committee to reconsider the decision it reached this morning. This disturbs me because the decision was reached in due form, in good faith by all the members who were attending the meeting and, what I do not understand and what I do not accept, is the fact that the government House Leader is now being asked to impose a decision upon the membership of the committee. That is beyond all understanding.

Mr. Pinard: Madam Speaker, I rise on a point of order. I do not want to be involved any further in this debate but I mentioned in my remarks a while ago that I would be taking some action, that I would consult, and consider the matter, and that I would advise the House as to our position, if needed. If hon. members are interested in whatever I have to say, I am prepared to report right now. If the House would rather hear from you instead, I will resume my seat.

Madam Speaker: Do hon. members agree to listen to the President of the Privy Council who would like to report on the negotiations being held and on any information he might have received on the matter now before us?

Some hon. Members: Agreed.

Madam Speaker: The President of the Privy Council has the floor.

● (1650)

Mr. Pinard: Madam Speaker, I want it to be very clear that the government has never taken a stand either for or against the broadcasting of committee proceedings and especially those of this joint committee. The position of the Right Hon. Prime Minister and myself in this House, as I said earlier, has always been that it was up to the committee to make this decision.

You, Madam Speaker, are now faced with a question of privilege. I shall respect your ruling, but I imagine that you might wish to refer to the comments which have been made and to do some research before giving your ruling and I imagine that you will defer your decision. If this is so, since the opposition members seem to consent to my doing so—and if they object, I shall abstain—I shall inform them that I intend to speak to the two co-chairmen of the committee to tell them simply that if, in the light of what has been discussed in this House, their committee wishes to reconsider its decision, the

government for its part will not object to their doing so, but whatever their decision, we shall respect it. We want to be consistent with the position that we have always held until now, namely that we should not interfere in the affairs of the committee nor give it any instructions.

What I shall do, Madam Speaker, is simply to be consistent with the procedural arguments that I held earlier today in this debate and with the position that the government has taken until now concerning the committee, and I shall not give any instructions to the committee on behalf of the government. No one can say, therefore, that we are for and against televising the proceedings.

We shall not take a stand on this issue and we shall let the committee decide for itself. I am simply going to speak to both co-chairmen and ask them if in the light of these new facts—if they judge that today's debate has brought up new facts—they want to take another vote or reconsider the matter. For our part, as a government, we have no instruction to give them; they may do as they wish. We respect the decision which has already been made and if they want to make another one, we shall respect it also whatever it may be. We want to keep our distances, as we have done since the beginning. Madam Speaker, we shall maintain firmly our position in this debate, but if you make a ruling, whatever it may be, we shall respect it as we have always done in the past and we shall act accordingly.

[*English*]

Mr. Clark: Madam Speaker, I rise in response to the point of order raised by the government House leader, and perhaps he can correct me if I am being unfair. He knows I would not want to be unfair to his position.

I believe he has said that if it is the decision that the committee has the power to decide itself to seek radio and television coverage, the government would not act in any way to stop the committee from doing that. I am not sure that that reflects a great deal of reconsideration because, at least in words, that appears to be the position the government has been putting forward for some time.

We would like to be assured that Liberal party members on that committee will not be operating under a whip which urges them to vote against radio and television in the House. That assurance would be very helpful to us and, indeed, would serve the interest of the people of the country.

The question before the House remains: does the committee have the power to make that decision? We would not want the minister's statement today to be taken as the final indication that that power does rest with the committee. We have an abundance of rulings, including your own, Madam Speaker, that the committee does not have that power.

What we would like to have from the government House leader, as a result of the reconsideration he says he has undertaken this afternoon, is a very clear statement—in light of the fact that we have a ruling from Your Honour—that the government will introduce a motion to ensure that this House can vote as a full House upon the amendment of that motion to allow the people of Canada to see and hear the constitutional deliberations on television and radio.

It is clear to us, although Your Honour has yet to decide and still has to respond to the question of privilege—that you have decided on the question of the competence of the committee that it does not have that competence, as you have stated in a formal decision.

The question before the House, then, is whether the government is going to accept its responsibility and bring in a resolution, or motion, that will permit the committee to have radio and television coverage of its proceedings. We would like to have an undertaking from the minister that such is the intention of the Government of Canada.

[*Translation*]

Mr. Pinard: Madam Speaker, I shall explain it very briefly to the Leader of the Official Opposition (Mr. Clark). There are five possibilities. First, that the committee refuses to reconsider its decision, in which case the government will not intervene. Second, that the committee reconsider its decision, take another vote and reach the same decision, in which case the government will not intervene. Third, that the committee decide to review its decision and, in fact, by way of a vote, change it, in which case the government will not intervene. Four, that you, Madam Speaker, give a ruling to the effect that the argument is founded according to which it is up to the committee to decide, in which case again the government will not intervene. And, five, that you rule that the House of Commons alone can authorize the televising of the committee hearings. As I indicated earlier, we have always respected the decisions of the Speaker of the House.

[*English*]

Mr. Broadbent: Madam Speaker, if what we heard earlier in the day was absurd, the Liberal government has just outdone itself.

If I understand the logic of the government House leader, he is saying that after great deliberation the government has not reached a decision. He is saying to backbench members—and I do not say that in any critical sense—to the regular members of the Liberal party on this committee, that they ought to humiliate themselves. That is the position—if it means anything. He is saying to members of that committee, "You deliberated carefully today. You came in with one decision and recommended it."

Mr. Knowles: Thirteen to 11.

Mr. Broadbent: "With a 13 to 11 vote, but now we think you have the right"—big deal—"to reconsider the decision."

I find that incredible, Madam Speaker. If the government is changing its mind on the question of televising the proceedings of this committee, as it ought to, then surely it ought not to humiliate its members of Parliament who sit on that committee. I am not cricitizing the members for this, Madam Speaker. If this was a caucus decision of the Liberal party, or a

government decision, then I do not criticize members, as individuals, for voting as they did in committee. In this House of Commons we act as parties so I do not criticize members of that committee who voted as they did. I criticize the caucus, or the government, for deciding that members ought to vote that way. That is the way we work in the House of Commons. On crucial matters the Conservative caucus decides how their members on a committee should vote, as does the Conservative party.

The government puts forth a hypocritical argument, suggesting that somehow its members are autonomous, that they voted one way this morning and that now they may reconsider.

If the government had any integrity at all on this point, Madam Speaker, surely it would admit it is wrong and ought to have made the decision to televise the committee proceedings in the first place. It would say that the Government of Canada intends to introduce a resolution to this House to permit the committee proceedings to be televised. That would be the honourable course of action.

Some hon. Members: Hear, hear!

Mr. Broadbent: Instead of admitting it is wrong, and among other matters, that is the Liberal party's great historical failure, never admitting that it is wrong, instead of saying it made a mistake and has now changed its mind, it is going to force ordinary members of Parliament to reverse themselves as individuals. What an uncharitable, dastardly, despicable course of action that is.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): Madam Speaker, I just want the government House leader to know that I listened to him very quietly. I gave him the opportunity to take the only position which is acceptable in these circumstances. There is no other acceptable decision in this House today except for the government House leader to stand on his feet in this place and move a motion in amendment of the resolution that stands in the name of the Minister of Justice (Mr. Chrétien). There is nothing else acceptable in this Parliament. I give the government House leader another chance.

● (1700)

I did not speak idly at the outset of the debate. I have been in the hon. member's position, and I did not speak idly with respect to it. Quite frankly, I expected a more acceptable response. I expected the government House leader, not just as the Leader of the Government in the House of Commons, but as leader of the House of Commons, to take his responsibilities with respect to that very seriously. I want to tell him now that I am sadly disappointed and I say that to him directly. Our relationship in this House of Commons has been a good one, notwithstanding differences of opinion that have arisen. I do not like to see a good man being made a tool of a bad government.

Some hon. Members: Oh, oh!

An hon. Member: Look who is talking.

Mr. Baker (Nepean-Carleton): But that is what has happened to my hon. friend. Nothing occurred during the course of these events that gave me any idea that that kind of response would come from the Leader of the Government in the House of Commons, indeed from the leader of the House of Commons. In the best interests of this place I say to him that nothing else is acceptable. Nothing else is acceptable to us with respect to the operation of this place than for my hon. friend later today to seek the permission of the House of Commons to revert to motions, and introduce an amendment to the motion in the way discussed by the Leader of the Opposition (Mr. Clark), so as to take the responsibility which is implicit in the ruling given by Madam Speaker. This is a responsibility which lies on the shoulders of the government, led in this House by my friend, the government House leader. Nothing else is acceptable. He should understand that, and so should his colleagues.

There have been some discussions in this House about the importance of the motion of closure to the operations of the House. That matter is important, but this is important too. We have been fed nothing but double talk. The issue is a clear one. As a government does it want this done or not? It is its responsibility. The government cannot hang the backbenchers and private members out to dry to evade their responsibility but that is what the government is doing.

Mr. Chénier: Just worry about your guys.

Mr. Baker (Nepean-Carleton): My friends over there say "Do not worry about us". I am not worried too much about them. But I am worried about what the people of Canada are going to see, what they are going to think of this Parliament, and what they are going to think of the process which is as important as the resolution. I am worried about the operation of this place in the face of a government which has become so arrogant that it would fly in the face of a request to televise a committee. Is that what the minister of communications wants? Is that the kind of openness which the Secretary of State (Mr. Fox) responsible for freedom of information wants? Is that what the government wants? My friends say this is pompous indignation. I tell you it is righteous indignation, and hon. members opposite are going to feel the effects of this for a long, long time.

Mr. Knowles: Madam Speaker, may I attempt to sum up in just a sentence or two what has been said over here. If it is true that the government has had second thoughts and has decided to permit radio and television broadcasting of the proceedings of the committee, I tell the government to do it directly. Do not do it in the contrived way of asking the 13 Liberals to cast a different vote tonight than they cast this morning. I say to the government House leader to do it directly, and bring in the motion.

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: Be a man.

Mr. Pinard: Madam Speaker, I regret the Leader of the New Democratic Party (Mr. Broadbent) has left the chamber because I wanted to give an answer. The hon. member asked us not to humiliate our members on the committee. That is exactly why I would not ask them to vote again on the issue. Because we respect our members on the committee, I would not make that move, and because we respect the parliamentary procedure and practice we will not interfere in the committee's right to deal with its own procedure.

That being said, I want to give the House leader of the Tory party an answer, who in my view is also a good man and a tool for a better position. He has asked me to move a motion to ask a legally constituted committee to change its mind. I will not do that. I will do what I said I would do, and that is to respect this parliamentary committee which has rendered a decision. If it wants to reconsider that decision, it may do so, but we will not interfere.

We could have chosen the route of doing nothing.

An hon. Member: That is exactly what you are doing.

Mr. Pinard: Madam Speaker, we could have chosen to let you rule on this matter, waited for your ruling and allowed the decision to stand. I have offered to talk to the co-chairmen to let them know that if they want to reconsider their decision, we will not object because the government has no position on this.

Some hon. Members: Oh, oh!

Mr. Pinard: We are not against television and we are not for television in the committee. We have always said it was up to the committee to decide on its own procedure. A decision has been made and we respect the membership of that committee. If they reconsider, we will accept their decision, whatever it is. That is what I intend to do unless the opposition objects. If the opposition objects, we will act as good parliamentarians and wait for your decision on this issue, Madam Speaker.

Mr. Clark: Madam Speaker, the government House leader has said that the government is not going to interfere with the committee but he will talk to the co-chairman.

Mr. Pinard: If you wish.

Mr. Clark: He has said the government could have chosen the route of doing nothing. What troubles us, Madam Speaker, is that the government has chosen the route of doing nothing. One question that is open to this House is this: what will be the reaction of the Government of Canada if you persist in the decision you issued to the chairman of the special committee on the handicapped and ruled that the committee was not competent to make a decision to request radio and television coverage of that committee? That has been your ruling, Madam Speaker. If you persist in that ruling, the question then becomes, will the government act? The House leader listed five points. The fifth one had to do with whether the government would act in those circumstances, and the House leader did not answer that.

Mr. Pinard: Yes, I did.

Mr. Clark: What he said was they would respect that situation. He did not say what the government would do. He said earlier that the government does not intend to interfere. A failure to act on this question, where only the government can act, is to express an opinion. It has expressed an opinion against the right of the people of Canada to see and to hear what is going on in the constitutional committee in the discussion of the Constitution of Canada.

I rise to make that last point, and I apologize for the heat in making it, but I do it simply because I think there has been an attempt to suggest that a change of position has occurred when no change of position has occurred at all on the part of the government.

Some hon. Members: Hear, hear!

Madam Speaker: I did say I would not recognize any more speakers, and then I had a series of points of order and answers to those points of order. However, I think it is time now to put an end to this debate. I will try to do my best to allow the House to come to a normal conclusion of what everyone will recognize has been a very lively debate.

On several occasions the opinion I expressed in this letter, which is referred to, has been mentioned as being a ruling, by many hon. members. I have some doubt as to whether that should be considered a ruling. I base that doubt on very common sense arguments. If I write a letter to an hon. member, I might expect that member to reply to me and disagree with some of the words I put in my letter. There could be an exchange of correspondence between myself and a member, or even the chairman of a committee. It is on that common sense argument that I am not prepared to affirm that what I wrote in that letter is a ruling. It is an opinion. If it were a ruling, nobody could refute it. Therefore, rulings have to be dealt with extremely carefully. Writing a letter is a different matter from making a ruling in the solemn House of Commons.

● (1710)

I did express an opinion; that is quite clear. I have the letter before me. I can read from it as hon. members have done. I expressed an opinion "that any committee seeking to televise its proceedings must first get the authorization of the House". I will certainly try to be consistent and stick by that opinion, but only after having considered the context and the background against which I expressed that opinion, namely, that I was answering a letter regarding a request from a committee of Parliament dealing with the handicapped and disabled, which was travelling across the country. They were asking me whether the proceedings could be televised through the device of certain hook-ups of community channels, or possibly the bicycling of tapes from that committee. There could be a context or background against which this opinion would have to be interpreted. I want to take time to do just that. I repeat, I will be consistent with the meaning, after second thought and careful reading of that letter, and of the opinion which I expressed in the last paragraph of the letter.

Notwithstanding that opinion which was expressed, I want to remind the members that the matter of deciding if broadcasting is to take place lies with all sorts of people, but not with me. I cannot decide whether the proceedings will be broadcast. I might express an opinion on how that can happen. If a decision is taken in respect of that, in the committee or in the House, there are proceedings to allow that to happen. The hon. member for Winnipeg North Centre (Mr. Knowles) referred to how these things can happen. Therefore, the decision will not be made by me. I want to make it quite clear that that is not my responsibility.

With regard to the interpretation the hon. member for Provencher (Mr. Epp) put on the third paragraph in my letter, he said that I had affirmed that the committees are without authority to broadcast their proceedings. Later on in the debate the Leader of the Opposition (Mr. Clark) read that paragraph in its entirety. I just want to warn the hon. member for Provencher that he should not take it to mean that these committees have definitely not been endowed with authority to take those decisions. "To date", in this Parliament, "no further action has been taken" with regard to "the broadcasting of the proceedings of committees. Failing such a decision of the House, the committees are without authority to broadcast their proceedings." They were thus not consciously deprived of that authority. The matter, and I will check into the record, simply has not been resolved.

The intention might have been to give those committees that authority. I will have to refer back, and this is precisely what I want to do, to the minutes and the resolution, and look in greater detail at the context in which my opinion was expressed. I repeat, I will do my best to be consistent with the opinion I expressed and to ascertain whether that opinion is in reference to certain circumstances which cannot be paralleled with the circumstances that we are now discussing. I will take this matter which has been raised as a question of privilege, under advisement.

* * *

POINT OF ORDER

MR. BEATTY—INTERIM REPORTS BY SPECIAL JOINT COMMITTEE ON CONSTITUTION

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, I rise on a point of order. Could we also have an explicit ruling from you as to whether the committee is empowered to issue interim reports to the House or whether that will result in the termination of the life of the committee, as suggested by the government House leader this afternoon? This is critical to the whole conduct of the committee's activities.

Madam Speaker: That was not raised in the question of privilege. I will base my ruling on what was raised in the House in the course of the exchanges on the question of privilege.

Mr. Beatty: Could I get some clarification from you, Madam Speaker. I apologize, Madam Speaker, I am genuinely confused. What I would like is to request from you at this time a ruling as to whether the committee on the constitution has the authority to issue interim reports, or whether the issuing of a report to both Houses would result in the termination of the committee under the terms of reference granted to the committee.

Madam Speaker: The hon. member has asked me to interpret the order of reference of that committee. It is not for me to interpret it.

Mr. Beatty: Madam Speaker, the hon. member for Victoria-Madawaska (Mr. Corbin) quoted Beauchesne. Also, the government House leader this afternoon read from the French version of Beauchesne, which I do not have before me, in support of an argument that any issuance of an interim report by the committee would result in the termination of the life of that committee. That quotation was read into the record by the government House leader. It leaves the House in a very difficult situation.

An explicit assurance was given in the Senate by the government House leader in the Senate that interim reports would be legal and proper. In the House of Commons this afternoon his counterpart, the government House leader here, indicated his firm belief, quoting Beauchesne, that the issuance of any report by that committee would lead to the termination of that committee.

What we need from you, Madam Speaker, is a judgment on the basis of Beauchesne, citation 591, as to whether an interim report by that committee would lead to the termination of that committee.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, it is getting late and I do not intend to go on at length. I shall simply refer you to the text of the motion passed by the House and the citations from Beauchesne mentioned by my learned colleague. I believe that you will find there all that you need to make a ruling.

[*English*]

Madam Speaker: I will not render a decision. I will only tell the hon. member that I will look at that problem if and when it arises, but not at the present time.

Right Hon. Joe Clark (Leader of the Opposition): On the same point of order, Madam Speaker, perhaps the government House leader would simplify matters if he would tell us whether it was his intention and the intention of the government in drafting that reference to preclude and prevent the special joint committee from making interim reports.

[*Translation*]

Mr. Pinard: Madam Speaker, the Leader of the Opposition is trying to make me say something that probably did not cross my mind. All that I have said is that the resolution or motion

is there. It has been passed. A question of privilege has been raised and you must look at the facts.

What were the motives of the government? I could spend a lot of time replying to the right hon. member because, without any context, this element could lead to false conclusions. I do not want to spend too much time on this issue, but since I have been asked what could have motivated us in the wording of the motion passed by the House and debated, for too long in my opinion, I shall note that I could say quite a lot on this issue. The right hon. member is well aware that we could easily have avoided the committee stage and not have referred the matter to a committee. He is very lucky that we have not done so, but he still complains. He is not even complaining about the substance, but about the form.

We decided to go to a committee, and we chose to do this so that the opposition would have more time to look at the technical aspects of the proposal, Madam Speaker. If the right hon. member wants to know the motives of the action taken by the government, I could spend a lot of time explaining why we wanted to extend this courtesy to the opposition and decided on a three-stage debate when we could very well have chosen a single-stage debate.

● (1720)

[*English*]

Mr. Clark: Madam Speaker what I am interested in determining is whether it will be possible for the joint committee on the constitution to make interim reports to this House and to the Senate of Canada without, by the very fact of making such reports, terminating the existence of the committee. I suppose the reason we ask that question is that there has been an explicit assurance given by the minister's colleague in cabinet, the House leader of the government in the Senate, that there would be the possibility of interim reports. The government House leader in this chamber has now given us a version of his reading of Beauchesne which would suggest that what his colleague said in the Senate is not true in the House of Commons. We obviously cannot have a situation where that prevails.

Perhaps we could simplify matters—if the government House leader does not want to speak of motives relating to what we have done in the past—if he would tell us whether he is prepared to join with us now in expressing the view and acting on the view, if that is necessary, that the special joint committee on the constitution should have the right to make interim reports. It would also simplify matters if the government House leader expressed the view that the action of making interim reports would not stop the life of the joint committee. Would he agree to join with the House of Commons to take such action as is necessary—and the Senate—to ensure that the life of that committee would not be jeopardized by its reporting back to the two Houses which gave it birth?

[*Translation*]

Mr. Pinard: Madam Speaker, the Leader of the Opposition is asking me to render a decision in your stead. His own colleague has raised a question of privilege. You have a ruling to make and he puts the question to me; in other words they want to know what I think. Before you take your decision I am expected to give him a legal opinion as to whether your ruling is going to be right or wrong. As I see it, Madam Speaker, that approach is ridiculous. Then the hon. member will be seeking the floor to ask me whether the committee will be allowed to travel. Then again, can the committee not wait to report only in February? And again he will rise to ask me: can we take your place and govern? Well, my answer to that one is no, our party was returned to power in the last election. We assume our responsibilities, we show respect for Parliament and we have agreed to three stages in a debate which could very well have been limited to only one. The Leader of the Opposition undermines the character of this institution when he attempts to restrict the debate to questions of procedure rather than deal with the substance of the proposition which is aimed at turning Canada into a new country, a modern country with a renewed federalism.

[*English*]

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, may I put the same question to the government House leader in another way? What is the point of his offering to speak to the two co-chairmen of the committee and telling them that the government would not mind their reconsidering the matter of radio and television broadcasting unless—if perchance the committee changes its mind and votes for it—it has the authority to make a report to this House? Should that not be cleared up, or would it not be better for the government to bring in the motion itself?

[*Translation*]

Mr. Pinard: It is much simpler than that, Madam Speaker. For me, the usefulness of speaking to the two co-chairmen, if the opposition parties do not object, is that it will give them an opportunity to review all the comments made on that question by members of the House today. Should they feel that those comments bring to light new facts which would warrant reconsideration on their part, the decision is theirs. They will base their decision on that. They will settle the issue in committee, not here in the House of Commons. They do not need to report to the House of Commons to have that permission. The committee can very well review the question and change its decision. As I said earlier to the Leader of the Opposition, should the Chair rule that the House of Commons must decide, then we will respect the ruling. He has sought to cast some doubt on my comments, but again I repeat that we will abide by the ruling. Abiding by your ruling, Madam Speaker, means that we will act accordingly.

[*English*]

Hon. Jake Epp (Provencher): Madam Speaker, I will be brief. On this point the government House leader keeps referring to the three stages the government has chosen for the manner in which the proposed resolution should be dealt with. He says that the government was forthcoming in the matter of the three stages. No matter what his view or interpretation is on whether the government was forthcoming or not, the fact is that the matter is before a committee, so that committee has to function.

There are a number of motions which I intend to move this evening in terms of the working of the committee which might result in committee members making the decision to come back to this House and ask for permission along certain lines. The way the matter stands now, before we go to that committee at eight o'clock tonight, it is still that if we do not get a ruling prior to that time, the point will be made that if the committee makes those requests, by the very fact that its requests will be made in a report to this House the committee ceases to operate. I suggest, with all respect, that the matter should be clarified before that committee reconvenes its sittings at eight o'clock tonight because those issues will be before it at that time.

Madam Speaker: I am afraid hon. members are asking me to rule on something which is quite hypothetical. I now have Beauchesne citation 591 which says, and I quote:

> A special committee ceases to exist at the moment its final report is presented to the House. The report cannot afterwards be sent back to the committee with instructions to amend it in any particular way unless the House agrees to revive the committee by adding the following words—

Obviously, if and when that report comes back to the House, the House can agree to something else, and it is not for me to determine in advance, not knowing what that committee will report back to the House, what is going to happen. Therefore, there is no need for me to rule on this particular point, and I would like to proceed with the routine proceedings of the day, if I have the permission of the House.

Mr. Clark: Madam Speaker, this has been a detailed and confusing day for all of us. Perhaps the point has not been made as clearly as it should have been.

We are not concerned at this stage about the final report, although that is an important matter. What we are concerned about is the right of the committee to make an interim report because there may well be an interim report, as the hon. member for Winnipeg North Centre (Mr. Knowles) has suggested, recommending that there be an amendment in the reference to allow televising and radio broadcasting of proceedings. There may be an amendment allowing the committee to travel. There may well be an amendment allowing certain groups of people to be paid to come to give their views on the constitution. Those would be interim reports, and the argument put forward by the government House leader is that once an interim report is issued, the committee is dead. Naturally, if that is the case—Your Honour is shaking your head, and we shook our heads too, but that is what the government House leader said—the committee will be meeting tonight on other questions in the same circumstances in which it met this morning on the question in relation to television.

The members of the committee will be meeting under what they take to be an edict as to what they are not free to do. They met today and believed they were not free to ask for radio and television coverage, so they did not. Unless this question is resolved, they may meet tonight believing they are not free to make an interim report, and they will consequently not make an interim report. That is why it is urgent that the question of interim reports—not of final reports—be resolved.

Madam Speaker: If I may answer the Leader of the Opposition (Mr. Clark) on the point, as I read the citation, it seems to me that the special committee ceases to exist at the moment its final—not interim—report is presented. As I understand the rules, that committee can decide that it is making an interim report to this House. Therefore, if the report is an interim report, the committee still exists.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Eymard Corbin (Madawaska-Victoria): Madam Speaker, I respect your interpretation of the English version of Beauchesne, but for those of us who use the French text there is ambiguity. It is not clear, it is far from being clear. If I read the reference of the House—

Madam Speaker: Order, please. I did not read the French text, but the logic of the English version is absolutely impeccable and I would be surprised if the translation were that far off. Still I take note of the comments of the hon. member but I cannot accept his intervention because I have already said that the question is closed.

* * *

● (1730)

[*English*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Knowles: Madam Speaker, I wonder whether the hon. member for Nepean-Carleton would not like to be reminded that today is Thursday.

Mr. Baker (Nepean-Carleton): I want to thank my hon. friend for his reminder of the calendar. The government House leader may have some announcements in mind with respect to the business of the House for the next little while. Perhaps he could make them.

[*Translation*]

Mr. Pinard: Madam Speaker, today is the last day of debate on the budget. There will be a vote this evening at 9.45. Tomorrow we will begin study of the report stage of Bill C-6,

an Act to revise the Bank Act. Next week, beginning Monday, we will continue with the Bank Act revision until adoption on third reading.

Some hon. Members: Wednesday!

Mr. Pinard: Sorry, hon. members are right, beginning Wednesday since the House will not sit on Monday. An order has already been made to that effect. As specified in the motion adopted by the House yesterday, the hours lost on Monday will be recuperated but they will have to be spent on the banking legislation and that is why I say, Madam Speaker, that we will consider that bill until adoption on third reading. As a result of a meeting with parliamentary leaders it has been decided that if there is to be a debate on the proclamations which are to be tabled shortly after the budget debate and which concern the energy policy that debate will not begin before November 21. That was the agreement among parliamentary leaders. Since that has been agreed to by all parties we are now free to begin the uninterrupted study of the banking legislation with the hope that it will pass third reading as soon as possible.

[*English*]

Mr. Beatty: Madam Speaker, I rise on the same point of order. Will the government House leader indicate to the House when he will be calling the continuation of the second reading debate of Bill C-42, the Post Office Crown corporation bill? Could he also tell the House whether, in keeping with the recommendations made in the report of the Standing Joint Committee on Regulations and Other Statutory Instruments, tabled in the House in July, the regulation-enabling clauses of the bill will be sent to the Joint Committee on Regulations and Other Statutory Instruments? Is the government prepared to send the regulation-enabling clauses of the bill to that committee?

Mr. Pinard: Madam Speaker, as to the last question of the hon. member, I understand—and this is the agreement I had with the House leader of the hon. member's party—that there is a notice of motion for concurrence in those reports on the order paper. Such motions would not be put before consultation with me, according to the understanding we have, since there are at least two other groups looking at the same matter, namely, the task force on regulations, the special committee of the House, and the Economic Council of Canada which is supposed to report some time in January or February on the same subject. So I would not like to deal with these reports at this stage before those two groups at least have had a chance to report.

In so far as Bill C-42, the Post Office Act, is concerned I intend to call that bill for second reading. We had hoped it would have been sent to committee much earlier, but there are more speeches to come from the hon. member's party than were expected. We hope that after we conclude our debate on the Bank Act, this bill will be sent quickly to the committee so that we can go on to deal with the bill on access to information and send that to committee with the least delay possible before we deal with the last seven allotted days before December 10.

Mr. Beatty: I am sorry, Madam Speaker, I might have confused the government House leader. The question I asked relates expressly to Bill C-42. It would certainly facilitate passage of that bill in terms of debate on second reading if the government House leader were prepared to send the regulation-enabling clauses of Bill C-42 to the Standing Joint Committee on Regulations and Other Statutory Instruments for study following second reading debate. Is he prepared to do that?

Mr. Pinard: Madam Speaker, I will consult with the Postmaster General as soon as possible. But in any case we would much prefer the bill to be sent to committee right away, if possible.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

MR. GREENAWAY—PETITIONS RESPECTING NATURAL GAS

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, I rise today on behalf of my constituents in British Columbia and those of my colleagues, the hon. member for Richmond-South Delta (Mr. Siddon), the hon. member for Prince George-Peace River (Mr. Oberle), the hon. member for Surrey-White Rock-North Delta (Mr. Friesen), the hon. member for North Vancouver-Burnaby (Mr. Cook), and the hon. member for Fraser Valley West (Mr. Wenman), who strongly express their opposition to a federal excise tax on natural gas.

The petitions presented herein contain in excess of 6,000 signatures of British Columbia residents and are in addition to the over 26,000 tabled by my colleagues last October 24. As this is the last day of the debate on the budget which imposes this unjust and unconstitutional export tax, as well as a crippling tax on domestic users of natural gas, I appeal to all hon. members to reject this deceitful and destructive budget. I respectfully submit these petitions on behalf of my five colleagues and myself to you, Madam Speaker, and I ask for their serious consideration.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 80, 1,417, 1,512, 1,582 and 1,604.

Order Paper Questions

[*Text*]

SOVIET UNION—NEWS MEDIA IN CANADA

Question No. 80—**Mr. Cossitt:**

1. What are the names and addresses of all members of the news media from the Soviet Union who have been granted visas to operate in Canada and, in each case (a) what was the date that they came to Canada (b) who did they replace, if this information is available?

2. What are the names and addresses of former members of the Russian news media granted visas to operate in Canada over the past six years and, if any are no longer in Canada, to the knowledge of the government, what is the reason?

Hon. Lloyd Axworthy (Minister of Employment and Immigration):

1. N. Y. Bragin (a) October 8, 1974 (b)K. Y. Gevyandov

   V. N. Osetrov (a) September 29, 1976(b) V. K. Kurnikov

   V. R. Polonskiy (a) October 30, 1976 (b) I. I. Mironov

   A. V. Sandakov (a) March 1, 1979 (b) A. A. Palladin

2. K. Y. Gevyandov (left Canada September 27, 1973)

   V. K. Kurnikov (left Canada October 9, 1976)

   I. I. Mironov (left Canada September 8, 1976)

   A. A. Palladin (left Canada March 8, 1979)

In so far as the Canada Employment and Immigration Commission is concerned, we are not aware of their reasons for departing Canada.

NOTE: The government does possess the addresses, however, they are not given since departmental policy in keeping with the spirit of the Canadian Human Rights Act is not to provide such personal information.

LOANS TO JAMAICA

Question No. 1,417—**Mr. Blenkarn:**

Has the government made any loans to Jamaica and, if so (a) in what amount (b) what are the repayment terms (c) has Jamaica defaulted on any payments?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of Finance, the Export Development Corporation and the Canadian International Development Agency as follows: On November 9, 1976, Canada entered into a loan agreement with the Government of Jamaica to provide a Canadian $25 million loan from the Department of Finance, with repayment in full six months thereafter and interest payable at the average annual rate of interest on six-month Treasury bills, namely 8.93 per cent. Principal on the loan was rolled over three times due to Jamaica's financial difficulties, but interest was kept current. On August 9, 1978, the loan was converted to a three-year loan at the Crown corporation rate of interest on three-year money, namely 8.875 per cent, with the entire principal due at term, subject to interest being paid annually and to maintenance of a standby arrangement with the IMF. Jamaica has been current with respect to interest payments since conversion of the loan into a medium-term instrument. The Export Development Corporation has extended six loans to Jamaica, two under government account (section 31) and the remainder under corporate account (section 29). Total value of these loans was Canadian $8.1 million under section 31 and Canadian $42.6 million under Section 29. There are no arrears in payments to EDC. Because of commercial confidentiality, EDC cannot disclose its rates of interest. Attached is a detailed schedule of these loans indicating dates signed, amounts of financing and principal outstanding, and purpose of each loan.

In so far as the Canadian International Development Agency is concerned:

(a) $ 1,290,331	(b) 30-7-3 per cent	(c) No
390,000	"	"
3,000,000	"	"
1,298,759	"	"
191,097	"	"
599,000	"	"
173,703	"	"
1,182,381	"	"
1,294,065	"	"
1,000,000	"	"
1,005,106	"	"
294,935	"	"
2,000,000	"	"
2,000,000	"	"
500,000	"	"
1,600,000	"	"
4,000,000	"	"
7,000,000	"	"
3,000,000	"	"
500,000	"	"
400,471	50-10-0	"
819,395	"	"
768,585	"	"
666,508	"	"
304,270	"	"
729,231	"	"
590,355	"	"
927,789	"	"
10,000,000	"	"

Export Development Corporation
Loans Signed With Jamaica

Loan No. 7429 (section 29) Borrower: government of Jamaica Amount of financing: Canadian $1,676,655.88 Principal outstanding: Canadian $815,895.88 Date of signing: October 9, 1974	To finance the export sales of railways and related equipment by M.L.W. Industries Division.
Loan No. 0005 (section 29) Borrower: Jamaica ministry of Finance Amount of financing: Canadian $1,160,084.28 Principal outstanding: Canadian $1,160,084.28 Date of signing: March 31, 1976	To finance the export sales of six locomotives and spare parts by M.L.W. Worthington Limited.
Loan No. 0018 (section 29) Borrower: Jamaica Telephone Co. Ltd. Guarantor: Jamaica Ministry of Finance Amount of financing: Canadian $2,500,000.00 Principal Outstanding: Canadian $1,504,000.00 Date of signing: July 19, 1976	To finance the export sales of telephone equipment by Northern Telecom Limited.
Loan No. 0114 (section 29) Borrower: Jamaica Ministry of Finance Amount of financing: U.S. $31,500,000.00 Principal outstanding: U.S. $3,045,373.22 Date of signing: October 29, 1976	To finance the export sales of the upgrading and expansion of electrical power transmission and distribution system by Montreal Engineering Company Limited.
Loan No. 0051 (section 31) Borrower: Port Authority of Jamaica Guarantor: government of Jamaica Amount of financing: U.S. $5,196,900.00 Principal outstanding: U.S. $819,270.00 Date of signing: October 16, 1979	To finance the export sales of a container port complex by Dominion Bridge Company Limited.

Loan No. 0558 (section 31)
Borrower: Jamaica Railways Corporation
Guarantor: government of Jamaica
Amount of financing: U.S. $2.0 million
Principal outstanding: U.S. $2.0 million
Date of signing: May 29, 1980

To finance the rehabilitation of a rail line from Alcan's bauxite mine to the port, by Canron/Sysco.

CANADIAN ARMED FORCES—CLASS C CALL-OUTS

Question No. 1,512—**Mr. Herbert:**

For each of the past ten years, how many Class C "call-outs" have been engaged by the Canadian Armed Forces?

Mrs. Ursula Appolloni (Parliamentary Secretary to Minister of National Defence):

Fiscal Year	No. of person years of Class C "call-outs"
70/71	not available*
71/72	not available*
72/73	not available*
73/74	7
74/75	142
75/76	248
76/77	368
77/78	341
78/79	405
79/80	498

*Records for fiscal years 1970/71 to 1972/73 are not available. However, it is known that average strength during that period was less than 7, the strength in 1973/74.

GRAIN HOPPER CARS

Question No. 1,582—**Mr. Dinsdale:**

1. How many grain hopper cars were provided by the governments of Alberta, Saskatchewan and Manitoba under the agreement reached with the previous Progressive Conservative government?

2. How many new hopper cars were provided by the government in the fiscal year (a) 1979-80 (b) 1980-81?

3. Did the CNR and CPR provide new hopper cars in (a) 1977 (b) 1978 (c) 1979 (d) 1980 and, if so, in each case, how many?

4. Did the Liberal government proceed with the lease arrangement for providing hopper cars advocated by the Progressive Conservative government and, if not, for what reason?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): 1. No formal agreement was reached with the governments of Alberta, Saskatchewan and Manitoba concerning the supply of grain cars. However, in accordance with verbal commitments Alberta and Saskatchewan have each ordered 1,000 cars for grain service; Manitoba agreed to lease 450 cars for up to one year and in fact leased 653 cars for a shorter peak period. (500 March-September, 1980; 153 May, 1980—January, 1981).

2. (a) None;

(b) 2,000 (currently being delivered).

3. No.

4. Yes.

Starred Question

PUBLIC OPINION POLLS

Question No. 1,604—**Mr. Cossitt:**

Will the government take steps to making public, the name of the pollster, the cost, nature and results of all public opinion polls taken by any branch of government on or after October 14, 1980, within one month of the poll being completed?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): The department will make public the name of the pollster, the cost, nature and results of all public opinion polls as required by the freedom of information legislation introduced in the House of Commons.

* * *

[*English*]

STARRED QUESTION

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, would you be so kind as to call starred question No. 1,424?

* * *

[*Text*]

HOUSING

*INQUIRY WHETHER CMHC WILL REHABILITATE THE AHOP HOMES IN THE VIRGINIA PARK AREA OF ST. JOHN'S, NEWFOUNDLAND

Question No. 1,424—**Mr. McGrath:**

Will CMHC rehabilitate the AHOP homes in the Virginia Park area of St. John's, Newfoundland and, if so (a) what is the total to be spent (b) how many units are involved (c) what amount has been paid in legal fees and to whom and in what amounts (d) what is the estimated total in legal fees to be paid (e) on what date will the project be completed?

[*Translation*]

Mr. Raymond Savard (Parliamentary Secretary to Minister of Public Works): Madam Speaker, concerning question No. 1,424, CMHC is currently rehabilitating 151 units in the Virginia Park area of St. John's, Newfoundland, which were built by Brenjay Construction Company Limited in 1974-75 under the Assisted Home Ownership Program.

(a) $3,800,000 is the current estimate which includes repair costs, legal and consulting engineering fees, administration and children recreation program costs.

Part (b) 151 units.

Part (c) As of July 29, 1980, $27,036.16 has been invoiced and paid to date; a further $63,000 has been committed.

T. Williams of the firm Williams, Williams and Buffett,
paid as of July 29, 1980 — nil
Committed — $31,500
Total — $31,500

N. Whalen, of the firm Martin, Whalen and Hennebury,
paid as of July 29 — $27,036.16
Committed — $31,500.00

Total — $58,536.16

Part (d) Estimated total legal fees: budget of $100,000.

Part (e) Contract completion date is December 1, 1980, for exterior shell of all dwelling units and July 31, 1981, for the complete work. The contractor is currently ahead of schedule and subtantial completion of all works is expected by the end of October, 1980.

[*English*]

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

Madam Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed, from Wednesday, November 5, 1980, consideration of the motion of Mr. MacEachen that this House approves in general the budgetary policy of the government.

Mr. Alex Patterson (Fraser Valley East): Madam Speaker, when six o'clock was called last evening, I was drawing a brief verbal picture of the contrast between the conditions which led up to the celebrations on our one hundredth anniversary, the attitude of the people at that time, and the attitude and feelings of the nation at present. Perhaps I can enlarge on that comparison and point out the reasons for this change of attitude on the part of the people.

● (1740)

A reference to the first two paragraphs of the statement of the Deputy Prime Minister and Minister of Finance (Mr. MacEachen) given in the House on October 28 might provide some relevant information. The first paragraph reads as follows:

It is a budget which sets new directions for the economy—directions which will ensure both energy security and economic security for Canadians in the years ahead.

The second paragraph reads:

—we have inherited many difficulties from the decade of the 70s.

I call the attention of the House to those statements because a great deal of the blame for the deterioration of economic conditions and a deterioration in the feelings and expectations of the people lies directly at the feet of the present government. My assumption or declaration is substantiated in those two paragraphs. The first paragraph points out new directions, which implies that the directions of the past have been inadequate and have not accomplished anything as far as the country is concerned. The second paragraph indicates that we have inherited many difficulties from the decade of the seventies. The first nine years of that decade were under the guidance and control of the Liberal government. Therefore, as far as this is concerned, the blame lies on their doorstep as well.

One big problem in the Canadian political system is the widespread cynicism with which the public views politicians, political parties and elections. When the Liberals were in opposition last year, they capitalized on that cynicism. Through lack of the full truth, sometimes through untruths and sometimes through deception, they misrepresented the policies of the Conservative government and encouraged the public to believe they were the defenders of integrity, in the hopes of being re-elected. Part of the country re-elected the Liberals, and now, they are in office, we find just how much integrity the government possesses. I suggest that it is practically nil.

If a government had set out deliberately to promote cynicism in the public of Canada, it could not have done a better job than the Minister of Finance did in introducing his budget last week. The government promised to keep oil prices down, and it is raising prices higher than those projected in the Conservative budget. The Prime Minister (Mr. Trudeau) promised to protect the needy against inevitable energy price increases, and the budget does nothing for them. The Liberals promised fiscal responsibility, and the budget shows that they are planning a 15.2 per cent increase in government spending. The Prime Minister crossed back and forth across the country decrying the 18 cents per gallon excise tax of the Conservative party. In one breath the Minister of Finance announced there would be no excise tax, and in the next he slapped on what he called a Canadian ownership charge which could easily be 30 cents per gallon next year. Depending upon what oil company Petro-Canada decides to buy, it could be 60 cents per gallon or $1. Who knows what the limit will be?

The minister announced in one paragraph that the government had abandoned the export tax on natural gas, and in the next he announced an export tax on natural gas. How cynical can a person be. He said, "We have abandoned our decision to impose an excise tax on the export of gas", and then he turned around and said, "Yes, we have done that, but we have decided to put the tax on foreign and Canadian purchasers". Instead of abandoning it, he doubled its effect by making it applicable not only to the users abroad but to Canadians. How magnificently generous the minister is. I say this with some degree of skepticism and perhaps worse than that.

The Prime Minister promised he would work at bringing down the budgetary deficit, yet the budget increases the deficit by $3.6 billion this year. I will come back to some of these items in a few moments, but first I want to say a few words

about the condition of the country as a result of 12 years of Trudeau administration.

I and many of my colleagues in the House were deprived of the right to speak in the Parliament of our country by the high-handed, dictatorial imposition of closure by the government. The government has no comprehension of the aspirations of western Canada. There is no appreciation of the western point of view. Instead, there seems to be a deliberate attempt by the Prime Minister to isolate western Canada.

We are all aware of the actions of the Prime Minister and his government during their first term of office from 1968 to 1972. They were typified by his classic statement, "Why should I sell your wheat?" Promises have been made to western Canada to come to grips with the sources of western discontent, to rectify the discriminatory freight rates. The promises were made but they were never kept.

After introducing a constitutional amendment act which strikes at the very heart of the federal system, making the provinces second class citizens and the western and Atlantic provinces third class, we are presented with a budget that is essentially a massive confiscation of western economic power.

When westerners voice their disapproval of these actions, the Prime Minister goes out of his way to add insult to injury and calls us "hysterical", "irrational" and "lacking in reason". It has a very familiar ring. In the spring of 1976 the Prime Minister proclaimed that Quebec separatism was dead. In the fall of 1976 René Lévesque and the Parti Québécois were elected to office in Quebec. So much for the views of the Prime Minister as to when discontent becomes separatism. Late last week surveys were taken which showed that one out of four Albertans believed Alberta should separate. It is frightening that 25 per cent of the population wishes to separate and the Prime Minister says that the feeling for separatism is nil in western Canada.

I should like to refer to a meeting held in my riding approximately two weeks ago at which the hon. member for Saskatoon West (Mr. Hnatyshyn) was the guest speaker. The feelings that were vented at that meeting were such as to cause tremendous concern. They represented a reaction to the government's policies and attitude toward western Canada. One businessman said afterwards, "I travel around all the time and I talk to a lot of people in this community. What I hear scares me. I am afraid, I am afraid". Yet the Prime Minister said the feeling of alienation and separatism in western Canada was nil. I say he does not know what he is talking about; he does not know how the people feel. We in western Canada are not hysterical; we are not lacking in intelligence or reason; we are not irrational. For the benefit of the Prime Minister and everyone else involved in this regionally-based central Canadian Liberal government, I must state categorically that I do not appreciate certain things and I reject them. I reject the unilateral constitutional proposal of the Prime Minister. I reject his unilaterally and federally imposed charter of human rights and its eroding of parliamentary supremacy by transferring legislative powers, including those concerning the natural resources dealt with in the budget, to the federally appointed supreme court. I reject the proposal of the Prime Minister to turn British Columbia and the other western provinces into second and third-class citizens. I want no part of colonial status. I reject the concept of having another nation amend our constitution in a way which would never be approved by Canadians. These things were all tied up, not only with the constitutional debate, but with the budget debate as well. We reject the massive transfers of jurisdiction over property and civil rights and education to the federal government under the constitutional proposal.

● (1750)

We have talked about the rights that were supposed to be enshrined in the constitution. With this in mind I want to quote the words of Harold Laski—at least my friends in the New Democratic Party will realize who he is. He said:

> A vigilant legislature and the existence of a citizen body which is conscious that rights do matter and is willing if need be to fight for those rights is the best guarantee of human rights.

Mr. Speaker, I hope to have the opportunity to speak some time later in the constitution debate. I wish to reiterate what several of my colleagues from the west have said in their own way and I advise the Prime Minister and his cabinet to withdraw the suggestions and proposals which are before us and start over again so as to bring something back which will be acceptable right across the country.

I move on, now, to the catalogue of broken promises which have become evident in this budget. I suggest that the budget is the epitome of hypocrisy. In his press conference a week ago the Prime Minister in the same statement in which he said separatism in the west was nil, went on to admonish western Canadians for not electing members of Parliament to the national government. I was amazed that none of the reporters challenged him on that point. I remind the House that a little earlier he had said there were no members elected. But there had been members elected in the previous government. It was not satisfactory as far as he was concerned.

The Prime Minister promised there would be no excise tax on gasoline. The Minister of Finance makes provision for what he calls a Canadian ownership charge of up to an extra $4.50 per barrel. During the election campaign last February the Liberals were promising some form of assistance to lower income Canadians. The budget has done nothing at all in this area of assistance. It provides that the cost of oil will be 85 per cent of the world price by 1984. That is exactly what our budget provided. In addition, the minister neglected to add his Canadian ownership charge, which all Canadians will have to pay on home heating oil, gasoline and oil products.

The Acting Speaker (Mr. Blaker): Order, please. I regret to interrupt the hon. member but his time has expired. I believe he is nearing the end of his speech but if he is to continue, unanimous consent would be required.

Some hon. Members: Agreed.

Mr. Patterson: Thank you, Mr. Speaker. A major part of our policy when we were in government was to cut deficit and

we directed a good deal of our effort toward that end. We felt we could have cut the budgetary deficit in half by 1983-84. This government, which promised to work on cutting the deficit, has broken that promise again. The deficit is up by $3.6 billion. It now costs some $12 billion per year in interest payments alone on the national debt—more than the total federal government budget when the Prime Minister took office in 1968. Canada cannot go on in this way.

In conclusion, I would like to quote a statement made by Mr. William Simon, former secretary of the treasury of the United States of America to a committee:

> You asked, Mr. Chairman, about the consequences of deficits. But we all know what they are. We know that neither man nor business nor government can spend more than is taken in for very long. If it continues, the result must be bankruptcy.

Mr. Speaker, we as a nation will become bankrupt. We already have a bankrupt government.

[*Translation*]

Mr. De Bané: Mr. Speaker, may I call it six o'clock?

[*English*]

The Acting Speaker (Mr. Blaker): As suggested by the Minister for Regional Economic Expansion (Mr. De Bané) the Chair will call it six o'clock.

Accordingly, the House stands adjourned until eight o'clock this evening.

At 5.57 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

The Acting Speaker (Mr. Ethier): Order, please. When the debate was interrupted at six o'clock, the hon. Minister of Regional Economic Expansion (Mr. De Bané) had been given the floor.

[*Translation*]

Hon. Pierre De Bané (Minister of Regional Economic Expansion): Mr. Speaker, I am quite pleased to have an opportunity to take part in the debate on the budget brought down by my colleague the Minister of Finance (Mr. MacEachen) because it is surely one of the most complete statements on a policy which will certainly surely characterize the various aspects of the Canadian economy during the next decade, not only at the energy, fiscal and budgetary levels, but also at the industrial, technological and regional levels.

If Canada has a special characteristic compared with other countries it is because implicitly or explicitly as a result of its size and its space since 1867, the federal government has recognized that it should assume a responsibility to enable all Canadians to take advantage of the opportunities available in this country. And what is more remarkable in the budget brought down by the Minister of Finance is perhaps that for the first time it had such a regional character.

Several of the measures proposed by the Minister of Finance are directed to specific areas, whether the centre, the north, the west, the province of Quebec or the maritimes. Personally, as the minister in charge of regional development, I mean to alleviate regional inequalities, for I know as well as any other hon. member to what extent one's quality of life and standard of living are largely conditioned by the area in which one lives. And if one resides away from the areas where most of the economic activities are concentrated, one, more often than not, is very likely to get fewer advantages and benefits than one would be otherwise entitled as a Canadian.

As an MP who comes from one of the less-favoured areas, the riding of Matapédia-Matane, I know what disastrous effects the problems of unemployment, of per capita incomes that are lower than the national average, can have on the morale of the men, women and children who live there.

If there is anything that is obvious to every one of us, it certainly is that the opportunities for development, for growth and employment, are, to a large extent determined by the area where one lives. There are several areas where the opportunity to earn about as much as the average fellow-citizen is just about non-existent.

That is why I am so pleased with the measures introduced by the Minister of Finance in his budget: several of them are designed specifically to reduce regional disparities.

I do not want to spend time on all those measures, but may I be allowed to say that, generally speaking, the economy and the principles on which this budget is built, to my mind are based on common sense, courage and justice; in addition, they avoid all sorts of solutions that are as erroneous as they are simplistic. As I said at the beginning, this budget represents the gigantic effort of undertaking a new policy whose magnitude in the field of energy will mean, not only security of supplies for Canadians, not only justice for Canadians, regardless of whether they live in the producing or the consuming provinces, but also the opportunity for Canadian industry to get off to a fresh start.

• (2010)

[*English*]

For many months I have been speaking with my colleagues on both sides of the House about the great and immediate need for their ideas and assistance in improving the federal response to the economic development needs and goals of the people of Canada. There is a need for concerted action by the Government of Canada to respond to the diverse opportunities open to Canadians across the country. Such action requires more than the attention and efforts of one agency or department. It must be the result of the efforts of all members of the House and of all the agencies and departments of the federal

government in concert—I emphasize in concert—with the people and other governments of the country.

[*Translation*]

The economic strategy and specific budgetary measures proposed by my colleague support the point that I want to make. These proposals reflect a very cohesive federal policy which was greatly needed. Such proposals will enable us to take corrective action and develop in each area of Canada a solid economic and energy base in full recognition of both our energy dependency and our development potential related to this dependency.

[*English*]

In my opinion, Madam Speaker, the most important aspect of our strength as a nation lies in our diversity from region to region, combined with our willingness to share with each other the benefits, both economic and social, which this diversity brings.

In his budget speech, the Minister of Finance stated that the concept of sharing was for him close to the very fibre of the Canadian tradition. I share his vision of our tradition and I strongly support his view, and indeed the government's view, that Canada's economic and social destiny will depend upon the continued effort and commitment of every Canadian to share the wealth and economic opportunities which we have together made possible.

[*Translation*]

It is this concept of sharing, coupled with the sad realization that poverty and inequality still persist in the way of life of many Canadians, which have brought me to suggest the new special program of a 50 per cent investment tax credit. This program, which I shall describe in detail in a few moments—and I am very grateful to the Minister of Finance for having accepted what I suggested to him in co-operation with other members of my party—recognizes clearly the existence of disparities, not only among the vast regions of this country, but also within the same areas, and even, Mr. Speaker, within the richest provinces.

[*English*]

The special investment tax credit of 50 per cent which is under the broad direction of my department, is intended to stimulate investment, employment and economic growth in the areas of Canada where development is most desperately needed. In these specially designated regions, the federal government will offer eligible industries an investment tax credit of 50 per cent against federal taxes, payable for eligible capital costs.

[*Translation*]

This is certainly a very generous fiscal incentive. I would add that it is without precedent in Canadian history. No federal government and no provincial government has had the audacity to go as far in the past as granting a 50 per cent tax credit. And what should be noted is that there will be no minimum. The smallest investment in the authorized sectors will be eligible for the tax credit. There will be no useless paperwork. This will be an automatic tax credit, which will therefore be very simple to administer. There will be no paperwork, no authorization is necessary, and the tax credit will apply to even the smallest investments, whether to purchase a machine or to enlarge the facilities of a small manufacturing industry.

[*English*]

Madam Speaker, as you and the business community are no doubt aware, there is a system of investment tax credits already in place which was stated in 1975 and amended in 1978. Under this program the amount of credit varies from region to region in three tiers. In the Atlantic provinces and the Gaspé it is 20 per cent; in other regions designated under the Regional Development Incentives Act it is 10 per cent; in the rest of Canada it is 7 per cent. To this, the government has now added a fourth tier—the specially designated areas to which I have referred, areas which by national standards are most in need of assistance to overcome their problems of low income and lack of meaningful employment opportunities.

[*Translation*]

Consequently we are proposing a fourth level tax credit of 50 per cent. This measure is unprecedented as no government, as I have said, whether federal or provincial, has ever gone that far. For example, a few years ago, Quebec and Ontario had a special program of tax credit as an incentive to small and medium businesses. The tax credit to investors was in that case of 25 per cent only. Now, the tax credit—I see that Madam Speaker has returned to the chair—will be limited to $15,000, plus half of the taxes to be paid over that amount. For instance, if a company invests $100,000 eligible for tax credit and its federal taxes are $25,000, the tax credit will bring down the taxes thus: $15,000 plus half the taxes for the year, which is $12,500. Therefore, the tax credit will amount to $27,500. As the tax due was $25,000, the tax credit cancels out the federal taxes. It is interesting to note, Madam Speaker, that the manufacturing industry has already, in some cases, the privilege to claim, as a deduction from their income, an allowance on the capital cost called amortization, which may reach 50 per cent of the cost of acquisition of the eligible goods. This new tax credit formula will, in effect, substitute a tax rebate for the amortization deduction, which is, of course, much more advantageous.

When goods subject to depreciation are sold, the income tax law stipulates that, in some cases, the total amount of depreciation claimed over the years, becomes taxable. Whereas in the case of tax credit, there is no such taxation; moreover, the amount of credit which has not been claimed one year may be carried over other taxation years. In a word, Madam Speaker, a company which, for example, owed $15,000 in taxes can completely cancel this out simply by making an eligible investment of $30,000.

[*English*]

Let me offer another brief illustration of how this fourth tier tax credit would work. Suppose a small manufacturing company acquires $20,000 worth of new machinery for an expansion in 1981. It would be able to claim $10,000 against its federal tax payable when it filed its income tax return for the year, giving it a gross gain of $10,000.

However, the company would not be able to claim the regular capital cost allowance on the whole $20,000. To be absolutely precise, I would say that the gross benefit would have to be reduced by 20 per cent, that is, $2,000, which would give the company a net benefit of $8,000. Of course, if the firm does not have any federal tax payable it can defer the benefit for up to five years. Similarly, if it has less tax payable than the $10,000, it would be able to take the remainder in a following year.

● (2020)

Business people may well ask how this special investment tax credit will relate to my department's other industrial incentives, such as those under the Regional Development Incentives Act. Firms which establish, expand or modernize operations in the specially designated areas may still apply for these incentives.

[*Translation*]

Madam Speaker, I realize that our colleagues from the New Democratic Party are not interested in this measure which seems to me extremely generous. We must no doubt forgive those high priests of parliamentarianism for showing us tonight they don't have any interest in a totally revolutionary measure that no NDP government has ever dared present in any of the provinces where they were in power.

One of the reasons, Madam Speaker, which motivated the government to propose an investment tax credit of 50 per cent—and as I said before, no government in Canada ever dared go so far in helping disadvantaged areas—is because the subsidy program of the Department of Regional Economic Expansion does exist. The purpose of those subsidies is to help those who want to start new businesses, therefore we had to come up with a system to help those already in business and who, instead of paying taxes, will be able to invest in new businesses in areas of Canada with greatest inequalities, which are far away, and where job opportunities are few.

[*English*]

Most manufacturing and processing industries, as classified under the Regional Development Incentives Act, will be eligible for the 50 per cent tax credit if they establish, expand or modernize in the specially designated areas.

With this special investment tax credit program, I believe we are widening the arsenal of weapons to fight disparities in Canada. This one will prove a very useful tool, one involving a minimum of administrative requirements and one with a special appeal for small local business.

An hon. Member: A tax write-off.

[*Translation*]

Mr. De Bané: Madam Speaker, I notice that once again the hon. member shows the same prejudice he demonstrated yesterday in the House—

[*English*]

An hon. Member: You are repeating a speech from ten years ago.

[*Translation*]

Mr. De Bané: —and I can tell him that I am sorry, I am talking about a new program, a revolutionary program that several provincial ministers of finance in their comments a few weeks ago had to recognize as being extremely generous. An investment tax credit of 50 per cent will allow every Canadian who wants to do so, to invest his savings in the most disadvantaged area and especially those who live in those areas because there is one thing I have learned since I became a member of this House that the development which occurs is due to the contribution of the people who are living in those disadvantaged areas and the government must make sure to provide them with the necessary programs. We are talking here about a very powerful tax measure which will show those people that we are going to be, as well as all the other Canadians, their partners because every one of them, instead of paying tax to the government in Ottawa, will be able to invest in those most disadvantaged areas.

[*English*]

The Acting Speaker (Mr. Ethier): Order, please. The hon. minister's allotted time has expired. Nevertheless, he may continue with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mrs. Margaret Mitchell (Vancouver East): Mr. Speaker, we have heard many speakers criticizing this budget in the last few days. I think that most Canadians will agree with these criticisms whether they support Crosbie, the stand-up comic or Rae, the rational radical.

Our Liberal friends over there may admire the slick deception of their finance minister's style. However, I must say in plain English that this is a sneaky, dishonest and disgusting budget. Because of its inhumanity, this budget will put enormous hardships on Canadians and their children in future years.

I want to concentrate tonight on the effect this budget will have on the ordinary people; in particular, on what this budget means in relation to housing problems which face millions of Canadians from east to west.

First, I want to deal with unemployment. Unemployment will increase to 8.5 per cent, which means that over one million people will be unemployed, the highest percentage since the depression. Yet, when we hear these statistics, I wonder if

anyone in this House feels any remorse right inside his or her gut. I would like to think of the young people whom we know personally. There are many young people who cannot get jobs, perhaps even children of members here. There are many young people who are unable to get experience or training, the things which are essential to making them employable. Young people, therefore, are really being deprived of a future. It means also that many women are affected, women who have been the last hired and the first fired. We must not forget those women who raise children. They, too, will probably have no chance of getting into the labour market in the future. Native people will continue in a lifetime welfare trap, as will many others, again including many women who are raising children on their own. Not only will there be fewer jobs but those who are working will have to pay a higher proportion of unemployment insurance, as will their employers, under the new budget. Perhaps this would not be so bad if they were sure they would be eligible for unemployment insurance if and when they become unemployed.

I must say, God help the poor fishermen in Vancouver East because they were able to work only about 14 weeks this year. They have high payments to meet on vessels and homes and they will simply not be eligible for unemployment insurance, although they have contributed for many years. These are only some examples of how unemployment and hardship will grow because of the recent budget.

Next I want to say something about the cost of living. The minister has forecast that food costs will go up 12 per cent. Many project a higher rate. Every family will pay up to $500 more per year for transportation, home heating and other tax increases. People with the least resources will suffer most. Pensioners will pay over 40 per cent of the increased guaranteed income supplement on the increased cost of their heating fuel. The average real wages of those working will grow only about 1 per cent because of rising inflation. There was nothing in this budget, even though it was supposedly an energy budget, for money-saving transportation methods, for example, a rapid transit system which is so much needed in areas such as the B.C. lower mainland. Incidentally, this was promised in 1974. Nor is there any indication in the budget that there will be a Canadian food policy. Nothing is said about a cost of living credit, a program we have advocated very strongly, to assist families who are most affected by the high cost of living.

It is not only the poor and the unemployed who are being penalized by this budget. Some of my friends to the right have been stressing the point in recent days that the people on an average income are struggling and it needs two people in the family working to survive. They, too, will also feel the pain of this budget.

● (2030)

I want to refer briefly to cuts in social programs. Today, the Canadian Council on Social Development again documented the trend from this budget which they proved will mean a major reduction in social program expenditures. Along with that, they predicted there would be a shift of responsibility from the federal government to the provinces. This is a very serious matter. It may well be a worse disaster than medicare, and we know what block funding did to that program. There will be absolutely no guarantee that essential services will be maintained if this responsibility is turned over completely to the provinces.

I now want to deal with the cost of shelter. Most tenants and home owners can expect in the future to pay far in excess of 25 per cent of their incomes for shelter. In fact, before this budget I knew of pensioners who were paying 60 per cent of their incomes for an apartment. Those lucky enough to afford a down payment to buy a home, will face mortgage payments that are phenomenal.

The same applies to rapidly rising rents. The average one bedroom apartment in most cities with low vacancy rates is now well over $300 a month. In my city of Vancouver that means it is exempted from rent controls. There is no mortgage interest assistance down to 9 per cent for low-income families. There is nothing to stabilize interest rates to make homes more affordable.

Before I mention the mysterious MURB myth, I want to refer to a couple of items in the energy proposals with regard to home owners and households. First is the home heating conversion. Some households will benefit from this up to $800 on the cost of converting from oil to other methods of heating. However, I understand that the Enersave program which was introduced in Nova Scotia and Prince Edward Island in 1977 shows that the amount being allocated is most inadequate for low-income households. The Canadian Council on Social Development reports the following:

> From the beginning, the home heating conversion experiment has been undercapitalized and the new budget unfortunately follows this same pattern. The federal government estimates that many households will have to incur costs of $1,000 or more to replace oil burning furnaces but the proposed grant will cover only 50 per cent conversion cost up to a maximum of $800.

From this we can see that most families with a low or average income cannot afford to buy a new furnace and pay the difference using the provision in this budget. I hope there will be some reconsideration of the finance pattern.

With regard to home insulation, the budget for home insulation programs is raised from $195 million to $265 million. This allows for very little expansion of this program which needs to be extended to those homes built after 1961. Even more important is the need for the government to protect consumers from fly-by-night insulation outfits which have exploited the home insulation program, often providing inadequate, costly and irresponsible service.

An hon. Member: They don't care.

Mrs. Mitchell: In connection with federal subsidies for home insulation programs, there are really no standards required by the federal government. We even find companies putting in insulation that is a hazard to health. There must be no more $30 specials which use urea formaldehyde, risking the health of home owners.

Now on to the mysterious MURB program. MURB tax shelters announced in this budget may tempt a few more developers to build luxury rental apartments. However, they will do nothing to encourage the building of affordable rental accommodation, accommodation for families.

Mr. Baker (Nepean-Carleton): Is that MURB?

Mrs. Mitchell: That's MURB and, to their credit, the Tories did away with it. There is no increase in the budget for non-profit housing, which the Tories, too, did nothing about; nothing for co-operatives. There is no increase in RRAP, home repairs or native and northern housing. We heard several speakers from the Conservative party describe the desperate housing situation in the maritimes and northern British Columbia. Repeated evidence coming before the Canada Mortgage and Housing Corporation of the need and demand for social programs of the kind I have described has been completely ignored by this budget and by this finance minister.

It is well established that such programs would provide a needed stimulus to the housing and home repair industry and would create many construction jos. MURBs are tax shelters for the greedy which provide no shelter for the needy. Of all the possible alternatives which this budget could have produced to help alleviate the housing crisis in Canada, why did the minister choose the MURB approach? Why did he decide to increase our net deficit by giving away $15 million in tax write-offs to wealthy people to invest in multiple unit residential buildings which will produce only high cost bachelor or one bedroom apartments? The rents will be far higher than most average tenants can afford. We are subsidizing this program with our taxes.

Why did the minister not research the past history of the MURB-ARP program of the seventies? There are some excellent reports available from the Canadian Council on Social Development. He did not consult tenants and housing groups which are authorities on the need from the consumer point of view. When I questioned him recently in the House, the finance minister admitted that MURBs were a response to pressure from the real estate industry. He also admitted it was primarily a tax shelter for investors.

Let me review a few facts about the impact of past MURB-ARP shelters. In the seventies when developers and investors rushed to invest in rental construction to avoid taxes, they did so at the expense of family homes and family neighbourhoods. I would like to give an example in the Grandview neighbourhood of Vancouver, a family neighbourhood for many medium-income and working-class families.

Over 200 homes were torn down, fine homes that had been subdivided to accommodate two and three families. They were demolished to establish MURB-ARP bachelor apartments. Some 600 families who had been living in these homes were displaced. As a result, the population of children under the age of 14 went down by 40 per cent. That proves how little family accommodation there was. One wonders where these families went in Vancouver because we have a minus zero vacancy rate. No new public housing is being built.

Blocks of MURB apartments built by developers were sold under strata title arrangements—no longer rental, they were sold outright—to provide small investors with tax shelters. The investors received assisted rental grants as well as tax write-offs and wrote off extensive depreciation costs each year. Rents were high and suites often remained vacant. They did not care, because this was another bonanza. From the province of British Columbia they received more credits for losing money because of vacant suites. Within a few years when the depreciation write-off privileges were finished, these buildings were sold outright and profits were reinvested in a rollover kind of operation to avoid capital gains taxes.

● (2040)

You can imagine how much that cost, Mr. Speaker. It was not just the MURB; it was everything else that went with it. This MURB-ARP game is a very well-known Liberal rip-off, and now we are being ripped off again. It produced no social programs and no social benefits. It increased our national debt by over $300 million. That was just for the MURB part of it. Forget about the capital gains and all the other tax writeoffs. During this same period rental housing stock declined. Let me remind the House that this was a program which was to develop rental stock, but rental housing stock actually declined by 41 per cent, proof enough that this rental construction program failed. And it will fail even more now.

Mr. Deans: They still support it.

Mrs. Mitchell: However, this is what they put in their new budget.

Planners, developers and, I understand, even the HUDAC group are very skeptical now that this new MURB program will do anything to help investment in rental housing since it will take much longer for approval than an ordinary mortgage project, and the sunset date for the new MURB tax write-offs is 1981, so it hardly gives time to get started, and perhaps that is just as well.

There are reports which show that the Canada Mortgage and Housing Corporation was very pessimistic that this plan would work, but our finance minister apparently did not bother to consult the corporation. This history of failure in the past has made small investors wary. Manipulators of large consortia who exploited this program to build, sell and double investments were aided by government grants, tax writeoffs and rollover investments. That is a horror story of the seventies.

I would like to refer to the November 3 statement by the Canadian Council on Social Development which substantiates and enlarges everything I have been saying. The council also said that a program of this kind encourages absentee landlords, something which from a community point of view is a very undermining development.

I would like to refer again to Vancouver as an example because it is the city which has the greatest housing crisis in Canada and, as such, forewarns other centres across our land of troubled times to come. In Vancouver one-quarter of the population must put up with inadequate or unaffordable hous-

ing. Students are crowded into very inadequate suites or are sleeping in cars. Yet our federal and provincial governments are doing nothing about this. In our downtown area thousands of people are sleeping in terrible rooming houses and hotels. No public housing is being built and very little social housing is being funded. The housing crisis is going to be just as bad in Victoria, Calgary, Toronto and St. John's, Newfoundland. It will get worse, because this government refuses to work positively with the provinces to find joint solutions.

What Canada needs is a comprehensive housing program targeted to the needs of people whose earnings are under $30,000. Perhaps we should enshrine in the constitution the right of every Canadian to decent, affordable accommodation which costs no more than 25 per cent of family income.

The budget should have included an industrial strategy with emphasis on housing investment for the future. It should have included mortgage assistance payments plans. It should have included far more for social housing.

We know this country faces a very serious deficit and that we must invest wisely for the future. Surely an investment which would contribute to adequate housing for our population in the ways I have outlined, one which would strengthen families and communities, should be a high priority for any federal government. What better way to unite east and west and north and south in this great country than to ensure equality for all Canadians?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, in this first budget of the new Liberal government I believe Canadians have been presented with a solid and comprehensive foundation for meeting the central challenges of economic performance.

Mr. Deans: How can you say that without choking, you hypocrite?

Mr. Gray: What are these challenges? They involve the need to bring about strong increases in the growth of output, increased employment, improved productivity performance and a reduction in the rate of inflation. These are the economic challenges facing us as we enter the 1980s.

Mr. Deans: You have never lived up to a promise in your life.

Mr. Gray: In addressing them the budget makes a strong beginning toward implementing the government's major themes of industrial development policy which were enunciated by the Prime Minister (Mr. Trudeau) during the recent election. I speak in particular of the themes of building industrial capacity on our resource base, strengthening Canada's research and technological capacity and encouraging independent Canadian-owned enterprise.

ROUTINE PROCEEDINGS

[*English*]

PRIVILEGE

MR. KNOWLES—BROADCASTING OF PROCEEDINGS OF SPECIAL JOINT COMMITTEE ON CONSTITUTION

Madam Speaker: Order, please. I apologize for interrupting the minister, but I think the House is expecting me to make a ruling and, with the permission of the House, I would like to proceed with it now.

We had this afternoon an interesting debate on the question of privilege raised by the hon. member for Winnipeg North Centre (Mr. Knowles). Many hon. members contributed to that debate, and I want to thank them for their contributions.

It appears to me that the issue the House expects me to decide is not whether the privileges of the House have been breached or whether a contempt has been committed but whether a committee, in this case the special joint committee on the constitutional resolution, has the power to authorize the televising of its proceedings. On the one hand, it was argued that I had already ruled on this matter when I replied in August to the chairman of the special committee on the handicapped and the disabled to the effect that only the House could authorize the televising of committee proceedings. On the other hand, it was pointed out that my letter simply expressed an opinion and did not make a definite ruling.

At the conclusion of debate I expressed myself to the effect that I had given an opinion to the chairman on the basis of his specific request which involved, among other things, the taping of committee proceedings for distribution to cable outlets. I do not feel, therefore, that I have actually ruled on the question of the power of the committee to authorize the televising of its proceedings, which seems to me to be the point at issue now.

This matter has been raised in the House on a number of occasions, but until now it has never come before the Chair for a decision. Even now it has come indirectly, but I think the House expects me to rule. I shall do so, but I shall immediately set aside the question of privilege.

The basis of my ruling must be the original resolution of the House respecting the introduction of television, which reads as follows:

> That this House approves the radio and television broadcasting of its proceedings and of the proceedings of its committee on the basis of principles similar to those that govern the publication of the printed official reports of debates; and
>
> That a special committee, consisting of Mr. Speaker and seven other members to be named at a later date, be appointed to supervise the implementation of this resolution.

Obviously, the House has approved the televising of proceedings in the House and in committees. Just as obviously, the House has adopted the principle that the implementation of this proposal be supervised by a special committee. A special committee was established and made a number of reports to the House including a report to the following effect, and I quote:

Privilege—Mr. Knowles

1. The concept of an "electronic Hansard", which is central to radio and television coverage of the proceedings of the House, may not be applicable in the same way to standing or special committees.

2. Consideration of some procedures for coverage of committees has special urgency because of the evident anomaly of present coverage of the House but not of committees. Your committee, therefore, has arranged special meetings to hear representations from members of the press and our own technical advisers.

3. Since the order of reference of this committee includes coverage of the standing and special committees, it would be contrary to that order of the House for any radio or television coverage to take place in any such committee prior to consideration and authorization by this committee.

4. While the conditions are different, the same care must be applied to the introduction of radio and television coverage in the committees as was taken in ensuring the highest standards of coverage of the proceedings of the House.

● (2050)

While it is true that this report was not adopted by the House, clearly it reflected the original intention to introduce television only under the supervision of a committee.

Admittedly, there exists a hiatus in these proceedings, since the House has not seen fit to reconstitute a supervisory committee. Nevertheless, I cannot ignore the original intent of the House.

It was on this basis that the chairman of the Standing Committee on Trade and Economic Affairs ruled on October 25, 1979, that his committee did not have the power to authorize the televising of its proceedings. It was on this basis also that I wrote to the chairman of the Special Committee on the Handicapped and Disabled.

After listening very carefully to the debate this afternoon, I have not been persuaded to change my opinion, or to reverse the opinion of my predecessor, and I must hold the view that the televising of proceedings of standing and special committees of the House may be authorized only by the House itself.

Some hon. Members: Hear, hear!

Madam Speaker: Therefore, it seems to me that there are two possibilities open to the Special Joint Committee on the constitution in this regard. Either the committee should make a special or interim report requesting such an authorization, or the House itself could give a permissive instruction to the committee, always bearing in mind the proprieties applicable to joint committees.

Some hon. Members: Hear, hear!

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I have no question actually on your ruling but I do have, by way of a point of order, a question for the government House leader. Is he prepared now to consult with respect to the doctrine that will relieve the committee of any obligation it may feel to the contrary with respect to televising? Will he move a motion, and if he will not move a motion tonight, is he prepared to consult tonight so that we can have a motion tomorrow? I undertake that if we can agree, and I am sure we can, such a motion would go through without debate.

Hon. Stanley Knowles (Winnipeg North Centre): All I need to say, Madam Speaker, is the obvious. If such a motion is made—and we have been asking for it for a long time—as far as we are concerned, it will be passed immediately without debate.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, as I said this afternoon, we bow to your ruling. As suggested by my hon. colleagues, I shall seek further advice. We should be able to adopt a position on this within the next few days.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the motion of Mr. MacEachen that this House approves in general the budgetary policy of the government.

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, as I was saying, the budget makes a strong beginning toward implementing the government's major themes of industrial development policy.

Let us take the field of energy, for example. In the words of the Minister of Finance (Mr. MacEachen):

To fail to solve our energy dilemmas would be to fail to realize our greatest source of opportunity in this decade.

Putting this in another way, energy and the various issues related to energy, including price, security of supply and the manner and pace of energy source development, can be seen to pose, at one and the same time, both the greatest potential stimulus to growth and prosperity in our economy and, ironically, a most important potential constraint to that same growth and prosperity. Thus, there are enormous opportunities for industrial development arising out of our energy situation. Yet if, for example, the price of energy to Canadian users rises swiftly in line with the international price, the effects would be very disruptive.

With so much at stake, it is essential that we as a nation deal effectively with the problems and opportunities that energy and the energy sector present. This, Mr. Speaker, the Government of Canada has done with the announcement in the budget of an extraordinarily far reaching and coherent national energy program. It is a program which will make energy a major factor in the solution of our broader challenges. It will provide Canadians with energy security, with the opportunity to participate, as owners, workers and business people, in energy development, and with fairness in the manner in which the benefits of our nation's rich resources are shared.

As Minister of Industry, Trade and Commerce, I want to emphasize particularly the substantial and numerous positive

industrial development implications of the new national energy program, implications which, in a real and complete sense, make good on one of the primary pledges made by the Prime Minister in the industrial policy statement of last February 12 in Toronto during the election campaign. That commitment was to:

—capitalize on Canada's energy base in order to build a world competitive industrial sector.

Some hon. Members: Hear, hear!

Mr. Gray: Let me take a few minutes to describe some of the ways in which the national energy program will accomplish this objective. First, in rejecting the international cartel price for oil and in implementing a made-in-Canada blended price for oil, we have ensured that Canada's industries, as well as household consumers, will be able to adjust gradually to higher energy prices to the extent they are required to bring about Canadian energy security. We have acted to minimize the inflationary effects of rising energy costs, effects which could prove very disruptive to needed new business investment throughout the economy. Above all, we have guaranteed that businesses in every region of the country will have a permanent competitive edge, in both foreign and domestic markets, based on lower than world level energy costs.

Second, the Canadianization measures which are among the prominent features of the national energy program will not only increase the percentage of Canada's oil and gas industry which is owned by Canadians from 25 per cent to 50 per cent within this decade, it is my belief that they can also have some major secondary benefits for Canada's over-all industrial development. This Canadianization program will retain in our country for Canadian use a larger share of the profits of the oil and gas industry. Additionally, to the extent that our oil and gas sector comes under Canadian control, traditional linkages between multinational petroleum companies and their customary foreign suppliers of machinery, equipment and technology can be altered. In this way, the Canadianization measures, together with other means which we plan to implement to ensure that Canadian suppliers benefit from energy developments, will contribute to eliminating a potential obstacle to this country's industrial development and diversification based on our resource strengths.

Third, with the budget, the Government of Canada has begun to put in place a comprehensive energy development-energy conservation plan which promises multiple industrial benefits throughout Canada. For instance, with incremental expenditures of over $2.5 billion over three years on oil substitution and conservation and renewable energy programs, the federal government's plan will offer opportunities which will mean jobs in every part of Canada, opportunities for new industries to develop and existing industries to expand to supply the many new products and services needed as part of the national effort to reduce oil consumption to 10 per cent of over-all energy use. Also, there are mega-projects planned in non-conventional oil extraction, heavy crude oil upgrading, and energy delivery system, projects made feasible by innovative systems of incentive prices and tax allowances. They will open up enormous opportunities for Canadians to supply the equipment and technology and to fill the jobs which will make these projects happen. Finally, the energy independence plan will have yet another positive effect upon the health of our industrial economy for it will ultimately free us from the risks and the costs of unpredictable disruptions of foreign energy supplies.

● (2100)

There is a fourth element of the national energy program to which I want to draw particular attention, for it very clearly signifies the determination of the federal government to ensure that energy and activities related to energy provide the basis for a major, sustained economic upsurge. Specifically, in the new legal framework which will govern oil and gas exploration and development on the Canada lands, the Yukon, the Northwest Territories, the Arctic and offshore, there will be provisions to guarantee that a high level of Canadian goods and services is employed in these activities. Applicants for exploration and production rights will have to demonstrate how their operations will bring industrial and employment benefits to Canadians both in the region of interest and elsewhere in Canada. Right now the Department of Energy, Mines and Resources and the Department of Industry, Trade and Commerce are working closely together to put in place the mechanisms for administering these provisions in a way which brings maximum employment and industrial benefits.

Of course there is a precedent for including industrial benefits requirements in energy legislation in the act which created the Northern Pipeline Agency. The success of that regulatory regime, and especially of similar regimes in existence in the United Kingdom and Norway, shows why we believe using the government's authority over the Canada lands for national industrial development purposes will bring substantial benefits to all Canada.

Some hon. Members: Hear, hear!

Mr. Gray: It is also why the government has currently under serious study ways and means for applying industrial benefits requirements to other areas of resource and non-resource related development, for this is success which is measured in terms of thousands of new jobs, new businesses for existing domestic suppliers and the exploitation by Canadians of new industrial opportunities. Therefore, to quote again from the February 12 speech of the Prime Minister, we are "using Canada's resource base as the fundamental building block of a vigorous industrial sector."

There are a number of additional elements in the energy program introduced in the budget of last week where the thrust is industrial development, development with potential spill-overs or flow-through benefits for all of Canada's regions. I am talking about elements such as a Canadian alternative energy corporation which will work with Canadian businesses in the commercial production and marketing of renewable energy and conservation technology, elements such as new energy research and development initiatives totalling $260

million over the next three years. These and other parts of the energy program offer very exciting industrial prospects which I believe all Canadians welcome.

More broadly, the national energy program will involve incremental direct expenditures by the federal government of more than $8 billion over the next three years on new and expanded programs, and that is quite apart from the allocations made to continue existing energy programs. It will involve many millions more in tax expenditures. It should be clear from what I have said about the impact of the elements of the energy program on industrial development that a substantial portion of these amounts will have direct and meaningful effects in strengthening and expanding the industrial base throughout Canada. Particularly in combination with the new government policy measures already announced, as well as those under development in the area of industrial strategy, the new expenditures on energy will go a long way toward ensuring that the benefits of Canada's energy development boom can be shared by Canadians in every region.

I have been talking in some detail about the industrial development implications of the new national energy program, in part because I wanted to deal with any misunderstandings which may have arisen as to the extent of the government's commitment to industrial development as expressed by the budget. That there is such a commitment and that it is a priority commitment is fully demonstrated in my view by the over-all approach of the budget which devotes very significant new resources for industrial development purposes. I have just spoken about the very substantial sums in the energy package which are industrial development and industrial assistance oriented, but in addition the budget presents other details about the expenditure plans of the federal government in regard to helping Canada's industrial sector meet the challenge of heightened international competition as well as our own requirements for strong, regionally-balanced economic growth.

The economic development envelope is increased by 22 per cent, that is, over the next three years there will be new money totalling $6.5 billion available for economic purposes in order to improve existing programs and to launch new initiatives in support of industrial expansion, research and development, and export development. All these program initiatives will involve not only the manufacturing and processing sectors, but also the primary industries which are so important to Canada's economy. A new western development fund within the economic development envelope is created, from which it is expected that $2 billion will be spent over the next three years. Particular attention in the western development program will be directed to infrastructure development such as grain handling and transportation which is essential to optimizing economic development opportunities throughout western Canada. Also industrial diversification and trade policies are priority targets for the planned western development expenditures. It should be obvious that these expenditures, given the existing regional distribution of industry in the country, should generate significant flow-through benefits to industries in eastern and central Canada.

In addition to the $8 billion in new expenditures in the energy program and the $6.5 billion which represents new money available to foster expanded industrial activity and industrial restructuring to promote productivity improvement, there is another special $350 million fund created to help industries, workers and communities where the effects of industrial adjustments are particularly serious. As well, complementing the direct expenditure program, the budget introduced a new investment tax credit which is established for five years to offer significant encouragement to new manufacturing investment in especially designated areas of the country characterized by high unemployment and low income.

Over all, I believe this list of new and increased allocations of funds by the federal government to industrial development, adjustment and expansion throughout the country is impressive enough to have led the *Toronto Star* economic editor, Dave Crane, to conclude in a recent article that there are "significant new opportunities for Canadian entrepreneurs over the next few years."

In coming weeks and months, my colleagues and I will be making announcements which will explain in further detail the ways in which the very substantial amounts made available by the government and announced in the budget will be expended in order to strengthen and broaden Canada's industrial base and to create and sustain jobs throughout the country. With these announcements the government will be fulfilling the commitment made by the Prime Minister during the election to the Canadian people to "revitalize Canada's industrial capacity so that our industrial sector is better able to create jobs at home and be competitive abroad".

This is a budget which lays the foundation for carrying out our specific pledges on industrial policy. As well it is a budget which lives up to our other commitments on energy, on government expenditures, on gradual reduction of the deficit, and on helping those first who need help most. Also it is a budget which provides the basis for the renewed growth and vitality of our nation's economy. For all these reasons, I urge the House to support this budget. To do so in the interest of all Canadians and all of Canada.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: Is the hon. member for Hamilton Mountain (Mr. Deans) seeking the floor on a point of order?

Mr. Deans: Since the minister did not use his time entirely, I was wondering whether he could accept a question.

Mr. Gray: I have no objection, Mr. Speaker.

• (2110)

Mr. Deans: In a reasonably friendly way, I would like to ask the minister whether in the preparation of his budget speech he considered two things. One, how much of the $44 million available during this year for assistance to workers will be

made available under a TAB program for workers in the auto industry in the Windsor area? Second, does the minister feel that the interest rates which have now reached a fairly substantial level, as of today's announcement, are sufficient to justify that he might fulfil his own promise and resign?

Mr. Gray: Mr. Speaker, I would like the hon. member to stick around and not run away, as he did from the Ontario legislature after he was rejected by his own party, and listen to our announcements about expenditure to help workers in Windsor and throughout Canada, not of $44 million but of $14 billion. This will do a lot more than will the empty blather of the hon. member on interest rates or any other subject.

Hon. J. Robert Howie (York-Sunbury): Mr. Speaker, I enjoyed the commercial as much as you did.

The essential guideline which permeates the budget is a direction to avoid an 18-cent per gallon excise tax increase at all costs. The minister has been faithful to his mandate and the costs have been tremendous. The cost of gasoline will go up about the same as it would under the Crosbie budget but the cost of home heating oil, not taxed by the Crosbie budget, will rise more rapidly under this budget.

In the final analysis, the government will extract $500 million more under this budget than was contemplated under the Crosbie budget. Under this budget the energy price increase will impact more severely on lower and middle-income Canadians because the budget provides no energy tax credits to shelter lower and middle-income people earning under $21,000, as was provided in the Crosbie budget. That budget provided a tax credit of $80 for adults and $30 for children. To illustrate the impact this would have as a tax shelter, consider a car getting 20 miles to a gallon, travelling 12,000 miles a year. It would use approximately 600 gallons of gasoline. At 18-cents per gallon that would cost $108 in one year. For an average family of four, a mother, father and two children, the tax credit would amount to $220. That would go a long way toward defraying the $108. This triple tax on energy constitutes, in my view, a tax regime with a vengeance and without mercy because no shelter for lower-income Canadians who use motor vehicles prudently is provided.

The most serious cost cannot be estimated. There is no way that the fragmentation of this nation may be measured in dollars. It should be said at this time that while western alienation began some time ago the fragmenting process began with the election of the present government and has continued to this day, despite great efforts by the Leader of the Opposition (Mr. Clark) and his government to heal the wounds of the nation, particularly those of the west.

The energy package, which is the cornerstone of this budget, projects a natural gas pipeline to the maritime provinces. I think this is a good measure. It will improve the energy mix in Atlantic Canada and it will provide greater security of supply. The construction of the pipeline will provide employment and will require support industries, which in turn will also stimulate employment by way of spin-off. But it is an intermediate measure for an intermediate term because natural gas is a fossil fuel, like oil. It is finite in supply and its end is predictable. Its end is in sight.

The province of New Brunswick has expressed environmental concerns which should be addressed and which, in my opinion, can be resolved. I would like to see the introduction of this new energy form managed so there is no dislocation in the operation of the large oil refinery located in New Brunswick, which directly or indirectly employs more than 1,000 persons. We need those jobs desperately in New Brunswick as well as those to be created. I believe that if we phase in the new energy form we can keep the old and add the new, which would provide a great economic stimulus to our province. Offshore exploration for natural gas and oil should be accelerated along the Atlantic coast. I am hoping that the gas pipeline will be reversible in nature so that in the days to come the people of Atlantic Canada can make their contribution to this nation by seeing that gas from the Atlantic coast flows inland to serve the people who are now serving us.

The Minister of Regional Economic Expansion (Mr. De Bané) explained tonight the 50 per cent tax investment credit, which I think is a major step forward in the battle against regional disparity. It is not as generous as a similar provision in the Crosbie budget, nor is it the 100 per cent recommended by the prestigious New Brunswick Development Institute. But it is a giant stride in the right direction and I am pleased to see that it is going to be in place.

DREE should also direct its attention to the problems of regional disparity and focus upon a development dimension. The only way this can happen, in my view, is for the Prime Minister of Canada (Mr. Trudeau) to personally give that direction or to invest the Minister of Regional Economic Expansion with the authority to bring it about.

Shipbuilding has been neglected in this budget. It has not even been mentioned. In the Crosbie budget there was an impetus provided for the construction of new fishing vessels. This would be reflected by more employment in the shipyards of Saint John, New Brunswick, Halifax, Nova Scotia and St. John's Newfoundland. A program to create more employment in those shipyards would be a tremendous bonanza to the dozens of shipyards along the Atlantic coastline. I regret very much that it has been omitted from this budget.

CAST, which is one of the largest international ship companies in the world, is Canadian-owned and a principal owner is Canadian National Railways. This company recently ordered from Yugoslavia two container bulk carriers worth $27 million each. They have also placed a similarly large order with Korea. Canadian shipyards, which are underemployed, find it difficult to compete with subsidized foreign yards. This budget contains no enlightened tax policy to assist them in this competition or provide them with the incentive to put more Canadians to work. I find that a regrettable omission also.

The frigate program which would provide badly needed frigates for the Department of National Defence appears to be bogged down, if it has not completely sunk. Earlier this year changes were announced with regard to the evaluation method which has attracted intense scrutiny by the members in my

party. Now there are rumours of more delays. I hope the minister will take the first opportunity to put these rumours to rest and to announce on a specific date that the best tender, based on merit, will be accepted and awarded so that we may have confidence that this program will go forward and that these shipbuilding contracts will provide work for Canada shipyards.

The Department of National Defence has seen the armed forces understaffed, underequipped and, as far as the lower ranks are concerned, underpaid. Their slender pay packages have been eroded by ever-increasing charges imposed by the Department of National Defence for shelter and utilities.

The Minister of Transport (Mr. Pepin) has indicated in this House, in response to questions, that he is not able to take a decision. He does not know whether the government will close the Arctic to all but Canadian-built vessels by 1985—which was the policy of my party—or at all. I suggest that the valuable wealth of the Arctic should be mined by Canadians, transported in Canadian ships and processed in Canada by Canadians. The wealth should be used for the benefit of this nation, not carted offshore to be processed where the good jobs will be performed by people in distant lands.

Also, I would like to see a decision taken soon on moving forward dramatically and constantly with the development of a Canadian merchant marine. I believe this would provide badly-needed jobs for Canadians with a seafaring inclination. It would create a real, dynamic growth in the Canadian economy. Neither of these subjects were mentioned in the budget but I would like to see the government give them the best consideration it possibly can.

● (2120)

The conversion program from heating oil to electric heat has been denied the province of New Brunswick despite the fact that that province now has electric energy generated by hydro dams and by coal-fired thermal plants to the extent of 70 per cent of its capacity. Within one year it will bring on live Atlantic Canada's first nuclear reactor to produce 640 megawatts of electric power. This omission is based on misconception, poor homework and poor judgment exercised by the Department of Energy, Mines and Resources. I hope the minister will at the earliest possible moment institute the remedial steps which are desirable if this oversight is to be corrected.

At the same time, I have to tell you, Mr. Speaker, that I am not, of my own knowledge, familiar with the economies involved in conversion from oil to electric heat—whether it is desirable now, next year, or when, or even if. But I would like Canadians who live in New Brunswick to have the same right to make that judgment as Canadians who live elsewhere in this country. I also believe, and I am sorry that the budget did not touch on this matter, that alternate energy research should be focused to the extent possible in areas of Canada which suffer from regional disparity. Research, too, should be given a development dimension.

New Brunswick has, on its own, experimented with a solar-heated building presently in operation in Shediac. Prince Edward Island has made rapid advancements in harnessing the wind to produce electric energy. New Brunswick and Nova Scotia have all that is necessary in terms of coal supply to carry out experimentation in the gasification and liquefaction of coal. All the Atlantic provinces have made progress in the use of biomass and wood waste. New Brunswick leads the country in research in the use of thermal peat moss, and has also done some work in the field of geothermal research.

Albert county in New Brunswick has an abundance of oil shale which has not been tapped. The Bay of Fundy has the highest tides in the world. We in the maritime provinces have the technology and the ability to harness them and produce over 4,000 megawatts of power if we operate the Fundy tidal power plants in conjunction or in tandem with the development of Gull Island which has the most spectacular hydro electric potential available to man. And below Gull Island is Muskrat Falls on the Churchill River which also has tremendous potential. If these two giant sources of energy are operated in tandem, Atlantic Canada can become the power house of the nation and displace millions of barrels of imported oil. But we do not have the dollars to do it.

The budget mentioned $25 million, which is a lot of money, but a drop in the bucket when one looks at what is needed for funding. There is an equity of $200 million in Gull Island, and that is a much better step forward but it still leaves a long way to go. I would like to see the government consider developing this tremendous potential.

In my own riding in terms of energy conservation the small town of Oromocto has announced its intention to heat its public buildings with wood and is moving in that direction without any subsidy. Mr. Lester Hull at Millville in my riding has developed a technique of blowing sawdust into a furnace so as to obtain almost 100 per cent combustion, and he uses this method to heat his home. Mr. Bernard Hargrove of Bath in Carleton County, which is represented in this House by one of our most able parliamentarians, the hon. member for Carleton-Charlotte (Mr. McCain), has built a hydro dam to harness a stream which flows across his property. From this dam he generates electric energy for about 35 families and sells the surplus to the New Brunswick Electric Power Corporation. In Nackawic in my riding the Ste. Anne Nackawic Pulp and Paper Mill burns waste wood to displace the use of expensive oil for the purposes of generating steam for the plup and paper mill and providing electric energy for its use. Mr. Peter Chalmers, one of my constituents, has built a solar heating unit which supplies part of his domestic needs. All these people have demonstrated ingenuity in the field and advanced the knowledge of this technology. I would like to see them and other Canadians have the opportunity to share their knowledge in this important field.

If I might make a few general comments, the budget itself appears to continue the centralizing process. In many cases it is a sleight-of-hand budget where what you see is not what you get. It projects spending $66 billion. The interest on our

national debt is $12.3 billion, which works out to $1,390 per taxpayer. The projected deficit is $13.7 billion, and there appears to be no attempt to deal with it, though I detect an attempt to manage the increase. Despite the generation of such huge debts, the government does not seem to be doing as much for the people as was contemplated under the Crosbie budget. The immediate visible results are an increase in the bank rate. We see confusion in the stock market and an undoubted reluctance on the part of Canadian and United States exploration teams to look for further energy sources. This is coupled with a decline in the value of the dollar.

My criticisms and my constructive suggestions are intended to complement the remarks of my colleagues who have participated in this debate. While I have been critical of some areas, I have not been critical of the hon. gentleman who presented the budget, because I have for the Minister of Finance (Mr. MacEachen) nothing but respect.

[*Translation*]

Mr. Alain Garant (Bellechasse): Mr. Speaker, I feel quite privileged to have today the pleasure of closing the debate on the first budget introduced in this decade, a budget which, I am quite certain now, will help the Canadian people to make a giant stride towards their security in energy and economic matters. This conviction, Mr. Speaker, has come to me as a result of a serious consideration of the budget and the energy measures introduced last week. It came to me also as a result of a comparison, as unbiased as possible, with the measures introduced in the sadly remembered, the dead and gone, Progressive Conservative budget. It came to me finally as a result of the comments of the Canadian people and in particular those from the beautiful Bellechasse area which I am honoured to represent in this House.

Mr. Speaker, after weighing the pros and cons of a number of possibilities this government has followed the course of reason and common sense, a course which took into account our present limitations while leading us without any doubt on the path of this unlimited potential which fate seems to have bestowed upon us.

Although during the seventies we were faced with many problems which we overcame with less difficulty than the great majority of other industrialized nations, I know that the Canadian people are convinced that the eighties will provide extraordinary opportunities for them as long as their leaders have a better understanding of the depth and complexity of the problems which affect our economy and the world economy, and as long as those leaders suggest solutions in keeping with our Canadian tradition which has always been a tradition of sharing and which so far has allowed us to face the greatest challenges of our history.

I am happy to see that the hon. Minister of Finance (Mr. MacEachen) decided to stay with that Canadian tradition which is to share our rich national heritage. I am also happy to notice that our problems are not just a matter of management of the demand but that they require a combination of structural, industrial and original policies with properly oriented monetary and fiscal policies. We are committed to implement those policies with all the determination we can muster, because they agree with that greater and therefore more realistic vision of the problems facing our Canadian economy.

On the other hand they are also in keeping with the best liberal tradition which is to avoid extreme positions and rather to resort to practical solutions which will serve our common interests while preserving our individual freedoms.

● (2130)

I can only approve the economic strategy of this government which is perfectly in line with our commitments to the Canadians at the last election and in the throne speech, commitments which have undoubtedly contributed to the re-election of the government. This economic strategy will, Mr. Speaker, I am sure enable inflation to decrease gradually and also give a gradual impetus to investment and productivity thus encouraging despite a sensible but unavoidable delay, the full employment which we are all anticipating. The history of every country in the world, especially those which are filthy rich, has made us realize that there is no unique and easy solution, but that patience and orderly and conscientious work give the best chance of success. It is the direction which we have courageously decided to follow.

All hon. members probably agree that the reduction of the federal deficit at a more moderate level is advisable if we wish to decrease the present rate of the debt charge. The government must be given again enough margin of operation to take up the challenges of the future and to stop inflation without increasing taxes accordingly. Moved, however, by this realistic attitude which has always been our party's most distinctive attribute and which has been the basis for the Canadian people's nearly uninterrupted support of our party over the past 20 years, we have opted for a reduction of the deficit consistent with the current economic growth. Which means that we will strive for a moderate reduction of the deficit during the forthcoming year, for, in view of the fairly slow economic growth which has been forecast, we would not want to increase the burden carried by Canadian taxpayers.

As soon as the economic situation improves, however—and there are already signs of a quick recovery—there will be changes in our budgetary policies as well as further deficit reductions, which will in turn allow us to meet our commitments in this area. We are not shying away from our commitments, however. We only want to fulfil our promises in an orderly and reasonable fashion, and it is the reason why the government has decided not to increase its expenses more quickly than the economic growth.

This will allow us to reduce the federal deficit to more moderate proportions without having to apportion ourselves a

greater share of the total revenues namely without having to decide a general raise in taxation.

Mr. Speaker, the Canadian people will certainly be grateful one day for the fact that we have been able to avoid resorting to easy solutions, for deciding against a general raise in taxation and for preserving the indexation of the tax base of the individuals. No matter how easy they are these solutions would have presented serious inconvenience given the present economic situation where growth is rather slow. They could have easely stumped the beginning of the economic recovery that we can now clearly perceive ahead.

Mr. Speaker, we shall never stress enough for Canadian taxpayers and above all for all those who are most in need the importance of general indexation of the individual tax basis. Indexation will reduce by some $1.6 billion federal income tax that individuals would otherwise have had to pay next year and this tax reduction benefits Canadians every year without them being asked anything in return. In the United States, this was made a discretionary measure that is always widely publicized. We, the taxpayers of the province of Quebec, recognize the value of indexing the tax rate for individuals. If our fiscal burden is 23 per cent higher than the average tax burden of Canadians, it is precisely because the Quebec government, which raises its own provincial income tax, has neglected to index in a general way the individual tax system. They only did so on an incomplete basis in the last two years. Hence, we realize in a more conscious way the priceless value of the federal indexation program in terms of tax savings.

Finally, Mr. Speaker, I will say a word about our continuing and renewed support of the Bank of Canada's efforts to limit the expansion of the money supply. We have given top priority to economic development by providing sufficient funds to finance such strategic activities as industrial development, research and development, the promotion of exports, the improvement of the transportation system and the retraining of manpower. We have always concerned ourselves with encouraging a healthy competition and decreasing the burden of public regulation; we have been committed to increasing the aid to developing countries, as we are conscious of the interdependence of all economic performances. Finally, it has always been our firm intention to support social and economic relief measures aimed at the disadvantaged, as we promised during the last election campaign and in the Throne speech. This package of budgetary and economic measures, all equally important, should, through their combined effect, help curb inflation, encourage investment, increase productivity, get closer to full employment and also ensure, in the meantime, a minimum protection against the two evils of inflation and unemployment.

Mr. Speaker, I would now like to speak about the energy issue. Some people were surprised that the national energy program should occupy such an important part of this budget. Some went so far as to say that this was not a budgetary policy statement, but rather a statement on energy policy. I fail to understand such a reaction because it denotes a serious lack of understanding of the Canadian economic problem as well as of the world economic problem. Indeed, the double problem of inflation and unemployment which has confronted western economies originated with the oil crisis of 1973 and its many after effects.

Mr. Speaker, now that the worst of the effects on our economy of the drastic price increases dictated by OPEC seem to be over, now that Canada is a net exporter of energy and is therefore in a position of strength, now that, with the latest and forthcoming increases in domestic prices, the energy tax base is getting increasingly larger, now that our partial dependency on imported oil becomes increasingly more costly for the federal state in its efforts to ensure identical treatment of all Canadians, whether from the east or from the west, it is quite reasonable for the federal government to feel that it has to put some order in the Canadian energy sector and to have decided to do so through budgetary measures in view of the colossal revenues involved in the Canadian energy industry and the nature of the problem, which is essentially a question of sharing these colossal revenues amongst the various groups concerned, namely the producers, who are entitled to a just return on their investment that can stimulate them to re-invest in the development of our incomparable energy potential, the consumers, who are entitled to a made-in-Canada price which takes into account the development conditions in Canada and which protect them against the disastrous effects of the drastic and unforeseeable price increases dictated by OPEC and conditioned by a most unstable international policy, and finally, the various government levels, which are entitled to the budgetary resources which they need to meet their respective energy commitments, which are certainly interrelated, but also essentially different.

Mr. Speaker, the national energy program announced in the budget is undoubtedly the most complete and ambitious energy program to have been developed throughout Canadian history.

● (2140)

I am quite sure that the basic principles which underlie this program, that is security, ownership and fairness, meet the aspirations of all the Canadian people; those people who surely want the security of supplies and gradual independency as regards the world oil market; those people who also wish that all Canadians wherever they come from, have the opportunity, to take part in the energy industry and benefit from its expansion and, finally, those people who wish a fair revenue sharing which allows for the most genuine Canadian tradition, namely the pooling of our national wealth.

Mr. Speaker, the new energy policy, for economical and fairness reasons, limits the increase in oil and gas prices for

Canadian consumers and thus goes on alleviating the adverse effect of sudden and unpredictable increases in OPEC prices. I cannot understand the theoretical or practical justification of those who would like to impose world oil and gas prices upon Canadian consumers. How can a totally artificially established price by an international trust be desirable from an economic point of view when applied to the domestic consumption of a domestically produced good?

Should the economic value of a good produced and consumed in the country not be more in line with domestic production costs rather than with the ups and downs of international politics? This is precisely what the national energy program tries to take into account through a blended price for oil consumed in Canada which will represent an average of offshore and domestic oil prices, and by establishing the price of natural gas based on domestic development costs. This policy, Mr. Speaker, results in an increase in oil prices in Canada which will be phased in and predictable, in shifting the burden of subsidizing costly oil imports, from taxpayers to consumers, which should promote our economy and finally, in the Canadian industry maintaining a substantial competitive advantage.

This competitive advantage of Canadian industry as regards oil prices is essential to offset the disadvantages that our hard climate and long distances might represent for our economy as regards energy costs. That is why, Mr. Speaker, the people of a rural area like Bellechasse, far from domestic markets, are really anxious that the Canadian industry should keep its competitive advantage as regards oil prices. All the more so, Mr. Speaker, since no country which produces 75 per cent of the petroleum products it needs, such as Canada, has so far found justification for selling to its own people at international prices.

As I said before, Mr. Speaker, the issue of petroleum and gas prices is of course linked to the question of sharing revenues. To the same extent as a ceiling on prices, sharing the petroleum tax dollars is an equitable measure which fully reflects Canadian tradition. Those who object to the new energy program and its sharing provisions never fail to argue that the federal government is trying to take over provincial natural resources through budgetary measures.

And yet, Mr. Speaker, the federal perspective contains nothing about property rights but only income sharing. The arguments of those who are against the new energy program do not hold before the extraordinary powers which some of them claim to discredit the program. And to do that they must certainly enjoy mighty powerful property rights which have not been whittled down. But, Mr. Speaker, we in the federal government are convinced that no matter how powerful they may be property rights do not immunize against the obligation to share which is inherent in federalism. We are convinced that all Canadians without exception, wherever they live in Canada, are entitled to their share of Canada's rich energy inheritance regardless of where the natural resources are located. We are convinced that it is a national inheritance from which each and every one must benefit in keeping with the sharing principle so essential to federalism. We are convinced that all Canadians, not only those who reside in the producing provinces, have worked as a team to develop their oil industry. Capital, technology and manpower have flowed from all parts of Canada toward the producing provinces.

[*English*]

Mr. Deputy Speaker: Order, please. It being 9:45 p.m., it is my duty pursuant to order made Tuesday, October 28, 1980, to interrupt the proceedings and put forthwith the question on the motion now before the House.

The question is on the motion of the Minister of Finance (Mr. MacEachen). Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Yea.

Some hon. Members: Nay.

Mr. Deputy Speaker: All those in favour of the motion please say yea.

Some hon. Members: Yea!

Mr. Deputy Speaker: All those opposed to the motion please say nay.

Some hon. Members: Nay!

Mr. Deputy Speaker: In my opinion, the yeas have it.

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

The House divided on the motion (Mr. MacEachen) which was agreed to on the following division:

(*Division No. 21*)

YEAS

Messrs.

Allmand	Chrétien	Duclos
Appolloni	Collenette	Dupont
(Mrs.)	Comtois	Dupras
Axworthy	Corbin	Duquet
Bachand	Corriveau	Erola (Mrs.)
Baker	Cosgrove	Ethier
(Gander-Twillingate)	Côté (Mrs.)	Evans
Beauchamp-Niquet	Cousineau	Ferguson
(Mrs.)	Cyr	Fisher
Bégin (Miss)	Dawson	Fleming
Berger	De Bané	Flis
Blais	de Corneille	Foster
Blaker	Demers	Fox
Bloomfield	Deniger	Francis
Bockstael	Desmarais	Garant
Bossy	Dingwall	Gauthier
Breau	Dion	Gendron
Bujold	Dionne	Gimaïel
Bussières	(Chicoutimi)	Gingras
Campbell	Dionne	Gourd
(Miss)	(Northumberland-	Gray
(South West Nova)	Miramichi)	Guilbault
Chénier	Dubois	Harquail

Messrs.

Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Leduc
Lefebvre
Loiselle
Lonsdale
Lumley
MacBain
MacEachen
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Munro (Hamilton East)
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith
Stollery
Tardif
Tessier
Tobin
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead—135.

NAYS

Messrs.

Althouse
Baker (Nepean-Carleton)
Beatty
Benjamin
Blackburn
Blaikie
Blenkarn
Bosley
Broadbent
Clarke (Vancouver Quadra)
Cooper
Corbett
Crombie
Crouse
Darling
Deans
de Jong
Dinsdale
Ellis
Epp
Forrestall
Fraser
Fretz
Gamble
Greenaway
Gurbin
Gustafson
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hargrave
Hawkes
Hnatyshyn
Hovdebo
Howie
Huntington
Jewett (Miss)
Keeper
Kempling
Kilgour
King
Knowles
Kristiansen
Kushner
Lambert
La Salle
Lewis
Lewycky
MacDonald (Miss)
MacKay
Malone
Manly
Mayer
Mazankowski
McCain
McCuish
McDermid
McGrath
McKenzie
McKinnon
McKnight
McLean
Miller
Mitchell (Mrs.)
Murphy
Neil
Nickerson
Nystrom
Oberle
Ogle
Paproski
Parker
Rae
Riis
Robinson (Burnaby)
Roche
Rose
Sargeant
Schellenberger
Shields
Siddon
Stevens
Thomson
Towers
Vankoughnet
Wenman
Wilson
Wise
Yurko—88.

● (2215)

[*Translation*]

Madam Speaker: I declare the motion carried.

It being 10.15 the House stands adjourned until tomorrow at 11 a.m., pursuant to the provisions of Standing Order 2(1).

At 10.17 p.m. the House adjourned, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, November 7, 1980

The House met at 11 a.m.

• (1105)

ROUTINE PROCEEDINGS

[*English*]

THE CANADIAN ECONOMY

CALL FOR STEPS TO RESTORE CONFIDENCE—MOTION UNDER S.O. 43

Mr. Don Blenkarn (Mississauga South): Madam Speaker, since the budget was introduced the prime interest rate at Canadian banks has risen to 14 per cent. The dollar has dropped to its lowest level in relation to the American dollar in over a year, despite massive government intervention in the money markets. There is despair in the stock market as investors sell Canadian issues to take advantage of better opportunities in the United States. Therefore, as a matter of urgent and pressing necessity, I move, seconded by the hon. member for Parry Sound-Muskoka (Mr. Darling):

That the government take immediate steps to restore some confidence in the Canadian economy and reverse its ill-conceived economic measures set out in the budget.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE CONSTITUTION

SPECIAL JOINT COMMITTEE—CALL FOR BROADCASTING OF PROCEEDINGS—MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa): Madam Speaker, in light of your ruling yesterday, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House calls on the government to announce today its intention to bring in a resolution which would authorize the proceedings of the Special Joint Committee on the constitution to be covered by both radio and television.

Some hon. Members: Hear, hear!

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

UNEMPLOYMENT INSURANCE

FLEXIBILITY IN APPLICATION OF MATERNITY BENEFITS—MOTION UNDER S.O. 43

Mr. Walter McLean (Waterloo): Madam Speaker, I rise under the provisions of Standing Order 43. In light of the commitment of the Minister of Employment and Immigration (Mr. Axworthy) to amend the so-called magic ten rule, which presently operates as a prerequisite to qualify for maternity benefits under unemployment insurance, and in light of the demeaning effect of this rule and its rigid application, as seen in the case of Mrs. Katherine Edwards of Kitchener, Waterloo, who has been denied maternity benefits because she is 53 minutes short of the mandatory ten-week insurable employment period—a decision taken without regard for the significant overtime she worked—I move, seconded by the hon. member for Saskatoon West (Mr. Hnatyshyn):

That this House asks the minister to instruct his officials to be flexible and sensitive in such borderline cases until changes to maternity benefit legislation are enacted, as promised.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENERGY

FINANCIAL ASSISTANCE TO MUNICIPALITIES TO EXPAND USE OF NATURAL GAS FACILITIES—MOTION UNDER S.O. 43

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In light of the fact that there is a drastic need to reduce the consumption of oil in this country, and in light of the fact that the government is apparently eager to encourage Canadian home owners and businesses to switch from oil-fired furnaces to gas, I move, seconded by the hon. member for Prince Edward-Hastings (Mr. Ellis):

That the government give serious consideration to providing financial assistance to municipalities and/or gas companies to allow for the expansion of gas

facilities to regions of the country now on oil where it would not be feasible ordinarily to provide such service.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1110)

CONFERENCE FOR SECURITY AND CO-OPERATION IN EUROPE

ENCOURAGEMENT OF REPRESENTATIVES IN REACHING OBJECTIVES—MOTION UNDER S.O. 43

Mr. Jesse P. Flis (Parkdale-High Park): Madam Speaker, I seek the attention of all hon. members of this House on a matter of urgent and pressing necessity under the terms of Standing Order 43. In view of the fact that Canadians have a deep interest in international security, human rights and co-operation among nations, and in view of the fact that the Conference for Security and Co-operation in Europe, known as CSCE, begins officially on November 11, 1980, in Madrid, Spain, I move, seconded by the hon. member for Okanagan-Similkameen (Mr. King):

That this House urge the representatives of each nation to work in a spirit of co-operation to achieve the objectives of security, disarmament, trade, human contacts, free flow of information and human rights.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENERGY

RESTRUCTURING OF OIL SANDS PRICING POLICIES—MOTION UNDER S.O. 43

Mr. Bill Yurko (Edmonton East): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. The federal government has structured its oil sands pricing policies to aid its policy of nationalization and confiscation of segments of the oil industry. This is an unacceptable policy. Therefore I move, seconded by the hon. member for Saskatoon West (Mr. Hnatyshyn):

That the federal government should undertake immediately to restructure its oil sands energy pricing policies to provide uniform, consistent and fair pricing for all tar sands oil being produced and commercial terms for all new tar sands projects which would permit rapid capital recovery and accelerated development of this major resource.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

CANADIAN BROADCASTING CORPORATION

CONTROL OF POLICY—MOTION UNDER S.O. 43

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, I rise as a result of the appearance of officials of the CBC this week before the Standing Committee on Communications and Culture. Considering the fact that a Conservative "heavy" has recently charged that the CBC has been infiltrated by "NDP moles", while the NDP believes the corporation is dominated equally by Liberals and Tories, and Quebec Liberals frequently express alarm that Radio-Canada is under the influence of separatists, I move, seconded by the hon. member for Oshawa (Mr. Broadbent):

That the Secretary of State inform this House exactly which political party actually runs the CBC and whether or not that party might be the Rhinoceros Party and, if so, why the Rhinoceros Party has been denied its legitimate right to control the CBC.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

PUBLIC SERVICE

CALL FOR MEASURE TO IMPLEMENT TERMS OF RESOLUTION—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, I rise under the provisions of Standing Order 43. In light of the many fears respecting entrenchment of language rights in the constitution as they apply to public servants, and that the resolution entitled "A Declaration of certain Principles respecting Employment in the Public Service of Canada", passed in June of 1973, is not law, I move, seconded by the hon. member for Moose Jaw (Mr. Neil):

That this House instruct the government to bring forth the necessary legislation so that paragraph 7 of the resolution of June, 1973, will be made law as part of the Official Languages Act, and that paragraph 7 of the resolution be expanded to include Crown corporations, so that unilingual public servants will not feel stifled in their jobs or denied promotion because they are not bilingual.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

HUMAN RIGHTS

CASE OF ANATOLY SHCHARANSKY—MOTION UNDER S.O. 43

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, I rise under the provisions of Standing Order 43. On Tuesday of this week the Leader of the New Democratic Party (Mr. Broadbent) put forward a motion under Standing Order 43 regarding the release of Soviet dissident, Anatoly Shcharansky. Regrettably, that motion did not receive unanimous consent.

Since, however, the House has in the past unanimously agreed to resolutions concerning Mr. Shcharansky's freedom, and since it might be construed by certain countries that what happened on Tuesday was a weakening of the resolve of this House that Mr. Shcharansky be freed, I move, seconded by the hon. member for New Westminster-Coquitlam (Miss Jewett) and the hon. member for Parkdale-High Park (Mr. Flis):

● (1115)

That Mr. Shcharansky's case in particular, and that of Soviet dissidents in general, be brought to the attention of the signatories to the Helsinki Agreement, and particularly to the attention of the Soviet Union at the Madrid Conference next week, by the Canadian delegation.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Madam Speaker: Moved by Miss MacDonald (Kingston and the Islands) and seconded by Miss Jewett (New Westminster-Coquitlam):

That Mr. Shcharansky's case in particular, and that of Soviet dissidents in general, be brought to the attention of the signatories, especially the Soviet Union, to the Helsinki Agreement at the Madrid Conference next week by the Canadian delegation.

Motion agreed to.

* * *

[*Translation*]

REMEMBRANCE DAY

TRIBUTES TO MEMBERS OF CANADIAN FORCES WHO SERVED IN WARTIME

Hon. J. Gilles Lamontagne (Minister of National Defence and Acting Minister of Veterans Affairs): Madam Speaker, I am proud to remind all hon. members of the House as well as all Canadians that next Tuesday, November 11, is Remembrance Day. As required by tradition, I should like to say a few words.

Most of us will return to our respective ridings to take part in official ceremonies commemorating Armistice Day, the purpose of which is to remind us that during two World Wars and the Korean conflict a great many men and women from every corner of the land put on Canadian military uniforms and wore them with the utmost distinction.

[*English*]

As usual, the Government of Canada will be holding a ceremony thousands of miles away at Vimy Ridge. It was there at Easter, 1917, that Canada showed the world what it was all about. The Canadian fighting in France came together for the first time as a single force and in less than a week performed a deed which other armies could not accomplish in three years. Successive generations of Canadians built on that reputation. Few gained the glory of Billy Bishop. It was sufficient to serve, enough to do one's duty to Canada. We owe our prosperity and freedom to those hundreds of thousands of unsung heroes.

These men and women fought, not for personal gain, not for glory of conquest; they fought for their homeland. This was their love. Duty was their creed. Truly they are Canada's heroes. I ask all Canadians to pause on November 11 and remember the thousands of our fellow countrymen and women who fell during the holocausts of the two World Wars and the Korean conflict to preserve our peace and our country.

[*Translation*]

Next Tuesday, when we pause with pride, let us reinforce our determination to emulate them in their generous deeds for Canada. Let us demonstrate on that day and in our way how proud we are of them. Let us demonstrate also, each and every one of us, that the faith they had in future generations was not unfounded, and that their sacrifices and sufferings were not in vain. We owe them that much.

[*English*]

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, as Progressive Conservative spokesman for veterans affairs, it is once again an honour for me to join in the tribute to our fallen comrades.

This is the sixty-second anniversary of the date on which the battle ceased on the western front. At that point in history, 62 years ago, people thought they had experienced the "war to end all wars", but as we know now, 21 years later war broke out again, to be followed by the Korean war and a series of smaller conflicts around the globe. Today we remember 100,000 war dead and they live again in the hearts and minds of Canadians everywhere.

I feel we should also bring to mind the veterans who returned from those wars and who are now suffering under the weight of rising prices and falling pensions.

We can do no more than pause and remember our war dead, but we have a wonderful opportunity in this country to do something positive for our returned veterans.

Some hon. Members: Hear, hear!

● (1120)

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, may we never fail to pause on Remembrance Day to recall how great is our debt to those who served our country on the field of battle in World War I, in World War II, in Korea and in the other conflicts in which we have been participants.

Indeed, we of the New Democratic Party join with all the rest of the members of this House in remembering those who served, particularly those who gave their lives. Let us also remember those who survived but came back to live their lives under difficulty. We think in particular today of the late minister of veterans affairs who spent the rest of his life still fighting for his comrades-in-arms. We remember also the families and the survivors of those who served.

Let us pay tribute to all of them at this time of the year by renewing our determination to do the best we can for our veterans and for their families. Let us also renew our determination to put in place the kind of economy that will help us pursue the dream of that day when men shall beat their swords into plowshares and their spears into pruning-hooks and, please God, learn war no more.

Some hon. Members: Hear, hear!

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MR. GORDIE HOWE

Madam Speaker: I know the House will have already noticed the presence in our gallery of a very distinguished athlete and gentleman, Mr. Gordie Howe.

Some hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

THE BUDGET

INQUIRY WHETHER CERTAIN MEASURES WILL BE RESCINDED

Hon. Sinclair Stevens (York-Peel): Madam Speaker, in the absence of the Minister of Finance, perhaps I could put my initial question to the Prime Minister. It relates to the budget. In view of the fact that this has been the worst received budget, certainly in Canadian history—

Some hon. Members: Oh, oh!

Mr. Stevens: —back to the time of Walter Gordon, with rising interest rates, with the dollar falling 1.5 cents since the budget was introduced, with our reserves pouring out of the country, with the Toronto Stock Exchange index having fallen over 4 per cent, and with the oil and gas industry index having fallen over 17 per cent, would the Prime Minister—instead of fluffing the question off on to somebody else—give serious consideration to a review of the budget to see whether certain measures cannot be rescinded, similar to what happened after the Walter Gordon episode in this House?

Mr. Lalonde: Joe Clark was not even there to vote against it last night.

[*Translation*]

Hon. Pierre Bussières (Minister of State, Finance): Madam Speaker, I do not understand why the hon. member wants to discuss his nightmares originating from this experience last year which ended in a defeat in the House and in the elections.

I would like to indicate to the hon. member that most Canadians understood on budget night that they would get more through indexation, that is $1.6 billion of purchasing power.

Canadians also understood on budget night that the government has maintained the indexation of social measures such as family allowances, old age pension, the guaranteed income supplement which we had increased by $35.

Canadians understood that the 22 per cent increase in the economic development envelope indicated the priority of this government in the next few years, that it was a new start for the Canadian economy and would stimulate employment.

And finally, they accepted the great challenge offered in that budget, that is, to make the country self-sufficient as far as energy is concerned and to control the development of and exploration for oil and gas in Canada.

[*English*]

Mr. Stevens: Madam Speaker, again I would like to put a question to the Prime Minister, and I hope this time he will answer it. Obviously his Acting Minister of Finance is simply dreaming. My question to the Prime Minister is this. If there is no intention to right some of the wrongs that are in this budget, will he indicate to the House why this is, in view of the fact that at one time he said he had wrestled inflation to the ground? At another time he stated we were on a program to reduce inflation from 10 per cent to 8 per cent to 6 per cent to 4 per cent. Incidentally, Madam Speaker, that 4 per cent was to be in effect two years ago. If they have been so wise over these years, will the Prime Minister indicate what has gone wrong, or has he simply now abandoned his thought of getting inflation down to a reasonable level as he at one time told the Canadian public he intended to do?

● (1125)

[*Translation*]

Mr. Bussières: Madam Speaker, the intention of the government to fight inflation has been asserted very clearly, not only during the election campaign and in the Speech from the Throne, but it was reaffirmed in the budget: all the measures then announced by the government were directed towards that goal. However, the government has always indicated that reducing the inflation rate cannot be achieved solely by government action: it must be done through the united effort of all agents or elements of the economy. It must also be achieved

through the conviction of the members of this House that the agents of the economy must fight inflation together. Consequently, stirring up a climate of panic, as would the hon. member through his groundless remarks, does not help in encouraging a common effort on the part of the agents of the economy toward a real victory over inflation.

[*English*]

Mr. Stevens: Again I have a question for the Prime Minister, Madam Speaker. The Canadian public do not care whether inflation is linked in isolation or in combination or what measures the government takes as long as we start getting some results. Will the Prime Minister at least show some compassion for the consumers and home owners in this country by indicating whether, in these budgetary bills yet to come before the House, there is any hope that some steps will be taken to relieve the effect of rising interest rates in this country, mortgage rates alone having gone up 2 per cent per annum since he took power last March?

[*Translation*]

Mr. Bussières: Madam Speaker, the matter of interest rates and the hardships they inflict upon some people has been debated repeatedly in this House. It was even discussed when the hon. member was in government. Until now, we have maintained that a measure to protect one group against high interest rates could be unfair to others because home owners are not the only ones who suffer from them. So that builders, businessmen and home owners should have to absorb the cost of higher interest rates is all part of that effort all citizens must be willing to make, in order to weather through this period of economic difficulties. That is part of the united effort, the common will progressively to restore our economy and achieve the objectives of higher production in the next five years.

* * *

[*English*]

HOUSING

RISING MORTGAGE INTEREST RATES—ASSISTANCE TO HOME OWNERS

Mr. Doug Lewis (Simcoe North): Madam Speaker, my question is for the minister responsible for housing. Now that we have had that dissertation on mortgage interest rates, perhaps I can ask the minister this. In view of the fact that mortgage interest rates are rising, and we have a two-point mortgage interest rise which on a $40,000 mortgage means an extra $60 a month, can the minister advise what he is suggesting is a course of action for the low and middle-income Canadian family who are looking at renewing their mortgages in the next six months?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I am happy to indicate that figures for starts in the last month indicate a strengthening in the industry as a result of additional starts. I hope that is a signal that the industry is showing a trend toward strengthening and that that strengthening will be reflected in other sectors of the economy.

In terms of assistance to people, specifically as to the roll-over situation, the hon. member will recall that the government, faced with the prospect earlier in the year when interest rates were higher than they are today, responded with the objective of assisting those people who would be seriously hurt by the rise in rates. So we introduced under AHOP the level of a 30 per cent protection, that is, interest, taxes, principal etc., and directed our attention toward those people who would need help the most. That remains the objective of the government. Our response to those people who would be hurt seriously is to look, on an individual basis, at those who find that circumstances make it very difficult for them to renew their mortgage. As the Minister of Finance authorized and said of the government, we will watch that situation and if, indeed, it is one that would warrant government action, we certainly would be on top of it and supportive of individual requests.

● (1130)

Mr. Lewis: Madam Speaker, I suggest to the minister that someone who is renewing a mortgage is not interested in housing starts. Under our plan last year, the average Canadian home owner with a $40,000 mortgage would have received a credit of $94 a month in 1981. That amount would be paid to them. Does the Liberal government have any plan to assist the low and middle-income earner who is faced with these sky-high interest rates and he, she or they consider that to be serious?

Mr. Cosgrove: Madam Speaker, as I have indicated, our response is, first, to the needy, to those who need help the most. I should like to point out that under the plan of the government opposite, at least 50 per cent of Canadians who were renters were ignored by that plan. There are people who, at present, pay on average 35 per cent of their gross income toward shelter costs. Where is the equity in the response of a program which ignores those people who are in need?

* * *

SMALL BUSINESS

INQUIRY RESPECTING MEASURES OF ASSISTANCE

Mr. Edward Broadbent (Oshawa): Madam Speaker, my question is for the Prime Minister as the man responsible for over-all government policy. Considering that the Bank of Canada rate has gone up once again, continuing this upward spiral, which will mean that the largest corporations in Canada will be able to borrow at 14 per cent but small business will have to pay between 16 per cent to 17 per cent, and as everyone knows most of the new jobs which are being created in the Canadian economy as well as in the U.S. economy are in the small business sector, I should like to ask the Prime Minister what specifically the government has in mind to help out these small businesses which are hit in a way that makes it

totally impossible for them to expand and create the kinds of jobs we need in the economy now?

[*Translation*]

Hon. Pierre Bussières (Minister of State, Finance): I should like to remind the hon. member that the budget already features a measure for small businesses, the bonds, which will bring temporary relief to small businesses which are in need; and that applies particularly to the type of preoccupation expressed by the hon. member.

[*English*]

EFFECT OF U.S. "BUY-AMERICA" POLICY ON CANADA

Mr. Edward Broadbent (Oshawa): Madam Speaker, even the minister should know that the so-called program for small business assistance that he is talking about will aid only 5 per cent of small businesses and that 95 per cent will be excluded.

I should like to put a question to the Prime Minister which perhaps he will answer, since it concerns our direct relations with the United States. The Bombardier Corporation of Montreal has just announced that it is opening a new plant in Barrie, Vermont, creating 200 new American jobs instead of jobs in Canada, and it is doing this as a direct result of the "buy-America" legislation which exists in the United States. Considering that the president-elect has indicated very clearly that he wants to strengthen this "buy-America" legislation, I should like to ask the Prime Minister what the government intends to do about getting the U.S. government to change this legislation which so adversely affects employment in Canada?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker—

Some hon. Members: Oh, oh!

An hon. Member: Pierre does not want to answer.

Mr. Gray: Madam Speaker, we had been holding very active and urgent discussions with the previous U.S. administration. Just before the adjournment of the House, we had been holding discussions with the present U.S. secretary of commerce, Mr. Klutznick, and we intend to open discussions with the new U.S. administration as soon as possible after their cabinet is in place.

I might also point out that while this plant will mean some 200 jobs in Vermont, it was established there to enable the creation of some 400 jobs in La Pocatière in Quebec through the carrying out of this contract. I hope my hon. friend does not oppose that.

Madam Speaker: A further supplementary, the hon. member for Rosedale (Mr. Crombie).

Mr. Broadbent: Only the Minister of Industry, Trade and Commerce could see the loss of 200 jobs as providing some kind of benefits to Canadians—

Madam Speaker: Order please. I am sorry but I was confused. I meant to recognize the hon. member for Oshawa but I did call the hon. member for Rosedale.

Mr. Broadbent: I do not know, Madam Speaker—

Some hon. Members: Oh, oh!

Madam Speaker: Order please. I think I owe the House an explanation. I was writing down the name of the hon. member for Rosedale because I saw him rising for a question later on. The hon. member for Oshawa.

Mr. Broadbent: Madam Speaker, I do not know which of us should rise on a question of privilege!

My last question is to the incomparable Minister of Industry, Trade and Commerce.

Some hon. Members: Hear, hear!

Mr. Broadbent: I said "incomparable" with just a tinge of irony!

Some hon. Members: Oh, oh!

Mr. Broadbent: Having failed to produce jobs for people at Massey, having failed the auto industry, having failed the steel industry because of its problems with the buy America act, and having lost out in the cabinet in his attempts to get an industrial strategy, will the minister finally fulfil at least one promise he made to the people of Canada, that unless he obtained what he promised for them, he would submit his resignation now?

Mr. Gray: Madam Speaker, we should ask the Leader of the NDP why he has not resigned as a result of his efforts which lost his party all its seats in northern Ontario and brought about an absolute failure to get the support of industrial workers in Ontario and in the rest of Canada.

Some hon. Members: Hear, hear!

Mr. Gray: On the other hand, Madam Speaker, on behalf of the Government of Canada we took action which has created the basis for the preservation of the 40,000 jobs connected, directly and indirectly, with Chrysler Canada. We have shown our willingness to make a commitment, if the private sector does its job, which will preserve and increase jobs at Massey. This is a demonstration of our achievement and our commitment to preserve jobs and increase jobs for working people across Canada, something which, on the basis of comparison, the NDP and its leader have shown themselves to be totally incompetent, and incapable of doing.

Some hon. Members: Hear, hear!

SOCIAL DEVELOPMENT

EFFECT OF BUDGET ON WORKING POOR

Hon. David Crombie (Rosedale): Madam Speaker, I have a question for the Minister of National Health and Welfare. The minister will know that on Monday the Canadian Council on Social Development condemned the government's budget as having, and I use their words, "a devastating effect on millions of disadvantaged Canadians". The Minister of Finance attacked the council, which has served this country for 60 years. They had to come back yesterday with a public statement defending their position and indicating that their concerns needed to be dealt with. In particular, they were concerned about the 500,000 Canadians, the so-called working poor, and I quote their words on page 3.

It is these people, the working poor, who will suffer most from the recent budget.

I should like to ask the minister what she intends to do to offer relief to these people?

• (1140)

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, it is with regret that I have to make the following remarks on yesterday's press release by, and press conference of, the Canadian Council on Social Development. I say "with regret" because the council has played the role of advocate for the poor in our country which is unique and essential.

However, yesterday the council focused away from the work it did at the beginning of the week and toward the so-called working poor. I have to tell the hon. member that the criticism made by the Minister of Finance and the qualifications I made regarding the council's first document I now have to bring to its second document. The council's table 1, which is called appendix 1, for instance, includes in the incomes of families on welfare the child tax credit and family allowances. They do not include those for working poor families.

I am not saying life is not difficult for the working poor, but I am saying that for a family of four there is an annual, indexed, non-taxable sum of about $960 missing in each of the tables. This is quite a serious distortion. That is all we are saying. We can only applaud the work the council does in trying to remind all Canadians of the poverty in our society, but serious mistakes were made in that document.

Mr. Crombie: Madam Speaker, I am certain that the minister would not want to mislead the House. The table she refers to clearly differentiates between the working poor who make money as a consequence of low-paying jobs and how much money they get on welfare. The council is dealing with the fact that this budget forces those Canadians onto welfare. That is why the table is there.

There are many other concerns raised in the second report, which is some 14 to 15 pages long. Will the minister meet with the council? The council is supported by her own government. Will she meet with the council and see what she can do to resolve the conflicts among herself, her government and the council so that the people who are affected by this budget are aided?

Miss Bégin: Madam Speaker, I think it is a false battle which is being discussed. The council does receive quite an important sum of money from my department; I think the amount is close to half a million dollars. It does its work completely at arm's length from the government, and it must remain that way. There is no doubt that the council's role of advocate is essential, and I will not interfere in its work.

There is no need to point out that we meet regularly. I had meetings very recently with the council. However, I have not had a meeting since the new executive director was appointed, for the obvious reason that I think he is a former employee of my department. I think people have to settle into their jobs and find their style of work, and I respect that.

However, my fights will continue to be with people on this side of the House to make sure that the portion of money going to social development remains the biggest amount spent by this government. I will fight to make sure that it continues to be indexed to the full cost of living. That is my fight, and that is the way I intend to continue my work.

There is no point comparing two kinds of poor. I have, however, said that the council has made a serious mistake in its figures, and that does not help the debate.

Some hon. Members: Hear, hear!

* * *

GOVERNMENT ADVERTISING

COMPARATIVE COST OF CANADIAN AND UNITED STATES PROGRAMS

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I would like to direct my question to the Minister of State for Multiculturalism who is responsible for the co-ordination of the government's advertising program. Figures released indicate per capita government expenditure on advertising in Canada of $6.66, and the federal government is by far the largest single advertiser in the country, up from seventeenth place in just ten years, with an outlay of three times that of General Foods, the second largest. In view of the comparison with the United States where the federal government is the twenty-eighth largest advertiser, with a per capita expenditure of only 65 cents, can the minister explain the rationale of the government's deeming it necessary to spend ten times per capita the amount spent in the United States for advertising?

Hon. Jim Fleming (Minister of State (Multiculturalism)): Madam Speaker, I believe it is important that the Government of Canada, especially in a country with such a small population and such a large geographic area, communicate.

Some hon. Members: Oh, oh!

Mr. Fleming: I hear "oh, oh!" from the other side. All I know is that since I assumed these responsibilities I have tried

to take the system put in place by the Conservatives and improve it to have better evaluation of programs, to be sure that taxpayers' money is being well spent and that the various regions of the country are being properly communicated with. I think that anybody who is thoughtful about the state of our country would probably agree that we have a real problem in communicating with each other and making Canadians well aware of how their federal tax dollars are spent.

We are a major participant in the Canadian economy. Collectively the provincial governments spend far more than we do, but I make no apology, and I certainly did not see any indication that the previous government would act any differently from the way we have.

Mr. Hnatyshyn: Madam Speaker, what precipitated my question was my looking at Supplementary Estimates B which were tabled by the government. Those estimates reveal an increase at least of $26,925,000 on advertising this year alone, and an increase, for example, for the Canadian Unity Information Office of $15,172,000. That is more than the dominion spent in the first year of confederation totally. There is an increase of $9,555,000 for the Department of Energy, Mines and Resources. There is a threefold increase in each of the instances I have mentioned.

Is it the position of the government that the press gallery here is simply doing an incompetent job of explaining to the Canadian people what is happening, or does the government take the position that the Canadian people are a little slow and have to have this kind of direction from the government? What is the reason for this Orwellian increase and the 1984 mentality of this government?

Mr. Fleming: Madam Speaker, there is a certain element of hypocrisy in the hon. member's question. At the moment we have two out-front Conservative governments and one pseudo-Conservative government at the provincial level advocating positions of their governments, not endorsed by their legislatures largely, spending taxpayers' money in putting forward positions, which is something I pledged we would not do.

Mr. Hnatyshyn: Precipitated by you.

Mr. Fleming: That is not true. What we are doing is what I said we would do when I was questioned some weeks ago, and that is communicate to the Canadian public the programs of the Government of Canada endorsed by this Parliament. That is all we are doing, and that is what we should be doing.

Some hon. Members: Hear, hear!

* * *

THE CONSTITUTION

INQUIRY WHETHER LETTER RECEIVED FROM NATIONAL INDIAN BROTHERHOOD REQUESTING DISCUSSIONS

Mr. Jim Manly (Cowichan-Malahat-The Islands): Madam Speaker, my question is directed to the Prime Minister. Given the Prime Minister's repeated assurance that native people would be participants in the process of constitutional change in all matters affecting them, and given the government's failure to involve native people prior to drafting the proposed resolution on the constitution, could the Prime Minister confirm that he has received a letter from the president of the National Indian Brotherhood requesting an early meeting to discuss the constitution, and would the Prime Minister indicate whether he has agreed to such a meeting and, if not, why not?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, according to the information I have received from the responsible minister, the government has offered the native groups some $1.4 million to research their constitutional claims. There have been repeated meetings with officials and with the Minister of Indian Affairs and Northern Development, and very recently there have been meetings at the official level. I have in correspondence with the native leaders indicated that I would be prepared to meet with them at some point when in their own preparation they felt they had some specific proposal to put to the government.

Mr. Manly: Madam Speaker, the government's position always seems to be that it is willing to throw money to the native people so that they can hold a meeting among themselves. They would like to have a meeting before the end of November at which time their all-chiefs conference is being held so that they can discuss the constitution now during this first stage.

• (1150)

Could the Prime Minister indicate whether he is aware of the anger and the frustration of Indian, Métis and Inuit people because their rights have been completely ignored in the proposed charter of rights? How does he think native people can be effective participants in this first stage of constitutional change which directly affects their basic rights?

Mr. Trudeau: Madam Speaker, it is not correct to say that they have been completely ignored. The resolution before the committee refers to their rights not being changed in any way. The precise definition of those rights in a written constitutional document is something, I repeat, that we have assisted the Indians, native people, Métis and Inuit to research for themselves. If they come up with some form of amendment which is acceptable to all parties in this House—and I should say hopefully to several of the provincial governments—we are prepared to accept amendments on this as on other things.

I would merely want to point out to the hon. member that I think the simple claim of aboriginal rights, without anyone knowing exactly what it means, is not a matter which one can convincingly argue should be put in the constitution at this time. First of all, the courts would be called upon to interpret such a constitutional amendment, and I think everyone would want to know what aboriginal rights are, what are their extent, to whom they apply, and so on.

[*Translation*]

ENERGY

REQUEST DEPARTMENT UNDERTAKE RESEARCH INTO GASOHOL

Mr. Pierre Gimaïel (Lac-Saint-Jean): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources who has just given our country an efficient energy strategy for the next ten years. Knowing the government objectives aimed at energy self-sufficiency within the shortest delay, can the minister tell the House if his department intends to intensify research into gasohol and, if so, how?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, we have set aside a huge amount to develop new energy sources. Several hundred million dollars have been earmarked for research and development over the coming years. In fact we have allocated some $240 million more for the ongoing research program to promote research and development, particularly in the field of new energy sources. I said $240 million but the exact figure is $260 million. Obviously gasohol is one of the new forms of energy which will be eligible for subsidies for research and development.

* * *

[*English*]

ENERGY CONSERVATION

PROGRAMS RESPECTING ENERGY EFFICIENT APARTMENT BUILDINGS

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, my question is also for the Minister of Energy, Mines and Resources. Just on that last point and by way of clarification, I wonder if he could check those figures again. My understanding is that the figure of $260 million is for the total research and development of energy, which would include also nuclear, not just renewables.

My question concerns what appears to be a gap in the national energy program which might affect tenants of both small and large apartment buildings who are forced to pay their own heating bills. Can the minister tell the House whether he has in mind any way that landlords might be encouraged to develop programs for retrofitting or to do things to their buildings to make them more energy efficient? Because they have no incentive now when indeed the tenants are paying their own heating bills.

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, on the first point I want to stress that the $260 million for research and development over the next three years will be additional to, or over and above, the hundreds of millions of dollars already spent by the federal government, the largest share of it having gone into nuclear. That additional $260 million, the overwhelming share of it, will be in the non-nuclear field and in new forms of energy, renewable forms of energy, particularly.

As far as the question raised by the hon. member is concerned, our program for insulation obviously is one which is available to all forms of houses. While it is true that in many instances the heating bill is paid by the tenant, it is also true that in many instances the owner-landlord is also contributing to that cost. I think it would be extremely difficult to devise a scheme whereby we could start differentiating between landlords or between landlords and tenants. This program is of a general nature. It is one that is of benefit to all Canadians. We encourage all landlords and tenants to support this particular program and to make use of it. I think any home owner, whether it is his own house which he occupies or whether he is the landlord, will find that he will benefit from insulating the house and reducing heating costs.

Mr. Gurbin: Madam Speaker, again my question is directed to the Minister of Energy, Mines and Resources. I should like to ask the minister how far he thinks $500 will go to insulate a 100-unit apartment building? Because that is the limit of the available resources for those landlords. I am quite happy to see research and development in nuclear continue, but as far as I can understand from the national energy program, that $260 million includes $100 million for research into nuclear energy and waste disposal. I think that is appropriate, but I think we need more in renewables.

Finally, would the minister consider extending the provisions for retrofitting and insulation which go beyond CHIP in the Northwest Territories, the Yukon, Prince Edward Island and Newfoundland, so that other areas in the country which do not have the opportunity to switch to natural gas, areas where electricity costs are very high, or indeed areas where people are already on natural gas but have very poor housing, can take advantage of this extra money?

Mr. Lalonde: Madam Speaker, I should like to point out to the hon. member that we are eagerly awaiting the report of the parliamentary task force on renewable energy. What I have seen and heard of the work of that task force seems to be very positive and we are looking forward to receiving that report. Once we have received it and if additional funds are required in this area, we will be very happy to allocate the necessary funds to answer any new worth-while initiatives which are not specifically mentioned in the program. We have set aside some money in order to answer the proposals which might come from this parliamentary task force.

As to the suggestion of the hon. member, it is a worth-while one. Certainly I will take it into consideration to see whether we can make further adjustments to our program later on, bearing in mind his representation.

[*Translation*]

ENERGY

GASIFICATION PROJECT—GOVERNMENT POSITION

Hon. Roch La Salle (Joliette): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. Everyone knows about the interest shown both by Nova Scotia and Quebec toward the regasification project. Last Friday, the Minister of Regional Economic Expansion told some reporters before the Chamber of Commerce in Quebec that the Minister of Energy, Mines and Resources had informed him that it would be completely ridiculous to choose Canso as a site for this project, which has obviously greatly encouraged Quebeckers to try to get it for themselves. Can the minister now tell the House whether he has indeed examined this project and whether he considers it ridiculous, as indicated by his colleague, the Minister of Regional Economic Expansion in Quebec last Friday?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, not only is the hon. member misquoting the Minister of Regional Economic Expansion, but I believe he is even misquoting the newspaper article to which he has referred.

Mr. La Salle: I must repeat, Madam Speaker, that the Minister of Regional Economic Expansion told reporters in Quebec that the Minister of Energy, Mines and Resources considered that it would be absolutely ridiculous to choose Canso as a site for this project. I would like to ask the minister whether he can now confirm that the statements of the Minister of Regional Economic Expansion were well founded, in contradiction to what the minister has been saying for some time in the House to the effect that this project was still under consideration. I believe that it is important for the population to understand the significance of the statement made by the Minister of Regional Economic Expansion.

Mr. Lalonde: Madam Speaker, it goes without saying that such a question should be put to the Minister of Regional Economic Expansion himself, to find out what he did or did not say. What I wish to stress is the fact that the hon. member does not even properly quote the newspaper article to which he is supposed to be referring.

* * *

● (1200)

[*English*]

HEALTH CARE

UNIVERSITY OF TORONTO DENTAL FACULTY—LOSS OF FULL ACCREDITATION

Mr. Bruce Halliday (Oxford): Madam Speaker, my question is for the Minister of National Health and Welfare. The faculty of dentistry at the University of Toronto, which is Canada's largest dental school, has recently lost its full accreditation to that of provisional accreditation. Since this is an indication of weakness in the teaching program and has a significant impact on the quality of dental care which is available to Canadians, is the minister aware of this problem and what is being done about it?

Hon. Monique Bégin (Minister of National Health and Welfare): I am aware of this problem in a relatively superficial way. It does not fall at all under the responsibility or the jurisdiction of the federal government. If the hon. member is interested, I can inquire and obtain more information, which I will forward to him.

Mr. Halliday: Madam Speaker, I assume that the minister is concerned about the over-all health care of Canadians. With that in mind, and the fact that she is committed to preventive health care, is it true that she has no dentist in her health services directorate? If that is so, does she have any plans to rectify this major deficiency in her staff?

Miss Bégin: Madam Speaker, this is one of those days when I wish I was a provincial health minister. I am the federal Minister of National Health and Welfare. Within these parameters I try to make sure we have the best medicare in the country and the best health services. The direct delivery of services does not fall under the jurisdiction of my department but is the full responsibility of the provinces.

* * *

SOCIAL SECURITY

RUMOURS CONCERNING CUTS IN CANADA ASSISTANCE PLAN

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, my question is supplemental to the one asked earlier today by the hon. member for Rosedale. It is for the Minister of National Health and Welfare. There are rumours—and this government seems to thrive on floating rumours and balloons of one kind or another—that the minister's next attack on the poor will be by way of taking an axe to the Canada Assistance Plan. That is to say she intends not only to place a limit on the provincial payments under the Canada Assistance Plan, but that she intends to reduce it considerably. Since she has already managed to upset senior citizens and the working poor, and it is now a question of welfare recipients, she has the opportunity today to stand in the House, as I would ask her to do, and put an end to this rumour that her next move will be to attack the Canada Assistance Plan and welfare recipients.

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, the hon. member's description is like the wording in a cartoon, and I suppose I must stand up and answer although I am not sure I fit her description.

The purpose of the government's objective, which was expressed through the budget, my role and the role of the team in my department, and of the standing committee on which the

hon. member does not sit and to which she could come—that would be appreciated since there are not enough people in this country fighting poverty—is to make sure that our program's target with respect to the Canada Assistance Plan, which is a program providing billions of dollars of federal moneys to those in need, to social services and welfare, will remain the way it is. Of that the member can be sure.

Some hon. Members: Hear, hear!

Miss MacDonald: Madam Speaker, the minister will remember that she would come before a committee only to fight against the extension of spouse's allowance. That is what she would do in committee.

I ask the minister, since she has refused to meet with the Canadian Council on Social Development, and since she has refused to do anything to satisfy concerns with respect to the Canada Assistance Plan, if she would meet with her cabinet colleagues—the people who are supposed to exhibit compassion—and ask them if they would stop pressuring her to cut back on the welfare recipients of this country, something we know the cabinet has in mind to do.

Miss Bégin: Madam Speaker, I think this debate in no way helps anybody, especially those to whom I thought the hon. member was committed. She speaks of my being against increasing the extension of the spouse's allowance. She knows that is not true. I choose my priorities differently and I chose to find hundreds of millions of dollars to increase the GIS by $20 a month in 1979.

Some hon. Members: Hear, hear!

Miss Bégin: When the opposition came to power for a short time, to my knowledge they brought in one baby social measure which amounted to $4 million. We were in opposition and had to fight them to raise it to $10 million. That is what we did for the spouse's allowance.

Some hon. Members: Hear, hear!

Miss Bégin: With respect to the other accusations she makes, they do not make much sense nor are they helpful. As a matter of fact, I have forgotten what they were about. I simply repeat that I have never refused to meet with the Canadian Council on Social Development. I would like to say that is pure rumour. At the beginning of her question, the hon. member said she was operating on the basis of rumour. I do not do that. I fight on the basis of fact and reality.

Some hon. Members: Hear, hear!

Oral Questions

PUBLIC SERVICE

BILINGUAL BONUS FOR SOCIAL SCIENCES AND HUMANITIES RESEARCH COUNCIL EMPLOYEES

Mr. Rod Murphy (Churchill): Madam Speaker, my question is for the Prime Minister. I realize he has a personal commitment to the Official Languages Act, but I am concerned about two actions which his government has taken lately which have hurt the implementation of that act. As we know, the translators have been without a contract for the last 19 months. This has resulted in services, programs and documents not being available to citizens in both official languages.

My question is really with regard to another negotiation with the Social Sciences and Humanities Research Council. All members of that employee group are bilingual—and I congratulate them for that. What I am upset about is that, in the round of negotiations which is continuing at this time, the government has refused to pay that group a bilingual bonus. It is the only group which does not receive the bilingual bonus. I think if the government is committed they should be acting on that.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, with respect to the hon. member's first question, I am not clear what stage of negotiation the parties have reached.

Mr. Baker (Nepean-Carleton): They are still carrying on.

Mr. Trudeau: I understand they are still carrying on. I know the hon. member would not want me to intervene in this dispute at this stage, on one side or the other.

As far as the second question is concerned, I will take it as notice. I am not aware of the facts the hon. member has brought to my attention.

Mr. Murphy: Madam Speaker, I would like to thank the Prime Minister for that commitment. In fact, negotiations with both groups have broken down and this is something else the Prime Minister can look into. In both cases the problem is the government's refusal to accept the conciliation board report. I would ask the Prime Minister, when he is doing his research into this matter, that he ask the ministers responsible to take a much more positive attitude toward conciliation board reports and to stop making the public service more militant.

Mr. Trudeau: Madam Speaker, it seems to me that we are now talking about two management-labour disputes, which have nothing to do with the government's policy on bilingualism; it is a matter of dispute between two contending parties. I fail to see how the hon. gentleman could find that we are not following up on our bilingualism policy because there is a labour dispute with a particular union. It does not seem to follow at all, Madam Speaker.

TRANSLATORS' DISPUTE—STATE OF NEGOTIATIONS

Mr. Hal Herbert (Vaudreuil): Madam Speaker, my question follows along much the same lines. It was intended for the President of the Treasury Board but, in his absence, perhaps the parliamentary secretary could answer it. It also pertains to the translators' strike, which is now starting to affect our committee activities. While it is understood that there is a broad area of agreement in the settlement, I wonder if I can be advised whether negotiations have broken off, and whether the point of contention is the alleged refusal of Treasury Board officials to permit the Department of the Secretary of State to predetermine the amounts of the salary deductions that will be applied during the slowdown period?

● (1210)

[*Translation*]

Mr. Serge Joyal (Parliamentary Secretary to President of the Treasury Board): Madam Speaker, I am pleased the hon. member asked that question, as it will partly answer the question of the hon. member who spoke previously.

It is not true to say that there has been a breakdown in negotiations between translators and their employers. Hon. members are aware that the Treasury Board has already accepted the conclusions of the mediator's report. A qualification has been made by the union representatives to the effect that the discussions which were supposed to go on to determine salary adjustments following last summer's work slowdown be resumed. This morning they requested through the spokesman of the Public Service Staff Relations Board than an independent mediator be immediately appointed to settle this minor point which still stands in the way of a collective agreement. Consequently, at this stage the Treasury Board is awaiting the recommendation of the staff relations board to resolve that minor point and put an end to this most troublesome dispute. I am sure all hon. members from all parties in this House are equally committed to linguistic equality and to the fulfilment of that goal.

* * *

[*English*]

AIRPORTS

DISCUSSIONS RESPECTING PRE-CUSTOMS CLEARANCE

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I have a question for the Minister of Transport. With respect to direct air service between Ottawa and New York, I understand that the government has approved the concept of at least two applicants before the board. Would the minister tell the House whether or not within the government there are discussions going on to allow customs pre-clearance, a service which would be of benefit to international passengers whether they be leaving or entering Ottawa? Are those discussions continuing?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, as the question implies, the discussion is going on at two levels. It is going on firstly at the Canada-U.S. level. As my hon. friend knows, Eastern Airlines has not used its Ottawa-New York licence. Therefore, through different channels in the United States, we are looking at the possibility of using airlines other than Eastern Airlines.

At the other level, Air Atonabee and First Air are also candidates for approval by both regulatory bodies in Canada and the United States. The first effort is toward getting a direct airline service which we tried to get on its own without the pre-clearance facility. That is the first line of effort and, of course, the second will follow.

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CRIMINAL CODE

AMENDMENTS RESPECTING EUTHANASIA—GOVERNMENT POSITION

Hon. W. G. Dinsdale (Brandon-Souris): Madam Speaker, my question is for the Prime Minister, but he has left the House. Perhaps I could address it to his parliamentary secretary or to whomever represents the Prime Minister in his absence from the House. Is the government planning to introduce amendments to the Criminal Code permitting euthanasia along the lines of the 1969 amendments which permitted therapeutic abortions?

Mr. Ron Irwin (Parliamentary Secretary to Minister of Justice and Minister of State for Social Development): Madam Speaker, there are at least 12 priorities involving the Criminal Code at which we are presently looking. They range from the Judges Act to the omnibus act. The issue of euthanasia is not a major priority, but we will take cognizance of the issue and deal with it in due course.

Mr. Dinsdale: Madam Speaker, arising from that answer—

Madam Speaker: I am sorry, but we must end the question period; we have already gone beyond the time allotted. Since the hon. member for Nepean-Carleton did not ask a second question, I thought I would end after one question by the hon. member. We must now go to the routine proceedings of the House.

* * *

PRIVILEGE

MR. DEANS—NOTICE OF INTENTION TO RAISE QUESTION OF PRIVILEGE

Madam Speaker: I have received notice of a question of privilege by the hon. member for Hamilton Mountain (Mr. Deans). While I did receive his written notice of the question of privilege, I must say that procedurally it is not very explicit. The idea of the written notice, I would remind hon. members, is so that I can be informed of what the question of privilege

will be about, so that the Chair can try to find out in advance the facts leading to the question of privilege. The notice is not very specific, but I will hear the hon. member for Hamilton Mountain.

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, if it is your wish, I am prepared to delay discussion of my question of privilege until Wednesday in order that you may be given more information.

Madam Speaker: I think that is a very good idea, and I thank the hon. member for his co-operation.

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POINT OF ORDER

MR. LEWIS—HOUSE OF COMMONS—PRESENCE OF SECURITY GUARDS BEHIND CURTAINS IN CHAMBER

Mr. Doug Lewis (Simcoe North): Madam Speaker, I rise to ask you to consider a point of order which flows out of the report you made to this House yesterday on the presence of security guards in the chamber on October 24, 1980. The reason that I am asking that you rule on this point of order is that I seek direction for this House as to whether or not a Speaker's report is the same as a ruling by the Speaker. Does the Speaker's report become a precedent which then goes into Beauchesne's and *Hansard* and then is looked to in the future for guidance by people who are seeking to apply a new set of facts to a report of the Speaker?

I would like to know how a member of this House can have input into a report made by the Speaker, if it does have the same effect and force as a ruling. Such input would assist your office and give you as Speaker the benefit of some of the experiences in which we participated on that particular evening. In the future people will be looking for guidance from whatever is said by Madam Speaker. I think that it is very important that we decide whether or not a report becomes a ruling. I reviewed Beauchesne's and I cannot find anything which states that a report becomes a ruling. I am concerned, because I have very serious reservations about what was stated in the report delivered by you yesterday, Madam Speaker.

Also, as part of my point of order, I would ask you to consider something which is in Beauchesne's. It is suggested in Beauchesne's that the Speaker may request the Sergeant-at-Arms to prepare a report on a disturbance in the House. I would suggest that perhaps this has not come up too often. I would suggest, Madam Speaker, that you have an opportunity to bring Beauchesne's up to date on what is happening in the world today in that the practice of administrative bodies investigating their own acts is rapidly disappearing in Canada.

When the Sergeant-at-Arms is asked to investigate a disturbance in the gallery or in the corridors, that is an entirely different matter than when the Sergeant-at-Arms is asked to investigate a disturbance which involves his staff.

Lastly, Madam Speaker, and I say this with the utmost of respect and dignity, there are facts in that report which are simply not accurate. I refer to the last portion of the report where it is suggested that the vote was called and the guards left the House. The vote was called, I pulled the curtains while the bells were ringing and the Acting Speaker, the hon. member for Lachine (Mr. Blaker), who was sitting in the chair, immediately ordered the guards to leave. That is what concerns me. We will not set history in 1980 but in years to come when people refer to *Hansard* and to your report to determine what happened, they will weigh what was said yesterday. I am concerned that they will apply that report to a new set of facts and, quite frankly, that particular part of the report is not accurate.

Mr. McDermid: That's right.

Madam Speaker: To begin with, the statement I made in the House the other day was certainly not a ruling. It was merely a statement, a report on a situation on which I promised the House I would report. I think that is clear. The hon. member then proceeded to ask me how members can have some input into investigations, or a report of that nature. I would suggest that he could speak to the Sergeant-at-Arms and give his version of what happened so that the Sergeant-at-Arms would investigate the facts as the hon. member for Simcoe North (Mr. Lewis) saw them, and compare that to what he is being told in the course of the investigation, by the security staff.

• (1220)

I would point out that I am asking the Sergeant-at-Arms to review the procedures and the type of general instructions which the security staff has in case there is a disturbance in the House.

The report that I received from the Sergeant-at-Arms suggested that the staff was carrying out its normal instructions in the circumstances. I have asked the Sergeant-at-Arms to review the whole matter, however, because if some members found the positioning of the security guards offensive on the night of October 24 or October 25—I am not sure if that is the right date but at any rate we know exactly what we are referring to—in case some members found that offensive and not in the spirit of our Standing Orders, I have asked the Sergeant-at-Arms to review that and make recommendations to me as to changes that might be made in the practices and the instructions which the security staff receive in order to deal with this kind of situation.

I shall inform hon. members, when the Sergeant-at-Arms gives me a report, of that review of the instructions given to the security guards. If hon. members are not satisfied at that stage that it fully covers the grievance they might have in this respect, then—and the hon. member referred to people on the staff making their own inquiries into things that they themselves had done—if hon. members are not satisfied, perhaps we can devise some other way of getting advice about how these instructions could be carried out and how they could be defined. I shall endeavour to do that if it is the case that hon. members are not satisfied.

There is another point in the last paragraph—and I would want to check it against what the hon. member just said—which refers to timing. When did the security guards leave the House? Immediately, when the bells stopped ringing? There is the matter of the bells there and I would need to have the report in front of me. I shall get it and see whether there is some discrepancy in the wording of the statement that I made in the House with regard to what actually happened according to witnesses. I think that is all we can do—get witnesses and the opinions of people who were close by and saw what happened.

I retain this, that whoever was in the chair ordered the security guards to leave, and I think he was probably right in doing that. He was well aware of what was going on and acted in accordance with what he should do to protect the privileges of this House.

If this statement satisfies the hon. member at this point, and if he will bear with me and wait until I get the recommendations from the Sergeant-at-Arms, I think we can leave it at that for the time being.

Mr. Lewis: Madam Speaker, I would just say that I think it is important that you have clarified the difference between a report and a ruling, and to compliment you on the rest of your statement.

Hon. Marcel Lambert (Edmonton West): Madam Speaker, may I draw your attention to Standing Order 65(13) of the Rules and Standing Orders of this House, which reads as follows:

All matters relating to the administration of the House and the provisions of services and facilities to members shall be deemed to have been referred to the Standing Committee on Management and Members' Services on the first day of each session.

In other words, the language of that section is quite clear: this is a matter to be referred also to the Standing Committee on Management and Members' Services.

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, I rise on the same point of order and perhaps I should deal with the last point first, since the hon. member for Edmonton West (Mr. Lambert) has raised it.

I would submit that what occurred on that evening a couple of weeks ago when the incident took place, was a matter of the privileges of the House. I would say that it would be my view that if any committee were to look into the activities of that evening, it should be the Standing Committee on Privileges and Elections. What we are dealing with here is the administration of the House as it impinged upon or affected the privileges of members of the House.

I want to comment on something in the statement of the hon. member for Simcoe North (Mr. Lewis). He said that many bodies around the world—and I guess he was referring to governing bodies, administrative bodies or parliaments—do not police themselves. I would ask you to look at the statement of the hon. member very carefully, Madam Speaker. You did not refer to it exactly, but it is a time-honoured tradition in British parliamentary democracy that the rights and privileges of all members of the House are upheld by those members, through the Speaker, as the first among equals in the House.

I am not speaking for the government on this matter, Madam Speaker, but for myself. I would certainly consult with the President of the Privy Council (Mr. Pinard). I would be very wary of any move to adjudicate the rights and privileges of members of this House by an outside body, an outside police force.

Mr. Baker (Nepean-Carleton): He didn't say that.

Mr. Collenette: I do not want to get into a prolonged debate, Madam Speaker. Certain things were said by the hon. member for Simcoe North. Perhaps I misunderstood him.

Mr. Baker (Nepean-Carleton): You sure did.

Mr. Collenette: I am sorry that his House leader is so irate, but this is a legitimate point that we should all consider and perhaps have further discussions on.

Madam Speaker: Order, please. There is disagreement about which committee this matter should be referred to, if it is referred. I think that is hypothetical because the hon. member for Simcoe North (Mr. Lewis) who raised the question is satisfied that I will inform hon. members after further inquiry by the Sergeant-at-Arms, with his recommendations on how we can best ensure security measures in this House.

I take the point raised by the parliamentary secretary. I do not remember the expression that I used, but I was a bit leary of suggesting that someone outside the House of Commons might tell us how to do things and I used an expression, quite purposely, that did not say exactly that, because I am not sure. I am sure that we can get advice from a lot of people but I am not sure whether we can invite people to come in and determine what we should be doing.

* * *

PETITIONS

EXCISE TAX ON NATURAL GAS

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table reports of the Clerk of Petitions stating that he has examined the petitions presented by hon. members on Thursday, November 6, 1980, and finds that they meet the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*Translation*]

NATIONAL RESOURCES AND PUBLIC WORKS

Third report of Standing Committee on National Resources and Public Works—Mr. Watson.

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

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SOCIAL SECURITY

TABLING OF AGREEMENT BETWEEN FRANCE AND CANADA

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, pursuant to Standing Order 41(2), I would like to table in both official languages copy of the Agreement on Social Security between the Government of Canada and the government of France.

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QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 1,027, 1,254 to 1,265 inclusive, 1,399 and 1,400.

I ask, Madam Speaker, that the remaining questions be allowed to stand.

[*Text*]

LOANS TO CUBA

Question No. 1,027—**Mr. Cossitt:**

1. With reference to the answer to question No. 45 which stated in part, that Cuba has not made all interest payments on the Canadian $10 million 3 per cent interest loan on time and is presently two semi-annual payments in arrears (a) what steps has the government taken to obtain the overdue funds (b) if the funds are obtained by the time this question is answered, what are the names and job designations of all Canadian officials who contacted Cuba directly or indirectly and who did they contact?

2. If payments are up to date, what are the exact dates that payments were received and the amounts involved?

Hon. Pierre Bussières (Minister of State, Finance): 1. Cuba was sent payment notices prior to the due dates for each payment by the Canadian government through our embassy in Havana. Reminder notices were subsequently sent in September, 1979, and March, 1980, when payments were not made on these due dates. All collection efforts were made by the diplomatic staff from the Canadian embassy in Havana. Canadian officials believe that the delays in payments were due primarily to administrative problems within the Cuban government. After duplicate disbursement statements and a financial status report were sent to the Cuban government, payments were made immediately. Cuba is not in arrears at the present time.

2. The three payments in arrears were paid as follows:

$385,267.74 in May, 1980

$298,732.82 in May, 1980

$150,300.62 in May, 1980

TASK FORCE ON THE CANADIAN AEROSPACE INDUSTRY

Questions Nos. 1,254 to 1,265 incl.—**Mr. Herbert:**

Did the sector task force on the Canadian Aerospace Industry recommend to the government in June, 1978, that the government should establish a policy for the Department of National Defence to earmark a fixed portion of its budget to be spent in Canadian industry for advanced technology equipment and research and development so as to provide a reasonable stimulus to its technology similar to that enjoyed by Canada's NATO partners and, if so, what was the government's reaction to the recommendation?

Did the sector task force on the Canadian Aerospace Industry recommend to the government in June, 1978, that the future human resource needs of the industry be audited and that urgent steps be taken to ensure that they can be primarily sourced in Canada and, if so, what was the government's reaction to the recommendation?

Did the sector task force on the Canadian Aerospace Industry recommend to the government in June, 1978, that restrictions which have developed to technology transfer, primarily with the U.S., should be eliminated by negotiating a return to the spirit of free exchange of technology in international co-operative agreements and an enhanced development of technology in Canadian industry, as a basis for sharing knowledge and, if so, what was the government's reaction to the recommendation?

Did the sector task force on the Canadian Aerospace Industry recommend to the government in June, 1978, that the modernization of the industry's production capability should be increased with government support and, if so, what was the government's reaction to the recommendation?

Did the sector task force on the Canadian Aerospace Industry recommend to the government in June, 1978, that government procurement should be used as a tool to support the industry and to assist in demonstrating its products to world markets and, if so, what was the government's reaction to the recommendation?

Did the sector task force on the Canadian Aerospace Industry recommend to the government in June, 1978, that the government should institute a policy of spending a fixed minimum portion of its defence capital budget for direct procurement of Canadian designed and manufactured advanced technology products, by reducing any hazard to the defence production sharing agreement, *inter alia*, by specially selecting work for sourcing in Canadian industry which can meet special Canadian sovereignty needs, e.g., provision of special Canadian operational systems and, if so, what was the government's reaction to the recommendation?

Did the sector task force on the Canadian Aerospace Industry recommend to the government in June, 1978, that the government should provide Canadian industry with funds and/or tax incentives and the opportunity to more directly perform R & D in support of future Canadian defence needs, by spending a meaningful fixed portion of its total budget on R & D in Canadian industry and, if so, what was the government's reaction to the recommendation?

Did the sector task force on the Canadian Aerospace Industry recommend to the government in June, 1978, that the government and industry should take special measures to develop a comprehensive operational support and maintenance engineering competence in Canadian industry, by the Department of National Defence defining and arranging Canadian based life cycle support capabilities at the start of its procurement cycle for new equipment and the government being ready to pay the front end costs to establish the Canadian sources and, if so, what was the government's reaction to the recommendation?

Did the sector task force on the Canadian Aerospace Industry recommend to the government in June, 1978, that the government should give consideration to increasing the allocation of funds for industry modernization assistance and,

exceptionally, to extend defence industry productivity program and industry modernization for defence establishments program to routine equipment where more advanced equipment is inappropriate and, if so, what was the government's reaction to the recommendation?

Did the sector task force on the Canadian Aerospace Industry recommend to the government in June, 1978, that the government should seek a renegotiation of the defence production sharing agreement to remove impediments to technology transfer which have developed in recent years and which are against the spirit of the original understandings and, if so, what was the government's reaction to the recommendation?

Did the sector task force on the Canadian Aerospace Industry recommend to the government in June, 1978, that the government should review and reduce restrictions to the export of Canadian aerospace products and services, by seeking to eliminate through MTN foreign tariffs on aerospace products and services and, as a *quid pro quo* to permanently eliminate the Canadian import duties which are effectively waived on an annual basis and, if so, what was the government's reaction to the recommendation?

Did the sector task force on the Canadian Aerospace Industry recommend to the government in June, 1978, that the government assist industry in reducing the financial risk of entry to major international aerospace programs where this is identified to be in the long-term national economic interest and, if so, what was the government's reaction to the recommendation?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): The question is derived directly from the report of the Consultative Task Force on the Aerospace Manufacturing Sector. This report was released on June 30, 1978, and its contents are available to the general public. The reaction by the federal government to each of these points was published in "Response of the Federal Government to the Recommendations of the Consultative Task Force on the Canadian Aerospace Industry". This report was made public May 29, 1979.

PASQUA-MUSCOWPETUNG—SCHOOL-PROJECT

Question No. 1,399—**Mr. Schellenberger:**

1. What is the present amount of the cost overrun for the school at Pasqua/Muscowpetung?

2. Is this the final cost overrun on the project?

3. Are steps presently being taken to prevent further cost overruns on the project and, if so, what are they?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): 1. $345,000.

2. Yes.

3. The project has been completed.

MOSQUITO RESERVE—SCHOOL-PROJECT

Question No. 1,400—**Mr. Schellenberger:**

1. What is the present amount of the cost overrun for the school at Mosquito Reserve?

2. Is this the final cost overrun on the project?

3. Are steps presently being taken to prevent further cost overruns on the project and, if so, what are they?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): 1. $124,000.

2. Yes.

3. The project has been completed.

[*Translation*]

Madam Speaker: The questions enumerated by the hon. parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Stand.

GOVERNMENT ORDERS

[*English*]

BANKS AND BANKING LAW REVISION ACT, 1980

MEASURE RESPECTING BANKING INSTITUTIONS

The House proceeded to the consideration of Bill C-6, to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs.

• (1230)

Madam Speaker: As hon. members are aware, there are 59 motions standing on the order paper at the report stage of Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof. The Chair has had a cursory look at all of the motions. However, it is my intention to deal only with a few motions for the time being, since some of them were filed as recently as yesterday.

Motions Nos. 1 and 2 could be grouped for debate and voted on separately.

Motions Nos. 3, 4 and 6 will be debated separately and voted on separately.

Motions Nos. 5, 12, 13, 16, 19, 20 and 21 could be grouped for debate. However, motions Nos. 5 and 16 will be voted on separately. The question on motion No. 13 will be put to the House and this will dispose of motions Nos. 12, 19, 20 and 21 which are consequential motions.

Motions Nos. 7, 8 and 9 shall be grouped for debate and voted on separately.

Motions Nos. 10 and 11 could be grouped for debate and voted on separately.

Motions Nos. 14, 15 and 18 will be grouped for debate and voted on separately.

Motions Nos. 17, 52, 55 and 59, all in the name of the Minister of State for Finance (Mr. Bussières) can be grouped for debate but voted on separately.

Hon. Marcel Lambert (Edmonton West) moved:

Motion No. 1.

That Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in

clause 2 by striking out lines 35 and 36 at page 2 and substituting the following therefor:

" 'bank' means

(*a*) any financial institution engaged in the business of lending money and accepting deposit liabilities transferable by cheque or other instrument, or

(*b*) any financial institution engaged in the business of lending money raised in Canada through the acceptance of deposit liabilities or the issuance of debt securities

but does not include

(*c*) any financial institution incorporated as a credit union or caisse populaire and federations of such or any other co-operative credit society

(*d*) any financial institution subject to the Quebec Savings Banks Act

(*e*) any financial institution wholly owned by the federal or provincial governments or treasury branches or offices thereof

(*f*) any financial institution incorporated as an insurance company within the meaning of the Canadian and British Insurance Companies Act

(*g*) any financial institution incorporated either federally or provincially as a trust company, mortgage and loan company or finance company with more than 75 per cent Canadian ownership and where no foreign individual or associated individuals or groups own more than 10 per cent of the voting shares

(*h*) any other financial institution not mentioned in (*c*), (*d*), (*e*), (*f*) or (*g*) which is an investment company within the meaning of the Investment Companies Act or a loan company within the meaning of the Loans Company Act and in which there is more than 75 per cent Canadian ownership and where no foreign individual or associated individuals or groups own more than 10 per cent of the voting shares."

Hon. Marcel Lambert (Edmonton West) moved:

Motion No. 2.

That Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in clause 2 by adding immediately after line 12 at page 3 the following:

" 'business of banking' means that business carried on in whole or in part by a bank within the meaning of the act."

He said: Mr. Speaker, may I report initially that I have consulted with the hon. minister in charge of financial institutions and the hon. member for Broadview-Greenwood (Mr. Rae), and we have agreed that considering the nature of the debate today on the calling of the first items, motion No. 1 and motion No. 2 are quite rightly joined together for debate. A general review will take place today as well as participation by any and all hon. members who wish to say something about the Bank Act, whether there is provision in the amendments or otherwise, within the 20 minutes allotted to any intervention. But then we come to the specifics of motions Nos. 1 and 2, which are grouped in this debate. The minister, myself, as proposer, and the hon. member for Broadview-Greenwood shall have a second turn so that we can particularize our attention on these items. That is the way we propose to proceed. Therefore, in that spirit I am quite prepared at the present time to yield my position on the floor to the minister who may wish to give a general report on proceedings to date, and to give a report on the attitude of the government in general with regard to this. He can, as well, reply to any questions and comment upon any other points. I will do the same, to be followed by our colleague from Toronto.

Other hon. members can then join the debate in the House this afternoon until four o'clock. On Wednesday next week we will get into the heart and soul of these amendments, unless the general debate contribution dies before that time. I think we can get along quite well and make ready progress on reasonably quick passage of this stage of the legislation.

[*Translation*]

Hon. Pierre Bussières (Minister of State, Finance): Madam Speaker, I would like to remove any ambiguity whatsoever about the suggestion made by the hon. member for Edmonton West (Mr. Lambert) which seems to have the support of the hon. member for Broadview-Greenwood (Mr. Rae) and which I am prepared to endorse. We might begin the study of this first motion in a general debate where each member would explain his views as a result of the work of the standing committee.

Once that stage is over, the member for Edmonton West, who moved motions 1 and 2, the member for Broadview-Greenwood and myself might draw the appropriate conclusions which would be strictly restricted to the nature of and comments on the motion. Then we might continue to examine these motions while demonstrating much moderation and temperance and limiting our remarks to the substance of the question with a view to proceeding as expeditiously as possible in the study of this bill. If my understanding is correct I am prepared to agree.

[*English*]

Mr. Rae: Mr. Speaker, I am in agreement with the arrangements that have been worked out. It is my understanding that the minister will speak now to be followed by the hon. member for Edmonton West (Mr. Lambert) and then myself. Other members can then participate in a general way for 20 minutes at the report stage. Following that procedure we will be able to return to the particularities of the amendments which have been put forward with respect to motion No. 1 and motion No. 2. That is my understanding.

The Acting Speaker (Mr. Ethier): Order. please. The Chair understands that the Minister of State for Finance (Mr. Bussières), the hon. member for Edmonton West (Mr. Lambert), and the hon. member for Broadview-Greenwood (Mr. Rae), will be seeking the floor a second time. This can only be done with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

[*Translation*]

Mr. Bussières: Thank you, Mr. Speaker. I commend the hon. member for Edmonton West for his initiative and I also thank the hon. member for Broadview-Greenwood for accepting this arrangement. I think this procedure will enable us to

shed more light on this massive bill reported by the committee which we are now considering at the report stage.

I express special thanks to the members of the standing committee who studied this bill. I would not want to go over the background and the maze through which the bill went, but I would simply recall the work stages we have experienced since this Parliament took over the bill. Personally I must confess that I felt all committee members had a common will to reach three objectives. The first objective was to recognize the urgency of this legislation and to study it rapidly without, however, neglecting any aspect whatever. The second objective was to keep in mind that as a standing committee we had to provide the people of Canada with the best possible legislation to govern banking institutions and practices in Canada, the one which would most contribute to improve banking operations in the interests of all Canadians.

Of course, we also aimed at ensuring through this legislation mechanisms which would allow these institutions to continue to work in the interests of Canadians, mechanisms which would continue to develop in the interests of economic growth in our country, mechanisms which would continue to be extremely competitive to ensure that the Canadian financial institutions remain healthy.

● (1240)

Of course, the bill has come back with some amendments at the report stage, but its basic philosophy and underlying principles are still the same. We have added a few amendments, mainly to accommodate special concerns which are shared by the great majority of the members who worked on the standing committee, and I firmly believe that these amendments were made in the spirit that I described earlier, that is, that they aim at improving the bill in the interests of Canadians, the financial institutions and the banking institutions themselves. I am convinced that the amendments made in the committee meet both objectives.

The first amendment which I want to discuss concerns the incorporation of banks. Hon. members will recall that this bill provides a new formula for obtaining the status of bank. This formula will expedite the process. It provides that letters patent can be applied for to be able to use the designation of bank and be subject to the Canadian banking legislation. As I recall, this provision was discussed at length, and our colleague, the hon. member for Edmonton West can correct me if I am wrong since he followed this process much more closely than I did. The Senate committee had already suggested this amendment and the hon. member for Edmonton West brought it up several times in the committee. According to this amendment, public hearings must be held when a financial institution applies to become a bank either by obtaining letters patent or by incorporation. The House will recall that our objective of promoting competition and having more institutions in the field of banking motivated the search for an easier process to be used by institutions wishing to become banks. Some had objected that absence of any public hearing could eventually go against the public interests.

The Senate committee which studied the bill came to the conclusion that some sort of an examination was appropriate. The government therefore accepted an amendment, which was supported by a large majority of committee members, and which provides a mechanism through which the Inspector General of Banks has the discretionary power to hold an inquiry on the issue of letters patent if he believes that such an inquiry is desirable. The inspector general will report to the Minister of Finance if he deems that the objections put forward during this inquiry are justified and deserve a very particular attention from the minister.

There is a second amendment to which I wish to draw honourable members' attention, and which is found in the revised version of Bill C-6 as reported by the committee. It deals with the issuance of licences to foreign banks. The provisions of clause 28 have been lightly changed. During the first five years of operation of a foreign bank in Canada, it will have to have its licence renewed every year. After five yearly renewals, its licence will be renewed for a three-year period. The spirit in which this amendment was put forward, as committee members will remember, was that it would enable the government to implement better both the spirit and the letter of those provisions which relate to foreign bank subsidiaries carrying on business in Canada according to the provisions of the new legislation.

There is a third amendment with which I would like to deal and which was reviewed in committee, that is the provision concerning the claims of particular agricultural producers' groups, the Canadian Agricultural Federation, the Canadian Cattlemen's Association, which can be found in clause 178 of the legisation before us, that is section 88 of the present statute, in order to grant priority rights to all agricultural products. Obviously, the Canadian Cattlemen's Association was making representations so that herds are covered. We have widened this provision to meet the request of the Canadian Agricultural Federation and at present the provision of clause 178 reads as follows: all agricultural products. Moreover, we have ensured greater protection by adding to the money limit or ceiling a priority protection which is insured up to $100,000. And those honourable members who have followed the debate in committee will recall that this $100,000 ceiling is related to some kind of indexing formula of farm products. Therefore, Mr. Speaker, this is a most important improvement and I am very pleased to say, as a government member, that we are meeting formal commitments which we made as Liberal members during the electoral campaign.

Another amendment deals with the financial leasing for household effects. And I would be remiss in not reminding honourable members that the debate in committee as regards leasing went to the very heart of the matter and dealt with the

very nature of leasing and banking institutions. The debate was a long and serious one and it really dealt with the heart of the matter. We were really concerned that the banks might conclude leasing arrangements as regards household appliances or goods, whether refrigerators, TV sets and so on.

● (1250)

Hon. members considered the impact that such a practice would have on the new commercial habits of the small businessmen and also on the use of consumer credit. If I remember correctly, and members of the committee will correct me if I am wrong, this was one of the basic concerns of the members. If hon. members who did not attend the committee proceedings, were to read the minutes of the *Votes and proceedings* they would be convinced of the merit of the concern expressed by committee members in view of the competition which could result for small businesses and in view also of the changes in the fundamental habits of consumers.

In order to lay those concerns to rest, the government amended section 173(1)(j) in order to prevent a bank from engaging in financial leasing of personal property. I believe that the great majority of the committee members were in favour of this amendment. Another aspect of financial leasing which was discussed extensively, once again in principle, is the matter of financial leasing of cars. Therefore, in this instance also the government proposed an amendment to the act in order to prevent banks from engaging directly in the financial leasing of motor vehicles designed to be used primarily on public highways. Clause 173 of the act was amended to prevent banks from directly engaging in financial leasing of motor vehicles holding a permit to be used on public highways and whose gross weight is under 21 metric tons. In this instance again this amendment was introduced as a result of the governments concern over the impact on this market of the participation of the banks. It is quite obvious that in the next few years, major changes will occur in the sale and financing of passenger vehicles or light trucks. However, banks should be authorized to accept these leases as collateral or to buy them or to accept their transfer. Otherwise this would prevent the small and medium-sized car dealers from resorting to a source of financing which they are using at the present time. That is, Mr. Speaker, the significance of the amendment to clause 173 brought in the standing committee.

As a result of the work done by the Senate Committee on Banking, Trade and Commerce, we have learned recently that the contents of Bill C-6 as amended could prevent banks from renting items such as farm, forestry, mining mobile equipment and others, because even if those items are not usually sold by automobile dealers, they may have to be registered in some provinces to travel on public roads.

The amendment which I introduced, and the members of the committee will remember that it was briefly discussed during the last meeting of the committee in October, I believe, is aimed at preventing banks from renting the kinds of vehicles sold by automobile dealers without going through credit facilities which can be convenient for both the manufacturers and purchasers of special vehicles that are not distributed through automobile and truck dealers.

I have carefully considered the content and meaning of this amendment so there be no doubt as to its restrictive nature and the fact that whatever opportunities it provides are only intended to deal with specific situations, groups and businessmen who, had banks been denied that kind of financing, would have had serious trouble meeting instalments on their trucks or heavy equipment for lumbering or other types of work.

The amendement takes out the following phrase "which may require licence plates on public roads—"

The phrasing of subparagraph (c)(2), the definition of bank credit company on page 208, paragraph 193(1) in the October new reimpression, which is the one which came out of the committee, adds a definition of motorized vehicles, specifying what types banks will not be allowed to rent out.

The definition of the motorized vehicle includes "used mainly on public roads for the transportation of persons and goods", to the exclusion of such articles as farm equipment which are not primarily used for the conveyance of persons. Specialized equipment is used for felling trees and moving timber rather than to transport people. Heavy construction equipment, for example, is not generally used along public ways or distributed by car agencies but it may have to carry licence plates on public highways, pursuant to the law in effect in various provinces.

Besides a particular exclusion is made for vehicles which are essentially used on public highways but which are not distributed through car agencies.

This exclusion, Mr. Speaker, deals with trucks used for a particular purpose, for example, fire engines, utility trucks which may be used by such companies as Bell Canada, Hydro Ontario or Hydro Quebec, etc—

Miss Bégin: —municipalities.

Mr. Bussières: —municipalities, as the Minister of National Health and Welfare (Miss Bégin) says, school buses and others, which are assembled by small independent manufacturers, who buy the frame through an agent, of course, mount the equipment, special or otherwise, and then sell the completed vehicle. Those who buy them need the banks to finance that—

The Acting Speaker (Mr. Ethier): Order. Was the Chair advised a while ago that each speaker would be allowed only 20 minutes, if I understood correctly?

Some hon. Members: Agreed.

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

At one o'clock the House took recess.

[*English*]

AFTER RECESS

The House resumed at 2 p.m.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I am very pleased to start off this debate this afternoon. Seeing that for the next four, five or possibly six days I will have the opportunity to take the floor on a number of occasions, and in view of the increased numbers of members in this House, I have deliberately forgone any opportunities I might have had to speak in the constitutional debate and in the budget debate, because it is just nonsense to think that anyone here can speak as often as he might wish or as he should.

● (1410)

Some years ago we made a stupid mistake—and I underline the word "stupid"—when we increased the size of this House to 282. It should have been reduced rather than increased at that time because there is quite ample opportunity now for members, with the help of their staffs, to take care of their constituency requirements. The communications are much better, and in so far as the chamber is concerned the biggest problem is that more and more people are seeking the floor. That is why every stage of legislation takes longer. All members are equal and, if I may say so, this increased the number of frustrated members on the government backbenches who suffer from ministerial muzzle. I know; I was there. No minister wants backbenchers taking more time speaking on second and third reading or committee stage if it will delay the passage of legislation. Those are the practicalities of the matter, and ministerial muzzle is the biggest disease on the government backbenches.

On May 13 the contents of Bill C-6 were referred to the Standing Committee on Finance, Trade and Economic Affairs, and the members of that committee got down to work. They did not hear additional witnesses to any extent, because the great hearing of witnesses had taken place on Bill C-15 in the period from late 1978 to early 1979. I find it passing strange that we hear comments from the outside, and read comments in the press, that the review of the Bank Act has been interminable. For one thing, this is written and spoken by people who did not see or experience the previous change.

I went through the government paper which flowed from the Porter commission on banking and the two bills brought forward by the government, the second one of which ultimately passed. Longer public hearings occurred on that occasion, and in so far as the members of the committee were concerned the first series of hearings was educative. The banking system is a very complicated matter, and the act at that time was only half the size of the present one. Unfortunately a lot of this so-called criticism comes from an ignorance of the facts as they exist. I am the only member of the finance committee who had previous experience with the Bank Act. I am referring to the members who actively participated in the hearings and in the process from A to Z. I am not referring to the debate, because there were some other members who had experience.

At that time I warned the government that it was setting too short a time, that the deliberative process would take a certain time. That has happened, and as a result we have a better act. Also we have a better understanding between the government and the opposition. We in the opposition have been able to convince the government to accept certain amendments, and the government has had a better opportunity of perhaps imposing its views upon us. We would say, "Well, we think we were right, but we must reconcile the fact that there is a majority, and get on with it."

We must try to convince the Canadian Bankers' Association that it cannot have everything. My good friend, Bob MacIntosh, the president of the Canadian Bankers' Association, seems to be irreconciled to the fact that he cannot get everything the association wants. There is a competing interest in the system of financial institutions in the country and we must do the best we can to see that there is a fair shake for consumers, borrowers, depositers, and shareholders in banks and other financial institutions.

We have seen a tremendous growth in the credit union and caisse populaire movement from the position they occupied back in 1966 when we considered the previous Bank Act. We have seen some changes since that time. In some ways I am disappointed at the whole process. As I have indicated before, notwithstanding that Mr. MacIntosh says the process started six years ago—it may have started for him then—over eight years ago, in 1972, I suggested to the then minister of finance, Hon. John Turner, that the government should appoint a royal commission to study the question of banking and financial services in this country to provide for our requirements over the next 25 years. That was not done, and the question limped along until a government white paper was produced in 1976. But that white paper on banking was effectively kept away from any committee of the House or any debate in the House until 1978 when it surfaced as Bill C-15. Then we started hearings. At that point we were a year late, according to the requirements of the decennial revision.

As I have said before, we were being asked merely to patch up the holes and possibly open a little door here and a little door there. Fundamentally that is still my view about this act. It deals with yesterday and today, but not with tomorrow.

As other hon. members have done, I have seen fundamental changes in banking in the last 12 years. I am not referring to the mere processes, because we are only a short time away from the electronic transferring of funds. The government will become convinced of this, as soon as the Post Office converts into a Crown corporation and the government has to pay the real fee for mailing old age security cheques, pension cheques and various payments. Immediately the government will run to

the banks and say, "Please, we need electronic transfer of funds as quickly as possible". The banks have been able to do this in part, but it will be much easier and more effective now that we have the Canadian Payments Association. If the major trust companies so desire, they can become members of the association. They will find it economically possible to participate as full members. Of course the caisse populaire and credit union movement, among their federations and what-have-you, are also able to participate in this payments association. I do not think many of them will have very grave difficulty getting into the electronic transfer of funds. *Le mouvement Desjardins* is well into the area of electronic equipment at the present time, as are major credit unions. Therefore we will see this.

● (1420)

I spoke in the same way 12 years ago and I castigated the government for their refusal to define a bank in the act. The net result is we have the biggest running sore in Canada at the present time because of the lack of control we have over foreign banks operating in Canada. They operate under provincial charters of one sort or another, or as representative offices, or they are operating out of a suitcase—God knows what. They did not have the courage to face up to the situation and say that money and banking was an exclusive federal jurisdiction. If you can define bank you will define the business of banking, and therefore control over it will exist. I do not know that the stable door will ever be locked again; the horses have all been stolen. The net result is that the amendments to this particular act and all the provisions with regard to foreign banking are sort of trying to catch up, to reach out and get hold of it and see if we cannot bring it under control. We hope that we can.

The most important question which faces us is that of reciprocity. Will the countries of the foreign banks involved permit Canadian banks to operate in their countries under reciprocal conditions? We may end up saying that their banks will not be able to operate in our country unless our banks can operate in their countries. What are the conditions of reciprocity?

What will we do with the great number of well-established organizations that are here in Canada? Some of these institutions have been in operation for over ten years. For instance, the Bank of America has some 39 branches in Canada, if my memory serves me correctly. Those branches do not operate under that name but under another operating name. There are a number of French, Swiss, British and other American banks operating here in Canada, under the control of two or three foreign operations. It is similar to the way in which Canadian banks operate in foreign countries. To try to untangle that pot of spaghetti and sort out the relationships between some of these organizations is proving to be very difficult.

I think we have a rocky road ahead of us. I invite the minister to consult with the opposition and the parliamentary committee. I ask him not to act on his own, not to go off and rely on the wisdom of the bureaucracy, but to come and consult the committee about some of the changes in the regulations which may be required. I think the minister will be satisfied, especially after this summer's exercise, that the wisdom does not necessarily reside entirely within the bureaucracy of the Department of Finance nor in the inspector general's branch. Even though some of the members at the beginning did not have a detailed knowledge of the Bank Act they were able to make some worth-while contributions toward the solution of some of the problems.

The control of policy resides with the parliamentarians. Policy is the prerogative of Parliament. Parliament has nothing to do with administration. Government establishes what its policy shall be, but it comes before Parliament for approval. So the ultimate approval of policy resides with Parliament. When parliamentarians make decisions and recommendations with respect to policy, I find it lies very ill on the part of bureaucracy, on its own, to change it.

For purposes of demonstration I have some amendments to put before you. I have had close to 25 years of experience in this House and I am convinced that, for the benefit of Canada as a whole, Parliament must resume more control of policy. We have got a mammoth problem in Canada concerning control by the bureaucracy. My hon. friend from Kingston and the Islands has an article in *The Globe and Mail* today in this connection. How right she is. Government ministers have told me privately that they feel the same about this, and my colleagues who were in the last government talked ruefully about it. This is the point I want to reinforce. It is Parliament that determines policy in the end. Even if the policy is formulated and proposed to Parliament by the government, it is Parliament in the end which will sanction it.

I see that my time is at an end on this stage of the measure. I think the committee did a very good job and I commend the minister. I know he found me a little tough to start with, but once we established our working liaison, shall we say, and were able to understand one another, I appreciated his performance during the committee hearings. As I say, I was a little tough to start with and I think he found that a bit difficult. But this shows the value of a standing committee of this House where the membership is kept constant. We do not have visiting firemen who descend upon us from time to time trying to reinvent the wheel. As the membership is kept constant we are given an opportunity to get to know one another and are thus able to come up with a piece of legislation which we think, although not perfect, is pretty good.

On that basis I have some amendments which I want to put before the House. The government has some amendments with which I agree. These have been negotiated. We will have some views with respect to the remarks of the hon. member for Broadview-Greenwood (Mr. Rae). Some of his amendments have got too much, shall we say, of their ideology. But on the

whole I think we will come up with a fairly good end. I trust our counterparts in the Senate will be working toward the same direction and that we will avoid any violent clashes or differences. If they do arise I hope they will be readily negotiable so that we can arrive at what will be the passage of this act within maybe five or six days.

● (1430)

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I consider it a privilege to have the opportunity this afternoon to speak on this very important piece of legislation. I appreciate the remarks made by the hon. member for Edmonton West (Mr. Lambert). His summary of the process was extremely accurate. Although I have only spent a few sessions with the committee as of late, I appreciate the way in which the witnesses were welcomed and the way in which the entire committee was handled.

As the previous speaker indicated that he will be bringing forward a number of amendments about which he feels strongly, we in the New Democratic Party also have a number of amendments we plan to bring forward on a wide variety of areas in which we feel there are serious problems and limitations with regard to this legislation. Although we are not hesitant to say that our ideology is perhaps reflected in some of the proposed amendments—we are quite proud of that ideology and feel that we are putting the interests of Canadians before the interests of any other groups—we intend to approach this matter in a very serious, positive and vigorous way.

If one peruses this extremely detailed document, one question emerges from the papers. One recognizes that the banks of Canada are a part of a much larger system and are to be seen in a national context, but the fundamental question which emerges from the pages of the Bank Act is: just what is the Bank Act attempting to achieve or accomplish? I suspect that if one were to carry out one of the government's infamous polls across the country, one would find that the responses to that question as to just what the Bank Act is attempting to accomplish would be varied.

The reason, of course, is that the act is set within the context of the country, and the country lacks an over-all industrial strategy and development strategy. It begs such questions as, where do the banks fit into the over-all economic development structure of Canada, what role should they play in Canada, what role do the banks have within our industrial strategy, what role should the banks be playing in the patriation of our economy, what is the job of the banks in terms of the rationalization of Canadian industry, what should the banks be doing to improve our balance of payments, what is the role of the banks in ensuring that the small business sector of Canada becomes a vital and vigorous sector of our economy, and what is the role of the banks in this developmental process?

I would be the first one to agree with the hon. member for Edmonton West in his comment that this legislation is not for the future of Canada, that at best it is legislation for the present. Certainly it is legislation of the past. When one considers the tremendous dynamic changes occurring in the financial institutions of our country today, this particular act will be a handicap and will retard the meaningful development of those new structures, new approaches and new techniques. Certainly it will not address the needs of the financial community of Canada over the next decade because of a number of very serious omissions, which the New Democratic Party will be bringing to the attention of the House in the form of amendments over the next number of days.

Also, I must agree with the previous speaker's point that it is still unclear what a bank is in Canada. What is a bank in Canada? As a result of this confusion and the inability to define accurately and adequately what the banks are in the best interests of Canadians, we have foreign banks and a number of subsidiaries coming into the financial picture which will severely restrict the development of a meaningful banking policy for this country.

The objectives of the bill are rather vague. First, the bill says that its objective is to increase competition in Canada. That objective was very clearly stated back in 1967. Another objective is to increase the efficiency of the banking system and to improve the allocation of financial capital to achieve long-range economic development for our country. I suspect that this particular bill will not accomplish any of those objectives.

We can predict with considerable confidence that the process of the concentration of financial power in Canada which has been going on since the 1950s, will continue. Is that in the best interests of nurturing and encouraging a competitive environment? We do not suggest that for a moment. The present system will become less and less competitive. What do we mean by the word "competition"? It is a word which is used in the act and which has certainly been used countless times in committee. Competition means better service and that more services will be provided by the banks to the borrowers.

If competition were real it would mean that the services would be provided at lower costs to the consumer or the borrower. If it were real, it would mean that interest rates would be held down in the competitive environment of our banking system. Competition would be the mechanism which would retard the higher costs of increasing and spiralling interest rates. If competition were real, it would also mean that the profits of the chartered banks would be kept at reasonable levels.

We can probably predict with little question that this legislation will result in increased profits to the banks. My party is not against fair profits, although it is often accused of that prejudice. We like to see people being successful in their entrepreneurial ventures, including the banks of Canada as

they exist today, but what is a reasonable profit? I do not think that the competition which is the objective of the Bank Act will achieve reasonable profits.

Just today the *The Globe and Mail* published an article based on a report by Wood Gundy Limited to the effect that the passage of the Bank Act would improve the price earnings ratio of bank stocks by about 100 basic points. The financial community per se is predicting, because of this Bank Act, increases of at least 12 per cent in bank profits. Some agencies are predicting increases as high as 20 per cent, and some are venturing that they could be as high as 30 per cent. Is this what results from increased competition in the bank and financial communities? I suggest that it certainly does not.

One of the things which must be made clear as we enter into this debate over the next number of days is the recognition that chartered banks in Canada exist in a very privileged position, that they are a handful of institutions which make the decisions regarding the future of Canada. The banks decide who will have access to funds for investment, the kinds of investments which they will support, and the kinds of entrepreneurial ventures which they will encourage, nurture and support financially. The banks decide where they will invest their money and where development will occur in Canada. The banks decide whether small business all across the country will be successful or whether they will experience failure, through the kinds of policies which they introduce to assist the small business community.

● (1440)

Because of their privileged position, I suggest that the banks have a responsibility to Canadians; that the banks of Canada have an obligation to be more responsive to the needs of the small business community. To my mind, the legislation before the House today is an excellent example of how the monopoly power of our banks subverts the objectives of the Government of Canada—and I emphasize that, Mr. Speaker—subverts the objectives of our government.

Under the Small Business Development Bond program outlined in the October budget, interest payments on a qualifying small business loan entered into after December 11, 1979, will be treated, for tax purposes, as dividends. As a result, the interest will not be taxable to the corporate lender, nor will it be deductible as a business expense to the small business borrower. Because corporate lenders incur no tax liability on the interest received, they will be able to reduce the rate of interest charged.

The legislation not only provides interest rate relief to qualifying small businesses, but also provides a tax shelter to corporate lenders, in particular the hard pressed chartered banks.

In analysing the relative benefits accruing to small business borrowers and corporate lenders with the proposed SBDB program under different interest rate regimes, I have been able to make the following observations.

First, if the conventional loan rate formula is prime plus 1 per cent or 2 per cent, then banks charging a risk-administrative premium of 2 per cent or less above one half prime on SBDBs will increase their after tax interest income by a slightly smaller percentage than the small business borrower will have reduced his after tax cost of credit.

Second, if the conventional loan rate formula is prime plus 2 per cent, then banks charging a risk-administrative premium of one half prime plus 2.5 per cent or more on SBDBs, will increase their after tax income by a larger percentage than the small business borrower will have reduced his after tax cost of credit. Or, put another way, the corporate lender will derive relatively more benefit from the use of SBDBs than the small business.

In order to get a better idea of how benefits from the SBDB program are likely to be distributed between small businesses and corporate lenders, I surveyed the average conventional small business loan rates and SBDB rate currently offered by a representative sample of corporate lenders in Ottawa. On the basis of this survey there is every indication that the chartered banks will be charging rates on SBDBs of at least one half prime plus 2.5 per cent or higher in many cases. This will ensure that the distribution of benefits under this program will favour the banks relatively more than the small business borrower. Under this legislation the government has no power to limit the rates charged on SBDBs. The government has no power under this legislation to reduce these rates. Perhaps, Mr. Speaker, the Minister of Finance (Mr. MacEachen) should change the name of this program to the chartered bank development bond.

When one considers the difficulties faced by the small business community as they attempt to provide leadership in so many ways, one sees that they have extreme difficulties in dealing with the chartered banks of Canada. Recent figures have shown that the major employer in the last few years in Canada was the small business sector with 930,000 small businesses interested in expanding and fulfilling their dreams, interested in developing a better Canada.

In my discussions with this community in the last few months, both in my own constituency and across Canada, one thing has become very clear, that is, when they approach the chartered banks of Canada they feel that they are discriminated against both with the rates offered to them for borrowing and in the way they are treated. I suspect that this is simply an extension of the attitude of the present government toward small business, and that after all the rhetoric is put aside and one looks at the record and the legislation of the country to see who benefits from it—the large corporation or the small businessman—when one looks at the financial structures of the country to see who benefits, one finds that it is almost exclu-

sively the small entrepreneur who gets the short end of the stick.

When one studies the Bank Act that is before the House today, one finds that things have not changed very much; that the consumer is still not adequately protected and that the small business sector will still not receive the support and service from the banking community that it so justly deserves.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Pierre Deniger (Parliamentary Secretary to Minister of State, Multiculturalism): Mr. Speaker, I would like to say how glad I am this afternoon to take part in the debate on Bill C-6 because the banking legislation is certainly one of the basic statutes of any country. I want to echo the hon. member for Edmonton West (Mr. Lambert) and say how much I appreciated my experience in committee. As a young member who did not enjoy the opportunity of sitting on the various commissions which studied the banking legislation, I learned a lot from the questions, debates and discussions the member for Edmonton West had with the various witnesses and with the Minister of State for Finance (Mr. Bussières). Mr. Speaker, as a newcomer in the House who happens to be interested in our country's financial and economic affairs I have indeed gained a lot of experience during the endless hours we spent on Bill C-6, the Bank Act.

As a parliamentarian I am reassured by my experience with Bill C-6 because when we were returned to power last February many people thought that hon. members, at least on this side of the House, would simply rubber-stamp Bill C-6. People were telling us that every aspect of Bill C-6 had been discussed for years and years and that in fact we had nothing to do except endorse it blindly. Mr. Speaker, as a member I was really reassured to see to what extent a committee such as the Standing Committee on Finance, Trade and Economic Affairs could be non-partisan and so efficient. In light of the very challenging representations made by my colleague from Mississauga South, the hon. member for Edmonton West, the hon. member for Broadview-Greenwood (Mr. Rae) and all the others, I can say that in all the experiences I had since being elected never did a committee seem to me so useful and so efficient. Mr. Speaker, that, of course, does not rule out the ideological quarrels we may have within a committee. I think that the previous speaker made an ideological speech with which I cannot agree of course, but I can certainly admire the conduct of the Minister of State for Finance who did go to the trouble of listening to and approving several amendments, whether from the hon. member for Mississauga South, from the hon. member for Edmonton West or even from myself, Mr. Speaker. That is indeed what the parliamentary system is all about. The member for Edmonton West said a moment ago that perhaps the best solution for Parliament might be to reduce the number of members. If that were the case, obviously I would probably not be here because mine is a new riding. So I cannot really endorse that suggestion but I can say, however, that if we had more committees like the finance, trade and economic affairs committee I think the House of Commons and Parliament would be enhanced.

I was particularly active in the debate on the question of car leasing to which the Minister of State for Finance referred and I must say how disappointed I was by the attitude of the Canadian Bankers' Association which, as the hon. member for Edmonton West so aptly put it, took offence because it did not succeed in obtaining everything it wanted. Mr. Speaker, in the society in which we live and given our role as parliamentarians, I think that when people express their concerns and make representations they have the right to do so and that is exactly what we have done as members of Parliament. Some people did come to see me and told me their worries. I listened to their stories, I heard the arguments of the bankers and I thought advisable to suggest to the Minister of State for Finance certain amendments about the car leasing provisions.

All members of the Standing Committee on Finance, Trade and Economic Affairs agreed with those amendments. Then the Minister of State for Finance, with the support of the committee members, was successful in convincing cabinet so that we now have amendments which I feel certain will be approved by members on both sides of the House. I find that reassuring, Mr. Speaker. Indeed I believe we are doing an efficient job as parliamentarians and I felt somewhat slighted and insulted when I read in *The Globe and Mail* of October 28, 1980, that what matters most for a committee in reaching a final decision is the effort made by lobbyists.

• (1450)

Well, Mr. Speaker, what can I say? When someone has a worthy cause to defend I am not influenced by the fact that I may or may not have to face lobbyists. Nor am I influenced by the fact that one side is richer or more important than the other. I think that as parliamentarians we all have an active and effective role to play.

In conclusion, Mr. Speaker, may I again congratulate the Minister of State for Finance and all members who sat on the Standing Committee on Finance, Trade and Economic Affairs. As a young member I have gained some insight into the Bank Act and the hon. member for Edmonton West will surely say that people are taking a long time to get to know this legislation. I hope to continue along this line and that all committees and ministers will have the necessary openmindedness and will continue to be as friendly, as sincere and as devoted to the parliamentary and committee systems as is the Minister of State for Finance.

[*English*]

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, this act we now have before us has been before three Parliaments. It has had five sets of revisions, including the revision that is now before us. There has been much public discussion, not

only from the Bankers' Association but others. It has been mentioned here today they were not entirely successful because the number of changes that have been made, as far as that group is concerned, are a bit restrictive. We have had a number of public representations from all across Canada and the input has been most appropriate to the statute.

What we have now before us is a fairly good act. I notice we have 59 amendments presently on the order paper, which indicates the complexity of the statute, and some things must be changed before the act is passed. The 59 amendments we have are nothing compared to the many hundreds of amendments which were dealt with by committee in this Parliament, and by the previous committee in the Thirtieth Parliament. What we have done is taken a statute and refined it again and again. This bill is at report stage now for final refinement, if you want to put it that way. But by comparison what we have done on the constitution is unfair. Public input was limited; debate in this House was limited; the chances of doing something and getting proper public input were definitely limited. If the constitutional debate had had the discussion and the input which this act has had, then I think one would find a great deal of consensus. In fact one would probably find a majority consensus, but without that one gets dissension, distrust, and division.

I spoke on second reading of this debate. Most of the problems I spoke about in committee have been solved, with one or two principal exceptions. For a moment I want to speak about motions Nos. 1, 2 and 3. Those motions go to the very essence of the problems that we still have before us in dealing with the banking system.

The act as now before us does not define what a bank is. Nor does this act define what the business of banking is. It does not define, as suggested by the hon. member for Comox-Powell River (Mr. Skelly) in his amendment No. 3, what a cheque is. Those are fundamental things.

I am concerned when we do not define what a bank is in a bank act. This is an act to define the business of banking, which is supposed to be dealing, controlling and directing what banks are to do in our society. Whenever we speak about the transferring of money from one institution to another or from one person to another through a simple instrument as a cheque, we do not even define what a cheque is. It seems to me almost ridiculous that such definitions are not included. Even at this final stage I implore the minister to reconsider amendments to the act that would go to this essential problem as proposed by the hon. member from Edmonton and the hon. member for Comox-Powell River.

The problem is great because we have found over the past 12 or 14 years that the business of banking and of what the banks do keeps changing. There was no thought 12 or 14 years ago that the banks would be involved in leasing. We had enormous problems in the committee trying to cut down the banks' activity in these areas. We found the banks were almost becoming the merchants of automobiles, in particular the Royal Bank, at one point in time. We were afraid the banks would become merchants of every form of household goods that one might have. The banks would do that by owning the goods and leasing them out. Therefore, we had to be very careful. We drew up amendments to the proposed legislation. They carried in committee and seriously restricted the banks in these fields.

We had representations from companies involved in data processing. It became clear through those representations that the banking business had all of a sudden decided that computer programming and data processing were the kind of thing they would like to get into. So the banks were on the verge of deciding they would become the big data processors for all of Canada. The existing data processing industry would be swallowed up and be part of what they would call "their business".

At second reading I read a little lyric or poem, which I will read again as follows:

Through the open window's space
Behold, a camel thrust his face.
'My nose is cold,' he meekly cried,
'Oh, let me warm it by thy side'.

The camel has been getting into far too many activities. That is what has happened. It is also one of the concerns we have. That is why we want banking and the business of banking defined. The camel wants to get into other things and become a merchant and a manufacturer. Somewhere along the line we have to restrict the activities of banks to the field which they are in traditionally, namely, that of facilitating the movement of goods between people through the medium of exchange of money. I am speaking of the savers, the lenders, and the commercial money in our society. That is what the banks are there for. The banks are not there to do whatever comes into their minds or become as big as their minds would allow. As my hon. friend from Edmonton West says:

'bank' means

(a) any financial institution engaged in the business of lending money and accepting deposit liabilities transferable by cheque or other instrument, or

(b) any financial institution engaged in the business of lending money raised in Canada through the acceptance of deposit liabilities—

● (1500)

He goes on to exempt certain financial institutions from the restrictions of the Bank Act. I call to the attention of the House paragraph (g) of the amendment which would restrict financial companies to 75 per cent Canadian ownership.

There are a number of interesting concepts in this bill. In view of the foreign ownership of banks in our country, it was decided to make some sort of arrangement for reciprocal banking privileges, largely, I suppose, on the basis that it is in the interest of Canada that our national banks become international banks and this so requires some sort of reciprocation with foreign companies wishing to operate here. That is fine, but it must be controlled, and there is an attempt in the bill to control it to 8 per cent. If it can be controlled at 8 per cent of domestic assets or domestic business of foreign banks in our country, I would applaud that. We have suggested, however, that perhaps this is not realistic. There is an amendment before the House which suggests that perhaps it could be 10

per cent. But if the government thinks that it can control the banking business at 8 per cent, that is appropriate.

A number of the amendments before us deal with consumer and corporate matters. Amendments on consumer matters have been introduced by the hon. member for Broadview-Greenwood (Mr. Rae) and the hon. member for Comox-Powell River (Mr. Skelly). These amendments tend to seek to control the activities of banks in particular. It is my feeling and, I think, the feeling of this party, that such provisions should not be in the Bank Act but rather should be contained in general commercial legislation and that we should have a new interest act in Canada which would control all lending institutions with respect to how they make disclosure, how they calculate their interest, and the like. There is a need for such legislation largely because there are other financial institutions in this country apart from banks. The calculation of interest and the disclosure of contract terms should be introduced in other legislation and not be inserted into the legislation we are considering at this time. These matters should specifically be dealt with in this new act, matters pertinent only to banks and to a broad range of corporations which are in the money business.

A number of representations have been made since the conclusion of the committee's sittings. Representations were made by the Continental Bank, and I commend to the minister motion No. 42 on the order paper which would give relief to the Continental Bank, the Northland Bank, the Bank of British Columbia and the Consumer and Commercial Bank from the strictures which we sought from the minister concerning the reserve requirements for those smaller banks. The minister will recall that reserve requirements were eliminated and that as a result of the study of the whole matter of trust companies, an amendment was made to section 208(d). It may well be that for the smaller banks, the ones under $3 billion, some relief should be given with respect to reserves.

It is important also that at this stage of the debate the minister give us a commitment, as he did to the committee, that he would introduce a new loan and trust companies act and that in accordance with our suggestion regarding reserve requirements he would amend the Bank Act and change the reserve requirements. All of us here know how long it takes for new legislation to be introduced. Indeed, the minister suggested in the committee back in June that he would have a loan and trust companies act before the House in the fall. Well, fall is fast going; it is just about gone with the snow flakes we see around us, and we have not seen that legislation introduced as yet. I suspect it is not yet in shape to be introduced. Perhaps the minister might comment on that aspect but it is an important piece of legislation which should be introduced and studied to ensure that the trust companies, those engaged in mortgage lending and so on, have their powers broadened or changed so that the kind of competition which should exist in our financial institutions is retained in view of its importance for the commercial health of Canada.

We have before us also an amendment of my good friend, the hon. member for York-Peel (Mr. Stevens) with respect to a matter involving what I would call the Grindley Bank amendment in motion 51. I would commend this to the minister as well. It is a motion which would solve a problem which I understand is a unique one, much the same as the problem which the minister had in his amendment concerning the amalgamation of the Continental Bank and IAC Limited. Those are special amendments which perhaps only help one institution, but in a complex banking system, a system which we want to improve, problems were caused by reason of the fact that we did not define the business of banking with respect to foreign banks operating here; we did not prevent people from using the word "bank" in their provincial incorporations, and so on. These problems have arisen over the last 12 or 14 years, and the amendment in motion 51 might well solve the problems which bringing all foreign banks into the act would present.

Generally speaking, Mr. Speaker, we have before us an excellent piece of legislation. With some of the amendments that are here and which I would recommend to the minister, and further amendments which the minister and his staff have added, this legislation should be passed quickly. I was unhappy when my colleague, the hon. member for Edmonton West (Mr. Lambert) suggested six days, though certainly he has been around bank acts longer than any of us. It would be gratifying if this legislation could be passed faster than that.

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, I wanted to say a few words in introduction to the number of motions which our party has put forward with respect to the Bank Act. I would like to say, in introducing these remarks, how much I appreciate the efforts of the minister to take the time to consider the proposals we have put forward. I cannot say that I am happy with the substance of his acceptance, but when it comes to the process, I must say I have been impressed by the minister's willingness to deal seriously with the proposals we have put forward and to attempt to recognize the merits of what we have had to say. I hope that something of the minister's spirit and character will also be a characteristic of the government's attitude with respect to a number of other items which are currently being discussed.

• (1510)

With respect to the Bank Act I think the position of our party is clearly on the record. We have had a number of discussions in this House and in committee with respect to this act and the extension of other acts, so I do not think there is any need for me either to recite the same poems I recited before or the same examples I recited before. I think it is sufficient simply to say that in my view, and as expressed by my colleague, the hon. member for Kamloops-Shuswap (Mr. Riis), the difficulty with this kind of legislation is that it suffers from what Marshall McLuhan has described as the rear view mirror syndrome many of us have. Instead of looking forward to the problems which in a sense are simply here today in a very small and growing form and seeing where these tendencies will take us, there has been a tremendous tendency in this legislation to look at problems which grew up in the

early 1970s and late 1960s and to respond immediately to those rather than to look at the broad framework for the future.

I think there is an illusion that our banking system is competitive. It is one of the great organizing myths of our time that we have a competitive banking system. The fact is, we have an intensely monopolistic banking system with a very few large and powerful institutions dominating the marketplace. We have the illusion that somehow our banking system is a kind of bazaar where there is relative equality between borrowers and lenders. That is one of the great illusions of our time. Because we are convinced that that is an illusion, the thrust of the amendments we have put forward is, on the one hand, to recognize the necessity of direct public involvement and regulation of what has become a highly concentrated industry and, on the other hand, to provide for competition wherever that is possible. I refer to competition in the sense of providing protection for those industries, individuals and competing institutions who do not have the market power of the banks and protection for those consumers, small businessmen and farmers, who when dealing with banks do not deal with them in a relationship of equality. In a sense that is the philosophical basis on which we approach the question of the Bank Act.

Mr. MacIntosh is the president of the Canadian Bankers' Association and former vice-president of the Bank of Nova Scotia. He is a very articulate and capable spokesman for the banking community. He has been engaged in a program of organized sour grapes about the Bank Act. He has been saying that somehow the House of Commons finance committee has simply responded to the loudest voices, that we have not heard the voice of the banks, that he now has to resort to going to the Senate in order to get the kind of hearing he thinks the banks deserve. One can only say to those like Mr. MacIntosh that the largest, the most persistent, the loudest, the most aggressive, the most omnipresent and the most persuasive lobby in this country is that of the Canadian Bankers' Association.

On his retirement, President McLaughlin gave an interview in which he said proudly that he could pick up a telephone and get hold of any member of Parliament he wants at any time, that all he has to do is look down the list to get access to information and that at the flick of a finger he knows any member of Parliament's banker, his local bank manager, where he banks and how he banks. These are the defenceless virgins who are coming before us and saying, for example, that the Federation of Automobile Dealers has taken unfair advantage of the House of Commons finance committee, that the Cattlemen's Association has somehow bludgeoned 21 members of the finance committee into accepting its amendments, that the data processors had somehow managed to thrust themselves upon the finance committee and that the Canadian Bankers' Association has retreated because of the power of those lobbies. Who is Mr. MacIntosh trying to kid? No entreaties have been more persistent, no group has been more constantly present at every single meeting of the finance committee and no one group has been more persistently on the telephone than the Canadian Bankers' Association. As the Minister of Finance (Mr. MacEachen) stated last spring, the association was so desperate that it even invited me to lunch last spring to discuss the Bank Act.

My job requires me to do many things—

Mr. Baker (Nepean-Carleton): And eating is one of them.

Mr. Rae: The hon. member for Nepean-Carleton (Mr. Baker) points out that eating is one of them. Let us be under no illusions. This is not a Bank Act, unfortunately, which is antithetical to the interests of the banks. This is a Bank Act in a sense which simply in the mildest way possible attempts to say to the banks that they cannot have absolutely everything they are asking for; there are some limitations on the market power the banks are going to be allowed to exercise. In our view the limitations are very important but not as large as we would have liked them to be. Nevertheless, they are necessary.

In the case of automobile dealers, as has been pointed out by other speakers, why in the name of goodness should we allow the banks to get into the business of leasing cars? Why should that become a part of the business of banking? I feel equally strongly, as do other members of my party, about a very successful, growing—I am speaking of what it will be like ten years down the road—and increasingly important sector, the data processing sector and the computer industry dealing with payroll, accounting and a number of financial services which are provided to business. In our view the banks must be very carefully and strictly regulated in that field.

Mr. MacIntosh mentions it as being one of the most important sectors, and he urges that they be allowed to continue to stay in this field. We are not happy with the regulations which have been put forward by the Department of Finance because we feel that those regulations give too broad a power to the banks and do not give sufficient protection to a growing Canadian industry. The answer always given by the banks to these criticisms is that they can provide the best and most competitive system and that all that we are doing by giving an advantage to credit unions or to the automobile dealers or to the data processors is subsidizing inefficiency. That is their argument. Their argument is that the wider public interest will be served by the provision of the most efficient and least expensive service. On many occasions when Mr. MacIntosh has presented this argument before the committee—and I would like to leave this argument on the record in terms of our perspective—I have said that the public interest is not simply defined by having one, two or three large and extremely powerful financial institutions providing every single kind of financial and economic service to the consumer. In the short run that may provide a cheaper service, but one also has to ask whether the elimination of whole sectors of our economy, the takeover of smaller financial institutions and the removal of all the market power and ability of small businessmen in the car-dealing field and in the data processing field is really in the public interest. Would it not be in the greater public interest to have a diversity of institutions providing information and services to the consumer, and should we not be striving in our

Bank Act, as I have said, to provide for a degree of government involvement and regulation which guarantees the protection of the consumer in one instance and a genuinely competitive system with trust companies, caisses populaires and credit unions providing competition with the banks on the other? With regard to this last point, I think there is another major illusion. Introducing the foreign bank provisions of this act, as hon. members know, allows foreign banks up to 8 per cent of the total assets of Canada's banking system. The argument has been made that this is one key way of allowing for greater competition in the system. We can look at the difficulties faced by the Continental Bank and we can look at the amendments presented by the hon. member for Edmonton West (Mr. Lambert) with respect to small banks and their reserve requirements. We agree with those amendments, because if we are to provide for a genuinely competitive system and in fact encourage the growth of smaller Canadian banks, then in a sense we must give some market advantage to those groups. If we are genuinely concerned with this problem, then it may well be that the government reserve policy will have to be sufficiently lenient and discriminating—I am not saying discriminatory, I am saying discriminating—to allow for the growth of banking institutions which will provide for perhaps more specialized services to particular sectors of the economy, but subject to federal control and regulation, with guarantees of at least ownership being fairly widely dispersed and so on.

• (1520)

As we know, foreign banks will very quickly get to the 8 per cent limit. Indeed, to my regret I predict the House will be requested by the government to increase that limit during the life of this act. The implication is that foreign banks will come in and take over the business of foreign subsidiaries of companies working overseas. In a sense they will skim off that business from current Canadian banks. Having, in a sense, occupied that 8 per cent, we will not be in a position to encourage the formation of smaller Canadian banks, whether they be the Crown banks which our party discussed in committee, trust companies or other financial institutions which decide to become banks.

In summary, there are two main problems with the Bank Act before us. It does not recognize the need to increase the power of the government to regulate the banking industry, and, to be polite, it provides for insufficient protection of the public interest. For example, it indicates that there will never be Crown banks, that no public servants can serve on the boards of directors of banks, and that banks will continue to be allowed to set whatever interest rates they wish without any intervention by government. Those are all examples of inadequate protection of the public interest. Also the act fails to provide for real and genuine competition, from the points of view of other institutions, other industries and consumers.

In closing I should like to refer to one amendment—I know the minister has stepped out of the House for a moment, but I have spoken to him about this many times. I know there are other members of the House who are equally concerned with the principle contained in the amendment. If the government rejects all the principles of consumer protection and financial disclosure—they have accepted some but rejected others—they should think again about the following item. I am referring to the fact that we do not require banks which are engaged in over 35 per cent of their business overseas, in substantive and major dealings with foreign countries and the agencies of foreign countries to inform the Canadian public on an annual basis as to the number and size of their loans. The principle of confidentiality has been abused to prevent consumers and other various interested groups from knowing exactly the foreign policy of our banks. We have many examples of where it would be useful to know the domestic policy of our banks. For example, if the Canadian Imperial Bank of Commerce lent the amount it is reported to have lent to Massey-Ferguson, it is no longer a matter of confidentiality. It becomes a matter of concern to the governments involved in the negotiations, to consumers concerned about where they will bank, how they will bank and the wisdom of carrying out policies where such a large share of assets is tied up by one company. If the domestic policy is unsatisfactory, the foreign policy implications are tremendous.

All our banks are engaged on a day-to-day basis with loans of a huge size to countries all over the world. When this happens it has implications for Canada's foreign policy and those people who are deeply concerned about the internal policies of those governments. I am referring, for example, to the governments of South Africa, Chile, Eastern Europe and cases where internationally syndicated loans are arranged through large companies.

I see Mr. Speaker about to rise to his feet. This is one amendment which the government could well accept without for a moment moving away from the basic principles contained in the act. In fact it would merely extend principles already accepted in committee, in other words that, there is a right to know on the part of every consumer and an obligation on the part of these companies to divulge all their financial information on as full and fair a basis as possible.

Some hon. Members: Hear, hear!

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

Some hon. Members: No.

Mr. Baker (Nepean-Carleton): Mr. Speaker, the hon. member for Edmonton West (Mr. Lambert) is consulting with the Minister of State for Finance (Mr. Bussières).

• (1530)

Mr. Lambert: Mr. Speaker, in my confusion I thought the minister would speak before me but if he wishes to close the debate, that is fine.

I wish to turn to the second half of my stint this afternoon and deal with amendments 1 and 2. I think it is quite clear that the House should have a clarification of what I have in mind for motion No. 1, which is the definition of a bank.

I have been astounded over the past many years, first of all during the revision in 1966 when the then minister of finance, Mitchell Sharp, and the then Inspector General of Banks refused an invitation to define the business of banking. At that time the act did not use the phrase "business of banking" as it does in this present version. As a lawyer it seemed to me incongruous that here was an act containing prohibitions against anybody setting up as a bank, yet they refused to define a bank in that act. In commercial practice as a lawyer, when clients came in and asked what they could or could not do under a statute, I took one look at the statute and told them that the limitations on the business contemplated was this or that. That is the purpose of a statute. Now we have one of the most important statutes in this country before us, one that is singular in that it has a sunset period. It is an act that defines what can and cannot be done. But it refuses to define what a bank is. It merely says that a bank is a bank under the act. Perhaps it is a secret among the bureaucracy. I cannot understand it, nor can my lawyer friends, whether they were members of the committee or witnesses before it.

I have a whole series of references to testimony given by those appearing on behalf of the Canadian Bankers' Association and many others. I know the governor of the Bank of Canada privately would love to have the definition. He says: Well, we are getting along without it, so why rock the boat? Of course, the governor of the Bank of Canada could not criticize the government on this point.

When clients come in to see a Canadian firm of lawyers and say they want to carry on a business and want to know if we will be deemed to be a foreign bank, they set out their operations. Then we look to the definition of what is a foreign bank. On page 4, at line 39, we find the definition of "foreign bank". It says:

"foreign bank" means a corporation, association, partnership or other institution incorporated or established by, pursuant to or in accordance with the laws of a country other than Canada, or a department or agency of the government of a country other than Canada or a political subdivision of such a country, that

(a) is a bank according to the laws of any country other than Canada where it carries on business.

Presumably the law of that country of incorporation will be sensible enough to determine what a bank is. We, in Canada, cannot do it. The definition, under (b), continues:

(b) carries on a business in a country other than Canada that, if carried on in Canada, would be wholly, or to a significant extent, the business of banking,

We ask: what is the business of banking? At present in Canada a lawyer would have to say to his client: I cannot tell you because there is no business of banking defined in this act. As Canadians, we cannot tell you what our Canadian Bank Act defines as the business of banking. I find that extraordinary, Mr. Speaker.

I now move to section 6 of the act, in which the government compounds the nonsense of the absence of a definition of the business of banking in the clause which extends the life of this act. Section 6 appears at line 21 on page 13 and says:

6. (1) Subject to this act,

(a) if Parliament sits on at least 20 days during the month of March, 1991, each bank may carry on the business of banking until the first day of April, 1991, and no longer;

In subparagraph (b) there appears the phrase "business of banking" but there is still no definition. Then we go to section 302, which deals with foreign banks. I am reading from page 306 at line 4:

302. (1) A foreign bank shall not, directly or indirectly,

(a) undertake any banking business in Canada,

Mr. Speaker, I invite you to enlighten me and to tell me what that means when there is no definition provided as to the business of banking. I suppose one could resort to that Solomon-like statement attributed to a judge of the Court of Appeal in Manitoba who was reported to have said: Banking? Is that what bankers do? The Supreme Court of Canada in a recent case involving the Canada Labour Code and a trust company decided that since the trust company was not a bank it did not fall under the provisions of the Canada Labour Code—banks come under the Canada Labour Code but trust companies do not. That is the sole distinction as to the business of banking.

I do not know how many times I have done this, but again I am moved to refine it further—and I am not wedded to the words themselves. If anybody can come up with better phraseology they are welcome to try. I would submit to hon. members that we can get around this problem here by defining what is meant by a bank. I am susceptible to all of the political weak-kneeism and wet-noodle-backbone attitudes that may have been expressed by the federal government in the past, and at the present time, when they refuse to face up to the proposition that money and banking is under their exclusive federal jurisdiction. But some provincial governments, because they have incorporated trust companies or financial companies—just merely incorporated them—say they have jurisdiction over their operations. My foot, they have! Provincial governments incorporate aircraft companies, broadcasting companies, grain companies, but they do not have a thing to say about their operations. Therefore, these provincial governments should have nothing to say about near banks and their operations within the field of money and banking. The provinces have waltzed in and, shall we say, by default on the part of the federal government, have gone into the field of money and banking to the extent that chartered banks now only have 65 per cent of their money on deposit. Thirty-five per cent of the money on deposit is outside the purview of the bank, when the constitution says that 100 per cent should be within its purview.

● (1540)

Credit unions are incorporated. They can be incorporated under provincial legislation, but once they step into the business of banking they are in the area of federal control. Similarly, if a co-operative engaged in the business of aircraft wanted to fly its own plane, it would have to apply to the federal government for licences for the aircraft, for its air worthiness, for radio transmission and all the other purposes of operating that aircraft. So why should a credit union engaged in the business of banking not be subject to the same regulations or similar regulations under the Inspector General of Banks?

Although the credit unions do not share that view, it is my view. The credit unions have a number of advantages. When the credit unions began, they were not nearly as strong as they are now. One of their strongest pleas for some of the advantages they now hold was that they were the small man's bank, that they were there in lieu of mortgage companies, trust companies and banks. Strangely enough, credit unions now have their own mortgage company, trust company, and I hear they have now formed their own auto leasing company.

Now that the banks have been pushed out of auto leasing, the credit unions have stepped in. The whole point of removing the banks from that industry was to protect the automobile dealers because it attacked the heart and soul of their business. It was not for the benefit of credit unions. I am sure hon. members on the government side have never heard of this development. Certainly there was no letter written or word given to any member in the official opposition with regard to that particular development. I am not trying to fault the credit unions, I am merely trying to illustrate the lack of logic.

I say that a bank means, (a) any financial institution engaged in the business of lending money and accepting deposit liabilities transferable by cheque or other instrument or, (b) any financial institution engaged in the business of lending money raised in Canada through the acceptance of deposit liabilities or the issuance of securities, but does not include any financial institution incorporated as a credit union, caisse populaire and federations of such or any other co-operative credit society. So I have grandfathered them. That should satisfy those people who feel credit unions should operate under exclusive provincial control even though they are engaged in the business of banking.

A bank also means, (c) any financial institution subject to the Quebec Savings Banks Act. That is perfectly right because we have an act to cover that situation. Next, a bank is any financial institution wholly owned by the federal or provincial governments or treasury branches or offices thereof. There is the Ontario Savings and Loan Association and there are the Alberta Treasury Branches. There may be some other institutions of which I am not aware which would be covered under this particular exception.

A bank is any financial institution incorporated as an insurance company within the meaning of the Canada and British Insurance Companies Act. Again, that is just to make sure that somebody inadvertently does not get caught up as a bank. Finally, I say that a bank is any financial institution incorporated either federally or provincially as a trust company, mortgage and loan company or a finance company with more than 75 per cent Canadian ownership and where no foreign individual or associate individuals or groups own more than 10 per cent of the voting shares.

I made that particular exemption deliberately because that last paragraph would catch foreign banks operating in the country in a great number of cases because the only exemption is for companies or institutions incorporated federally or provincially as a trust company, mortgage and loan company or finance company. There are a number of trust companies which are subsidiaries to American banks as well as banks of other countries. The finance company Finance America is a subsidiary of the Bank of America. I refer to companies which have more than 75 per cent of Canadian ownership because that is what we insist on for our Canadian banks. There would be a limitation of 10 per cent for any individual or associated shareholder.

That is what we require of the Canadian banks and, yet, I find an inexplicable reluctance on the part of the government to accept this amendment. Logically, the minister does not have a leg to stand on because there is no lawyer who will say that this is a sound piece of legislation. The legislation insists on using the term "bank" and "business of banking" but refuses to define that term. I have defined it and I am satisfied with the definition. I invented the definition with a number of groups and they themselves say the language is good. Somebody may find something better, but I defy any lawyer or any member of the government side to tell me that in an act like the Bank Act one does not require a definition of the "business of banking".

How would the government advise a client as to what is permissible to a bank and what is not permissible to a bank? This is a point upon which I insist that I am right. I know some people say I get pretty tenacious about some of my own opinions, but this has been consistent, and many of the members of the committee privately share my point of view. I also know that this point of view, that one must define banking, is shared by many people on the outside.

● (1550)

One has to define banking. How are we going to assist the federal court or the Supreme Court of Canada in deciding matters under the Canada Labour Code if we refuse to define banking, if we refuse to define what institutions are banks and which are not banks? Therein lies the jurisdiction.

Then there is the matter of the case in Manitoba. Does the minister feel the judgment of the court there resolved the problem in any way when the judge said that the business of banking is what bankers do?

I most earnestly urge the House to consider this amendment and that which follows. One says what a bank is, and the other one says that the business of banking is that carried on within the meaning of this act as defined.

Some hon. Members: Hear, hear!

Mr. Rae: Mr. Speaker, there are two views of what we can do, one of which has been stated by the hon. member for Edmonton West (Mr. Lambert) in his amendments. The other is the view of the government.

The view of the government is that basically, we define the general field of banking by virtue of the act but, because of the difficulties of attempting to find a definition of a bank which is under federal legislation—and this is the whole constitutional problem which lies behind this difficulty—beyond that, there is no need to set out a precise definition of banking and that in

fact to have a precise definition would cause more problems than it would solve.

I simply want to refer the minister to the case to which the hon. member for Edmonton West refers, Computer Services Limited and Comcheq Services Limited versus the Toronto Dominion Bank which was decided by Mr. Justice Monnin in the decision for the majority of the Court of Appeal on November 22, 1979. I am afraid I do not have any other citation for that case. I only have the original of the decision. As the minister is no doubt aware, this case is under appeal to the Supreme Court of Canada.

The difficulty that I think Mr. Justice Monnin's decision gives rise to is a very real one—and this perhaps speaks directly to motion No. 2 proposed by the hon. member for Edmonton West. The judgment of the trial court was that banking is what banking activity is described as in section 75 of the old act. But Mr. Justice Monnin is saying, no, that is not true. The judgment reads in part:

I do not think that this is a correct statement of the law. Parliament never intended to establish a fixed or restricted definition of banking by enumerating clauses (a) to (d) of section 75. Banking must have a much broader meaning.

It goes on to say:

All the textbook writers on banking confirm this statement that there is no exact definition of a banker or a bank. In fact and in practice, banking is what banks do for the carrying on of their business; what they do can vary from decade to decade and from century to century.

He goes on to find that the computer payroll service and something called the "compucount" which is a kind of accounting service provided by the Toronto Dominion Bank in the city of Winnipeg, is something that banks do, and therefore is part and parcel of the business of banking.

The amendment, motion No. 2 proposed by the hon. member for Edmonton West, may seem unnecessary. Some members may ask, what is the big deal? Because it simply reads as follows:

'business of banking' means that business carried on in whole or in part by a bank within the meaning of the act.'

There is a real difference between that concept of the business of banking, the concept contained in the judgment of Mr. Justice Monnin, and, if I understand the position of the government, the philosophy that in a sense underlies the new act; that is, that banking is what bankers do; that there are specific prohibitions contained in the act which prevent bankers from doing certain kinds of things but apart from those specific prohibitions there is no limitation on what a bank can do.

For the reasons which I outlined earlier with respect to the market power of the banks, the effect of new technologies on smaller companies and the banks' tremendous ability to use these new technologies and introduce them in ways that might not have been anticipated, I think it is better for this Parliament to err on the side of limitation. In other words, it is better to have a specific prohibition in the beginning of the act which says that banking is what bankers are allowed to do under this act and nothing else, rather than to follow the broader concept of banking contained in the judgment of Mr. Justice Monnin and contained, I think, in the general thrust of the legislation.

The hon. member for Edmonton West mentioned a number of examples. I want to refer to clause 174(2)(j) which deals with data processing services. It seems to me that unless we have a definition at the beginning of the act which limits banks to specific services provided for in the act and nothing else, that it is precisely in a field such as data processing that we will find the banks, judging from speeches as the one made in Toronto on November 3, by Mr. MacIntosh, becoming active.

I want to indicate in a general way that we are in favour of the principles of the amendments presented by the hon. member for Edmonton West because unless we restrict the definition of banking to what is specifically allowed in this act on a ten-year basis, we are giving a blank cheque to the banks to engage in all sorts of activities which we may not anticipate in this year, 1980.

[*Translation*]

Mr. Bussières: Mr. Speaker, I should like to find out whether there is unanimous consent, for I would require not more than four or five minutes to complete my remarks. Perhaps we could dispose at the same time of motions Nos. 1 and 2, should hon. members unanimously so decide.

[*English*]

Mr. Deputy Speaker: Is there unanimous consent of the House to allow the minister four or five minutes in which to make his comments on these items before proceeding to private members' hour?

Mr. Baker (Nepean-Carleton): Mr. Speaker, I assume that if it is necessary, that a provision would be made for the private member to have time added past six o'clock so that he would have the full hour for his bill.

Mr. Deputy Speaker: Is it agreed?

Some hon. Members: Agreed.

• (1600)

[*Translation*]

Mr. Bussières: Mr. Speaker, my remarks will be very brief. It is clear that when considering a definition, one could see it from various perspectives. The first one, I suggest, is that of universality, which establishes a definition under the strictest principles by indicating the type and specific difference.

I believe every hon. member in the House can see that attempting to define banks and banking activities in generic and specific terms would condemn us to entering the constitutional imbroglio of the various jurisdictions in the field of financial institutions. The hon. member for Broadview-Greenwood (Mr. Rae) pointed that out, and the many exceptions the hon. member for Edmonton West (Mr. Lambert) added to his own definition, indicate clearly that he wanted to avoid the trap a rigourous definition would set and in which we would inevitably fall.

Another type of definition. May I be allowed to point out that one of the rules of definition demands that the definition be clearer than the defined. On examining the list of exceptions in the definition, we find more confusion in the "defined" than in the object to be defined or in the nature of what is to be defined. I see Professor Pepin smiling; I trust I am not stretching my sophisms to the extent of troubling his Thomistic mind.

We have adopted the aspect of the definition that is functional. We say: a bank is an institution which, either through letters patent or incorporation, can operate within a specific framework. That framework is defined by the legislative text known as the Bank Act. Banking activities are the activities of the institution defined as a financial institution operating under this act. In part V, on page 164 of the bill, banking business is said to be the operations and powers of the financial institution known as a bank under the first definition. I feel "therefore" that the object of the concerns of the hon. member for Edmonton West is covered, though not covered in the same way. It is not done as rigorously as the hon. member would have it, precisely to avoid the obvious pitfalls on the constitutional level. That is why I move that the House reject motions Nos. 1 and 2.

[*English*]

Mr. Baker (Nepean-Carleton): Four o'clock!

Mr. Deputy Speaker: Order, please. It being four o'clock, the House will now proceed to the consideration of private members' business, namely notices of motions, public bills and private bills.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

Mr. Deputy Speaker: Shall order No. 6, standing in the name of the hon. member for Regina West (Mr. Benjamin), stand by unanimous consent?

Some hon. Members: Agreed.

Mr. Deputy Speaker: Shall order No. 12, standing in the name of the hon. member for Notre-Dame-de-Grâce (Mr. Allmand), stand by unanimous consent?

Some hon. Members: Agreed.

Mr. Deputy Speaker: Shall order No. 16, standing in the name of the hon. member for Kindersley-Lloydminster (Mr. McKnight), stand by unanimous consent?

Some hon. Members: Agreed.

Mr. Deputy Speaker: Shall order No. 17, standing in the name of the hon. member for Annapolis Valley-Hants (Mr. Nowlan), stand by unanimous consent?

Some hon. Members: Agreed.

Mr. Deputy Speaker: Shall order No. 18, standing in the name of the hon. member for Bruce-Grey (Mr. Gurbin), stand by unanimous consent?

Some hon. Members: Agreed.

Mr. Deputy Speaker: Shall order No. 19, standing in the name of the hon. member for Surrey-White Rock-North Delta (Mr. Friesen), stand by unanimous consent?

Some hon. Members: Agreed.

Mr. Deputy Speaker: Shall order No. 22, standing in the name of the hon. member for Durham-Northumberland (Mr. Lawrence), stand by unanimous consent?

Some hon. Members: Agreed.

Mr. Deputy Speaker: Shall order No. 23, standing in the name of the hon. member for Red Deer (Mr. Towers), stand by unanimous consent?

Some hon. Members: Agreed.

* * *

BROADCASTING ACT

MEASURE TO AMEND

Mr. Dan McKenzie (Winnipeg-Assiniboine) moved that Bill C-224, to amend the Broadcasting Act, (Educational use of programs) be read the second time and referred to the Standing Committee on Communications and Culture.

He said: Mr. Speaker, the purpose of this bill is to enable school boards to tape radio and television broadcasts for use in schools at a cost that is not prohibitive without incurring liability for copyright infringement.

To this end, the bill would empower the Canadian Radio-television and Telecommunications Commission to require the necessary contractual arrangements to be worked out between stations and networks on the one hand and authors and artists on the other.

We have had considerable correspondence over the last eight years with regard to this bill. We have had federal government support for allowing schools to obtain these educational films, but we have met with very limited success.

I have had correspondence from the following schools, universities and others across Canada supporting this bill and asking the federal government for help: The Prince Edward Island Teachers' Federation; the St. James-Assiniboine School Div. No. 2 of Winnipeg; The Board of Education for the city of North York; the River East School Division of Winnipeg; the Manitoba Teachers' Society; the Canadian School Trus-

tees' Association; the Niagara South Board of Education; School District No. 63 (Saanich) Sidney, B.C.; the Separate School Board of Metropolitan Toronto; The Manitoba Association of School Superintendents; Brock University, St. Catharines, Ontario; the Canadian Teachers' Federation; the School Trustees' of Greater Victoria, and the University of Alberta. As well, individual teachers and school trustees have asked for assistance in having the subject matter passed to committee. The Canadian School Trustees' Association has written to the President of the Privy Council (Mr. Pinard) asking that this bill or the subject matter be referred to committee.

After years and years of discussion about the use of television programs in our schools and universities, it is time interested groups, such as the Canadian Schools Trustees' Association, teachers associations and other groups be permitted to come to the committee where the problems on all sides can be ironed out.

In a letter from the Canadian School Trustees' Association to the President of the Privy Council, it is stated:

> For eight years, the bill has been considered and always voted out; but only because of the usual procedures of the House with respect to private members' bills that originate outside of the government. The bill has never had real consideration before a committee of the House, even though we have good reason to believe that members of all parties in the House would normally be prepared to support the bill. Seven years ago, there was an opportunity made available; but even though we brought people from across the country to appear before the committee, the meeting of the committee lacked a quorum because of traumatic events in the House; and we were never heard, including others, such as representatives from the Canadian Teachers' Federation.

The government said that if I withdrew the bill, it would allow the subject matter to go to committee. It went to committee. School teachers and school trustees from across Canada came to the meeting, but no Liberal members showed up, which I found most insulting. I hope we are not going to have similar treatment here this afternoon for Canada's educational system.

We are now making a special appeal to have the bill go before the committee again so that all concerned can make their views known to members of Parliament for a judgment based on more information.

The letter from the Canadian School Trustees' Association continues:

> Progress has been made in Great Britain and the United States toward off-air taping of programs for educational, non-profit use; but here in Canada, we are still at square one. Students in the classrooms are the real people affected; and this is regrettable at a time when taping off-air privileges could have a significant impact on making students more aware of their own country.

It seems very little to ask to have the bill or the subject matter go to committee. Also, the executive director of the Canadian School Trustees' Association, Mr. C. H. Witney, has written a letter to the Secretary of State (Mr. Fox) in support of the bill or the subject matter to being referred to committee. He has pointed out that in the United States representative Kastenmeir, chairman of the judiciary subcommittee of the House of Representatives, held hearings to discuss the off-air taping issue. On April 3, 1979, and ad hoc committee was created to set fair use guidelines. This committee in the United States consisted of representatives from the major networks, unions, guilds and education. That is what we are asking for in Canada but we are at a standstill.

● (1610)

I have further comments from interested parties. The advisory committee of the Toronto Metropolitan Separate School Board, in a brief prepared for the director of education, says the bill "would bring a welcome extension to the use of video tape recordings in our school system." In their brief they state:

> —"radio or television program intended as part of the curriculum of elementary or secondary schools . . ." may eliminate some excellent programs. The program "Man Alive" would be excluded by this definition and yet it is the program most frequently requested for video taping. Also, to deny the video taping of newscasts would restrict teachers who could use this as part of the curriculum. For example, in the grade 9 history course the topic of French-English relations is taught and there would be useful information contained in newscasts.

Serious legal problems have arisen for some schools across Canada and proceedings have been instituted against 14 CEGEPs, that is post-secondary educational facilities in the province of Quebec. They are being sued by a group representing artists and producers. The suit attempts to recover $990,000 for the illegal reproduction of audio-visual tapes. The CEGEPs are being sued for institutionalized fraud, and it is obvious that changes to the copyright legislation are necessary. The best place to discuss these changes would be in committee.

I see we have the Minister of Consumer and Corporate Affairs (Mr. Ouellet) here this afternoon who, I understand, will be bringing in some changes to the copyright legislation. I hope he will be introducing this legislation shortly as it would certainly assist our schools in obtaining educational films. School divisions in British Columbia and Manitoba have also been threatened with lawsuits, Mr. Speaker, so you can see that it is time we came to their rescue.

In July, 1975, in Britain the BBC and the ITCA permitted schools and other educational institutions to record educational programs off-air for later use in schools. It was necessary for these two agencies to make appropriate arrangements with certain performers, unions and holders of other relevant rights. This was not thought to be an insurmountable problem for the networks, school authorities and the government of the United Kingdom. I think it is a problem we in Canada can solve with just a little effort, the first step being the referral of this bill to committee for further study. I hope we will receive a favourable response from the government this afternoon.

Mr. Mark Rose (Mission-Port Moody): Mr. Speaker, my party and I tend to support the bill in principle. We would like to see it go to committee for further discussion, and we hope members on the other side will not see fit to talk it out, for a very good reason.

First, it is a very important piece of legislation which could potentially improve the scope of education in the schools and colleges of our country. Second, I do not know how many members realize how greatly the use of video tape recorders has spread. I have some statistics here which show the prolifer-

ation of these machines. They are not really confined to homes, radio stations or television stations. They will be used in schools and other institutions, and they are already. So what I am saying about the hon. member's bill is simply that the use of apparatus of this kind is going to spread and copies are going to be made of intellectual properties anyway. They are being made at present and there is nothing that we or anyone else can do to stop this technological advance. It is unstoppable. It is somewhat akin to the technology associated with satellites and earth stations, and we will have to adjust our legal system to become more consonant with the new technology. If we do not do that, what will happen is that we will see a tremendous growth in this kind of under-the-table illegality which already has occurred with print material where you have a vast amount of copyright material of "someone's intellectual property", either that of the creator or of the publisher. At the moment, schools and colleges are running these off by the hundreds on Xerox machines and on various types of ditto machines, and publishers and various other companies which have some rights so far as these properties are concerned are at a loss to know what to do.

Certainly there is occasionally an attempt to bring a suit, to make an example of some institution or of some individual, some school teacher or high school bandmaster who wants another second flute part and Xerox's copies from the original. It is precisely the same thing as will occur now with different material in the video taping. The recorded form, for that matter, is also something that has been going on for some years. People have been taping recordings for years. With this sort of bootlegging or private taping, nobody, neither the publisher nor the composer or creator, gets any kind of benefit.

Surely if it is done in other countries, it is not beyond our intellectual capacity to make some kind of arrangement, as we have with the radio stations through CAPAC and BMI, for a performing rights fee based on the volume of the radio station or the percentage of his gross. It does not seem to me to be impossible to work out a system of fees and charges which could apply to institutions so that the publishers or the owners of those rights could get something out of it. You might as well legalize it and organize it rather than allow it to go on and proliferate in an illegal, pirate way as it is today.

Certainly it is complex, extremely complex. Although this bill mentions only the Broadcasting Act, what is involved more deeply and more intimately is the copyright aspect. The hon. member did mention that. The Copyright Act amendments are something we tried to bring in here in 1971 when the present Madam Speaker was not yet a member of Parliament. I recall first meeting her at the deliberations of the Standing Committee on Justice and Legal Affairs when it was studying Bill S-9 which was attempting to ask for copyright amendments so that performance fees could apply to the replay of records on radio stations. The idea was that the money would go to the composer and the publisher, but the performer himself on a "hit" record, if he was a back-stop musician, would get some benefit. That attempt failed ultimately, and the minister then became minister of state partially responsible for the Copyright Act, or closely associated with the minister who was responsible at that time. Nothing has happened since in that regard. There are complexities here, but if other countries could solve this problem, it seems to me it would not be beyond Canada's ability to do the same thing. I therefore support the hon. member's representation and hope that it goes to committee so that it can be thoroughly examined. I do not think there is any threat to anybody's ministry or anybody's ego in this thing. There should be more of this kind of non-partisan examination of issues such as this, which are not associated with any political party, in an attempt to solve a particular problem faced by groups of institutions and hundreds, if not thousands, of young people.

● (1620)

Let me give the House some indication of the growth in the past four years of these video tape recorders or cassette recorders. There are many of them. There are different types, but that is not important at the moment. I am quoting from *The New York Times* Magazine of August, 1979. It says the following:

> But in the past four years, hundreds of thousands of viewers have acquired video cassette recorders (VCRs). By plugging a VCR into their television sets, people can record any program they choose for later viewing. Firms such as Sony and Matsushita (which distributes its VCRs through (RCA) dominate the American market, and their cassette machines are being exported from Japan—

And get this, Mr. Speaker.

> —at the rate of 100,000 a month.

It goes on to say how these things are used. Sure, they are used in homes. They are going to be used in schools. They are used in schools. Video casette players are available to schools, colleges and individuals, and they are now down to the price of $400 each. It is estimated that by 1988 there will be a penetration in the homes of the United States to the extent of 40 per cent.

We are dealing with this matter now, and no amount of stalling or foot-dragging will change anything at all. All we will do is make criminals or illegals out of many people who through their own honest efforts will attempt to use the new material and technology. I really do not want to become involved with some sort of conflict with the law.

I congratulate the hon. member for putting this motion forward. I congratulate members of the government and the minister for listening so attentively and politely. I hope I have made some contribution. I hope I have given the House a glimpse of the immensity of the problem and also the immensity of the challenge. I support wholeheartedly the hon. member's bill as well as his request that we have a look at this in committee, because it needs to be done.

Mr. Douglas Fisher (Mississauga North): Mr. Speaker, I listened with considerable interest to the two previous speakers, and I am happy to add my contribution to this debate. The two previous speeches seemed to be practical, detailed and down to earth, but I have spent the past 12 years of my life in book publishing, and I have heard all these ideas before. They

are old ideas recycled around new machinery, and they are ideas which have been debated thoroughly, and thrown out, in other areas.

In effect, what we are looking at here is a threat to individual property. We are looking at a bill which asks us to consider theft which is a little more difficult because it is intellectual theft and not the actual removal of physical property.

Let us look at the arguments put forward by the hon. member for Winnipeg-Assiniboine (Mr. McKenzie). He gave us a long list of people who support his ideas. Included in the list were teachers, college professors—all consumers. There were no writers, no artists, no producers, no designers and no publishers. Just consumers. I could put together the same kind of list for free food, but I would have a hard time getting a farmer to sign the list.

Mr. Rose: Read the bill.

Mr. Fisher: Copyright exists for very specific reasons. It exists to protect property and to ensure that people will get recognition and payment. The book industry, newspapers, the music industry, arts and films take copyright laws very seriously because all these people own their material, and they want payment for it. They want protection against its misuse, and they want recognition of their own artistic and creative inputs. When we come along and try to exempt people from copyright laws, we are taking away from the creators of those materials the rights they quite properly now enjoy.

As I mentioned, I have experience in book publishing, and I have seen this happen time and again. I remember a case in British Columbia in which the teacher's federation Xeroxed an entire book and then sent copies to the publisher. I remember in my own publishing company specifically putting on a map the information that the customer could Xerox the map but that the rest of the book was protected from such reproduction. As we look at the arguments of the hon. member for Winnipeg-Assiniboine, we find the same ideas being discussed around more and more sophisticated technology.

The hon. member for Mission-Port Moody (Mr. Rose) was quite right in saying that this technology is spreading, but he was wrong when he inferred that we should condone the practice that is spreading with the technology. Because the bootlegging is happening, in his opinion we should okay it. Car theft is happening as well. Should we okay that? We did not okay horse theft, and when the technology improved we did not okay car theft. We could use the same parallels here. In this bill we are asking artists and writers to subsidize municipal taxpayers. We are saying that schools and colleges do not have enough money to afford materials which they somehow justifiably deserve, and so the writers, publishers and designers, those who spent their time, their thought, their intellect, their money and their labour, are the people who should subsidize the taxpayers. And that harsh fact is hidden by dragging in legions of small children and earnest teachers who somehow deserve access to this material free or cheap.

I am sympathetic to the idea that we need more money for educational materials at all levels of our school system. I am also sympathetic with people who succumb to temptation because the technology is there and it is easy to reproduce the material. But I also know, despite my sympathy, that these are quite separate issues, and I feel determined that we should be protecting the people who give us the materials in the first place.

It should be clear that the right to take away property is not the correct route to raise cash for our school systems. I do not think the hon. member for Winnipeg-Assiniboine would voluntarily give away half his back yard because somebody wanted to build a new school next door and did not have quite enough room. He probably would not give away his car if the school needed a new bus. And we should not ask people to give away their films, their newspapers, their paintings or their books just because enough cash cannot be raised this year from local taxpayers.

In fact, if we look at the consequences of the sympathetic approach the hon. member has taken, we will see that it is actually counterproductive. Perhaps in the short term he would have more materials than he could reproduce on his VTR or on his Xerox, but in the long term he would have fewer materials. Who would do anything remotely useful for a school if it was likely to be stolen from him at the school? We would find—and this pattern has been occurring in book publishing and it would occur again in films and television—that people would somehow just avoid servicing the school market because they would not be getting a proper return for their labour, their investment and their thought.

• (1630)

I congratulate the hon. member. Everyone wants good schools. In fact, I have a niece and a nephew who attend schools in his riding, and I am most anxious that they be good schools. We all want ample materials in those schools, and again, because of my family ties, I want very good materials in the schools in his riding. The people to whom we should be talking are not the artists or the producers. We should talk to Mr. Sterling Lyon and tell him to quit cutting taxes and to supply the schools properly.

Some hon. Members: Hear, hear!

Mr. Fisher: That is where the money comes from, not from the producers. If the hon. member for Winnipeg-Assiniboine takes the long-term view and does some homework, he will find out that it is really an old argument. He can go all the way back to the days of Mark Twain and find that some of his books were actually pirated and published in Canada before they appeared in the United States. The fact that it was done in the days of Mark Twain was a strong enough argument for Canada eventually to set up good copyright laws. I do not think we should start backing away from that now just because we have new machines and it is easier to infringe. We should remind people that if they will not steal a physical piece of property, they should not steal an idea. Instead, we should take the sentiment in this bill and redirect it.

When the Secretary of State and Minister of Communications (Mr. Fox) comes here and asks for more money for some of his good programs to help creative people, we should give him that money. When the Minister of Industry, Trade and Commerce (Mr. Gray) comes here and asks for more money to create markets, we should give him those opportunities. When our artists and producers come to us asking for protection and recognition, we should respond to their requests as well. When we and the hon. member for Winnipeg-Assiniboine start doing this, we will find in the long run that there are cheaper and better materials in the schools.

Some hon. Members: Hear, hear!

Hon. W. G. Dinsdale (Brandon-Souris): I am pleased Mr. Speaker did not recognize me before the hon. member for Mississauga North (Mr. Fisher), he added a dimension to this discussion which has not hitherto been presented on eight occasions since the motion first appeared on the order paper and went through its annual pilgrimage in the House. Obviously the hon. member is a lobbyist for the book publishing business. We have not had the benefit of that interesting viewpoint until now.

We are faced with a real problem, and I do not think any perspective should be accepted as the only one. I express admiration for the manner in which the hon. member for Winnipeg-Assiniboine (Mr. McKenzie) sponsored this bill. He introduced it reasonably and has persisted over eight years in bringing it before the House. I have had a similar experience in sponsoring a private member's motion for almost as long to set up a committee on the disabled. Finally we have achieved our goal in that regard. We are working very constructively and creatively in a non-partisan manner to deal with the problems of the disabled community.

Mr. Pepin: You will get the report from Transport Canada next week.

Mr. Dinsdale: Oh, good.

Mr. Knowles: Do not say "good" until you have seen the report.

Mr. Dinsdale: That is something we were not able to obtain before. I hope hon. members heard the statement of the Minister of Transport (Mr. Pepin). We have been attempting to get some action in the area of transportation for the disabled. This is good news that we have received this afternoon.

The sponsor of this motion is only asking that it be referred to a committee. It must be referred to a committee. We have heard the viewpoint of publishers expressed by the hon. member for Mississauga North, the viewpoint of the hon. member for Mission-Port Moody (Mr. Rose) who is a teacher with many years of experience, and the very constructive presentation of the mover of the bill.

The tragedy is that this matter was referred to committee on a previous occasion, but because of the exigencies of the business of this House, there was no quorum in the committee and it could not proceed with its business. As the hon. member for Winnipeg-Assiniboine said, there were no Liberal members present at the committee. Whether that was deliberate or due to circumstances, we do not know. But, he received the approval of the House and of the government, and let us hope it is renewed before we finish our discussion this afternoon.

We are living in a time when information is expanding explosively. This phenomenon has been occurring for the last 30 or 40 years. Actually we were much better off in making audio-visual information available to educational institutions a couple of decades ago than we are now. In the past two decades we moved into the area of television communication and now we are moving toward Telidon communication. In the not too distant future everyone will have a machine in their homes through which they will be able to communicate with the community and the world at large. This invention is sponsored by the Government of Canada. The government has not yet sorted out the politics arising from this new magnificent technology, and what we are discussing today is a step in the right direction, if the subject is allowed to go to committee.

What will we do when Telidon is developed by the Government of Canada in collaboration with the private sector, Northern Telecom? We will be able to sit in our homes and bring in information of all kinds. What will the book publishers do about it? Telidon will have access to library resources all over the country, to satellite information, to electronic funds transmission, to electronic mail transmission and the whole business. This technology will require major changes in existing legislation and will result in the implementation of various new pieces of legislation. The bill before us is only asking for a reference to committee where we can grapple with one small segment of the total picture.

Obviously the hon. member for Mississauga North has not read the bill; his speech must have been prepared for him. If he had read the bill, he would have realized that clause 1(vii) on line 26 reads:

—provisions respecting royalties payable to such authors or performers—

The whole idea is to make contractual arrangements. This is the emphasis of the bill. It would make it possible for royalty provisions to be payable to authors and performers. There is no desire to steal, as the hon. member for Mississauga North implied. There is no desire to steal or to avoid the necessity of making a reasonable contribution. This is what is being done now, as the hon. member for Mission-Port Moody told us. When Telidon comes on-stream it will be done in every home. It is to regularize and legalize what is already being done.

● (1640)

I say we have gone backwards in this regard. When I was in the educational field there used to be some interesting activities designed to inform the citizens of Canada, through audio-visual means, of some of the great events that were taking place at that time. This kept Canadians informed on current affairs. The two programs of which I speak were "Citizens

Forum" and "Farm Forum". These were sponsored by the CBC and excellent information was published by them and distributed. The National Film Board supported this educational activity by establishing a network of film councils across the country. These films were available free of charge. They were films on all sorts of topics of educational value to the schools, colleges and universities of this country. This service is no longer available because of the advent of television. Canada has not come to grips with that problem. As a result, our students and our citizens are being deprived of a very important and necessary source of information. The United States are ahead of us in this regard. They have the Public Broadcasting Service which is privately-funded and doing an excellent job of providing educational programming. It makes the programs available to schools and educational institutions. The CBC could do this, as it used to do with "Citizens Forum" and with "Farm Forum", backed up by the audio-visual services of the NFB.

I want to make one further point. I have already made reference to the fact that it took eight years to get some action on behalf of the disabled community by bringing a motion repeatedly before this House. I hope we will have the same response from the government spokesmen this afternoon who will rise and say: Yes, let it go to committee because we have a real problem here.

I also hope that the government will move quickly in the area of copyright because copyright provisions at the present time make it impossible to serve our schools and universities with audio-visual material. This also applies in the area of the disabled. Some radio stations have tried to provide a reading service for the blind and visually impaired. They cannot provide such service. They are willing to provide the service but they cannot do so because they are prevented by antiquated copyright legislation. Let us move forward in this direction. Let us see what can be done to change our out-dated copyright regulations so that urgently-needed services of the audio-visual educational kind can be provided to our schools. I mention this particularly for the benefit of the member for Mississauga North, so that publishers, writers and creators can be adequately compensated. I am sure there is no one, no author, no creative person in this country who wants to deny the young people of Canada in the schools the benefit of what they have created.

This bill is asking for amendments to the legislation which will make it possible to provide the royalties. Let us move forward in that area. Let us move forward in the area of copyright. Hon. members know that the government has, in the past decade or so, been talking about this for almost as long as amendments to the Bank Act have been talked about. Let us do it. Let us move this excellent piece of legislation into committee and get on with solving this urgent problem. New situations, new circumstances and new legislation will be required in order to come to grips with the impact of the revolution in technology—as Alvin Toffler calls it, the "new wave".

[*Translation*]

Mrs. Céline Hervieux-Payette (Parliamentary Secretary to Solicitor General): Mr. Speaker, I take the floor, first, as the member for Mercier and, second, as former chairman of a regional school board and present trustee of the same school board. I would remind my hon. colleague from Winnipeg-Assiniboine that I shall be meeting my colleagues tomorrow at which time I shall have the opportunity of consulting them in that regard.

However, after having been active in the school system for five years, this is the sixth year of my term, I must say that this bill in no way meets the needs of Quebec school boards, and I am surprised that a Manitoba colleague can introduce a bill that trespasses on so many rights, individuals and bodies. In any event, I think this bill, as we say in French, is "stuffed" with good intentions, but as hell is also, "stuffed" with good intentions, I doubt that is the purpose of this bill.

I must also remind the House that, in this bill, we deal with a matter that falls under the jurisdiction of the Superior Council of the Ministers of Education, which means that we are dealing directly with a matter of provincial jurisdiction. As far as I know, and with regard to the allegations of my colleague for Winnipeg-Assiniboine, I have not heard that the ministers of the superior council made any request to the effect of changing our federal laws to authorize them to glean so-called educational programs from both public and private television networks. However, I see that my colleague extends the matter to television programs in section 3(2), which I quote:

—and any television program dealing primarily with history, science, the arts and current affairs, but does not include a newscast.

In other words, almost 90 per cent of all television programs produced can be used and taped by the minister of education network.

I believe my colleague and other hon. members would be well advised to see just what is now available to the ministers of education in the field of educational films. With this in mind, I brought my colleague for Winnipeg-Assiniboine a repertory of films on the penal code, published by the department I represent as Parliamentary Secretary to the Solicitor General of Canada.

Now it would have access to hundreds of films and refer the said document to the Manitoba Department of Education and make available to thousands of young people an extremely well prepared documentation from various sources at some ridiculously low prices and often free of charge. However, I do not intend obviously to give a lecture on the excellent films produced by the National Film Board of Canada which come under the jurisdiction of the federal government and which also make available to school boards some high quality films also at set prices or even free of charge. Therefore, I think that school boards are very well served by the Canadian govern-

ment as far as the production of educational films is concerned.

I wonder about the basic subject matter of Bill C-224, a bill practically authorizing the broadcast of all television programs throughout Canada. The member did not put any limitation in his bill about the programs originating in the United States since it is rather easy to gain access to the American production in Canada. Therefore, in my opinion, while the bill is full of good intentions, it does not surely attain the objectives sought by the member for Winnipeg-Assiniboine (Mr. McKenzie).

● (1650)

Furthermore, as a school trustee and as a member sitting on a school board in my riding and accountable in another riding for another school board to which I have sent the reference book I mentioned earlier, I must say that I am surprised that there could be so much interference with the rights of all the people involved.

In fact, I am thinking of the authors, namely, the people who created those television programs; I am thinking of the producers and all the teams who participated in the production of those programs. I am not questioning the judgment of school boards in selecting programs which could be of some interest for those students. However, I believe it is not within the federal government's jurisdiction to initiate such action and to make available to the provinces material qualified as school and educational material, without their specific request.

Besides, I find it rather strange that a Progressive Conservative colleague normally so concerned with the welfare of private enterprise should propose now an almost socialist oriented bill. In fact, mention is made in this bill to cover rights which have been respected and if they have not been respected as they should, as mentionned by the hon. member for Mission-Port Moody (Mr. Rose) I do not see why we should try to make legal things which are being done illegally at the present time and if there is any need for putting teeth in the law I think that would be the right course to follow rather than making things legal by interfering with the basic rights of artists and authors. In fact, Mr. Speaker, in the arts, as you no doubt know, it is extremely difficult for an artist to become known, to earn a living, to have a decent income in order to feed a family and in the long run to enjoy a decent living as a Canadian citizen.

What the hon. member for Winnipeg-Assiniboine suggests, is for a federal control over television broadcasts and to offer them at a reasonable cost. I am sorry, but I do not think that it is the responsibility of the Canadian government to set a reasonable price for those broadcasts. At the present time, I believe that most of the programs shown on televison networks are available to all provincial governments which may, if they wish, obtain copyrights in order to show these programs in educational broadcasts. Therefore, I do not see how a member of the Progressive Conservative Party could allow such government interference in private business or in matters which come under the jurisdiction of another level of government. In fact, although I have not inquired about the situation in Manitoba, I know very well what services are offered in Quebec and in Ontario with regard to educational broadcasting and I must say that in Ontario the programs are of excellent quality. Not only does that province have access to Canadian productions but there are exchanges with countries of the European community, on a regular basis. Furthermore, beside those exchanges, the Ontario and Quebec governments have made joint efforts to produce educational programs, to which quite often participate our national radio and television network, but which are initiated by the provincial governments and which come under their own jurisdiction.

So, I do not see why my colleagues are up in arms on a constitutional motion which does not temper with provincial jurisdictions and I do not understand how a bill may be brought to the floor of this House, and have such an impact in a field which is strictly under provincial jurisdiction.

Mr. Speaker, coming back to article 2(4) which states: "Notwithstanding the provisions of the act on copyright, copy, retention and utilization of a broadcast in the expected way, are deemed not to constitute infringements on copyright".

I protest, Mr. Speaker, such a clause which makes it possible to infringe upon copyrights. We know, as my colleague from Mission-Port Moody said earlier, that protecting copyright is no easy task and since that problem is to be tackled, I think the government will not hesitate to adopt such a measure. However, I think it is rather strange that a party so concerned with individual rights, a party which loathes social legislation, a party whose philosophy has always been based on the individual, should deny this very individual, who is the author, the opportunity to discuss his own copyrights, to set up his rights himself to negotiate them freely with television stations as well as denying him the opportunity to pass contracts involving retransmission.

By the way, the provinces can now have access to the whole Canadian government production through the educational network, for a nominal cost or for an amount which covers only the technical cost of production. Therefore, it seems very odd that such a provision be included in a bill which is supposed to aim at child education.

I must say that if my colleague is so concerned with the education of his children in his province, I offer him to share with the director of educational services of Le Gardeur School Board, on which I still sit, as a matter of fact, all resources which we have as regards bibliographies and films which could be put to the disposal of school-boards. Besides, I must say that as productions are made both in English and French in Quebec, his province would surely benefit from their use.

In addition, I have not heard the hon. member for Winnipeg-Assiniboine say in his speech that he had consulted

organizations as important as the *Union des artistes* or any other union concerned by the matter, and I believe that in such an important area, this is one of the basic things which must be introduced if we want such a legislation to take form and become statute.

On the other hand, I turn to the assertions of my colleague who was speaking earlier about Telidon, advanced technology, the opportunity to broadcast all kinds of documents through television. I do not think this government which has precisely presided over in the technological innovation in the telecommunication field, which, finally, has spent for many years huge amounts on research in this area, should deny the opportunity to use such advanced technological tools.

However, in spite of gossips and scandal-mongers, I must say that this government is anxious to respect members of the education superior board, their needs, their viewpoints, and if the latter make application to acquire such aids, I suggest the Liberal government could sit down and discuss the matter. But I believe that this legislation, as a matter of fact, represents a considerable infringement not only in the right of provinces, not only on the right of individuals, but it doesn't trust those who assume responsibility in this area.

Indeed, Mr. Speaker, if I had to sum up the matter, I would say that this legislation is paternalistic in a way. As a matter of fact, it would like to dictate conduct to school-boards and tell them how to use their educational aids and where to find them. Finally, credit would certainly be last where credit would be due. Personally, speaking this time as a mother of three children, Mr. Speaker, I can confirm the findings of Statistics Canada, namely, that children are spending by far too many hours watching TV, and that all those who are interested in the issue, whether as teachers, psychologists or associated specialists, are indeed very concerned about this situation.

• (1700)

Before introducing such a bill and instead of allowing the students to have access to more hours of television under the pretext of education, we should perhaps look for innovations more in agreement with personalized education, with a type of education where the child is no longer treated as an object, but rather as a human being.

Mr. Speaker, the technology of television can be used well, and I believe that certain provincial governments—since I cannot give a summary of the situation throughout Canada—are now putting educational television to very good use. However, it is not by making available hundreds of hours more of programs that we can solve the problem of education for Canadian children. I believe that, at the present time—and my colleague can correct me if I am wrong—we have all the technical material that we need and the problem of education is not related to a lack of educational books or of technological aids available to school boards, but rather to the values and the system itself, to the children in our schools who have been ignored in the last few years and treated as numbers.

Mr. Speaker, we have tried in our school-board to give back to our students a quality of school life which is concerned less with the teaching environment and the quality of the building itself than with the quality of the teachers and personal contacts with each student, which aspect has been somewhat ignored in recent educational reforms.

Mr. Speaker, Bill C-224 pretends to be aimed at education but, in fact, it only represents interference by the federal government in an area which comes nearly completely under provincial jurisdiction. Mr. Speaker, I cannot support such a bill since I believe that by restricting this action to educational television, we would be opening the door to much greater dangers. Indeed, my colleague must know that we have throughout Canada community television stations which could also claim the same rights and say that, to educate the public in general, they want to take over these programs, and this would provoke a chaos which would benefit no one.

Mr. Deputy Speaker: The hour provided for consideration of private members' business has now expired. It being after five o'clock, pursuant to an order passed on Wednesday, November 5, 1980, the House stands adjourned until next Wednesday at 2 p.m., in accordance with the provisions of Standing Order 2(1).

At 5.05 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, November 12, 1980

The House met at 2 p.m.

● (1405)

ROUTINE PROCEEDINGS

[*English*]

NATIONAL PARKS

CALL FOR CONSULTATION WITH LEASEHOLDERS IN WESTERN PARKS—MOTION UNDER S.O. 43

Hon. W. G. Dinsdale (Brandon-Souris): Madam Speaker, under the provisions of Standing Order 43, I move a motion of urgent and pressing necessity. A notice from the Minister of the Environment (Mr. Roberts) appeared in *The Globe and Mail* on Saturday, November 8, 1980, addressed to the cottage and home leaseholders in Yoho, Banff, Jasper, Waterton Lakes, Prince Albert and Riding Mountain national parks, all located in western Canada. Inasmuch as the announcement continues the harassment of western Canadians using these parks, harassment which has included attempts to cancel arbitrarily federal leases which now take the form of sudden exorbitant land rental increases up to 1,400 per cent, creating hardships on pioneers and senior citizens in particular, I move, seconded by the hon. member for Portage-Marquette (Mr. Mayer):

That the Minister of the Environment announce immediately that he will consult, as originally promised, with leaseholders in the western national parks in an effort to arrive at a fair and equitable increase, thereby easing the growing feeling of alienation in the west arising from the many arbitrary actions of the Government of Canada.

Madam Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE BUDGET

SALES TAX ON GLAZED WINDOWS—MOTION UNDER S.O. 43

Mr. Charles Mayer (Portage-Marquette): Madam Speaker, I rise under the provisions of Standing Order 43. Whereas the sales tax on double-glazed and triple-glazed windows was cancelled in the November, 1978 budget, and whereas the stated goal of this government is energy conservation, and it is well known that the installation of double and triple-glazed windows can significantly reduce building heat loss, I move, seconded by the hon. member for Simcoe North (Mr. Lewis):

That this House instruct the government to reinstate the exemption from sales tax for double and triple-glazed windows.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENERGY

MEASURES TO ASSIST NORTHERN RESIDENTS MEET HIGH ENERGY COSTS—MOTION UNDER S.O. 43

Mr. Peter Ittinuar (Nunatsiaq): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. Whereas residents of the Yukon and Northwest Territories, who are totally dependent on oil as an energy source, are now paying upwards of $2 a gallon for fuel oil in some communities, and whereas there are no provisions in the budget to cushion the impact of escalating oil prices on northern residents, I move, seconded by the hon. member for Winnipeg-St. James (Mr. Keeper):

That the government introduce measures, similar to those presently in effect in the Atlantic provinces, which would help northern residents cope with disproportionately high energy costs.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

FOREIGN INVESTMENT REVIEW AGENCY

CONTROL OF POLICY—MOTION UNDER S.O. 43

Mr. Bill Domm (Peterborough): Madam Speaker, there seems to be a basic contradiction between the government's policy and the government's action in the area of foreign investment. The commissioner of the Foreign Investment Review Agency has just completed a trip to Germany to encourage European investment in Canada. This is in direct contradiction of the government's policy of putting all foreign investment proposals under stringent control and review. I

move, seconded by the hon. member for Simcoe North (Mr. Lewis):

That the Minister of Industry, Trade and Commerce make a statement on motions defining more clearly the separation between his control over the policy of FIRA and the apparent independence of action which the commissioner of FIRA enjoys, even to the extent of encouraging German investment in Canada, contrary to the stated government policy of corporate takeovers.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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INQUIRY OF THE MINISTRY

RELATIONSHIP BETWEEN GOVERNMENT AND NEW DEMOCRATIC PARTY—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, I rise under the provisions of Standing Order 43. It was reported over the weekend that a senior member of the Prime Minister's staff was called upon to draft the NDP amendment to the government's constitutional resolution because the NDP party has no obvious understanding of the constitutional resolution. I move, seconded by the hon. member for Moose Jaw (Mr. Neil):

That the government reveal whether they are now drafting speeches, amendments and policies for the NDP, whether an NDP vote is just another Liberal vote, and that the government reveal the full extent of their relationship with the NDP since the Canadian people are entitled to an explanation whether there will be a full consummation of their relationship.

Madam Speaker: This motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

• (1410)

[*Translation*]

THE CONSTITUTION

ATTITUDE OF LEADER OF THE OPPOSITION—MOTION UNDER S.O. 43

Mr. Marcel Dionne (Chicoutimi): Madam Speaker, I rise under Standing Order 43 concerning a matter of urgent and pressing necessity.

Whereas the Parti Québécois is trying untiringly to attain its separatist aim by circulating a petition whose avowed purpose is to impede any attempt to renew Canadian federalism.

Whereas the Parti Québécois is using some associations to circulate that petition.

Whereas the Right Hon. Leader of the Opposition signed that petition when he came to my constituency on November 10 last, I move, seconded by the hon. member for Lac-Saint-Jean (Mr. Gimaïel):

That the Leader of the Conservative party explain to the House his invitation to Quebeckers to take part in the referendum, which implied a commitment of the federalist forces to amend the Canadian Constitution, and his support now for the separatist party, which implies the rejection of any opportunity for the renewal of Canadian federalism.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Clark: Madam Speaker, is there consent—

Madam Speaker: No.

[*English*]

Mr. McDermid: The Liberals said no. The Liberals don't want to hear the truth.

PROPOSED RESOLUTION—ENDORSATION BY "PRAVDA"—MOTION UNDER S.O. 43

Mr. Ron Stewart (Simcoe South): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the fact that *Pravda* has expressed endorsation of the Prime Minister's constitutional resolution and in light of the fact that six provincial premiers are to challenge this constitutional package in the courts, I move, seconded by the hon. member for Haldimand-Norfolk (Mr. Bradley):

That the Prime Minister not follow in the footsteps of his new ally and banish the six dissident premiers to the frozen wastelands of Siberia.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

ENERGY

SITE FOR METHANE TERMINAL—MOTION UNDER S.O. 43

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, pursuant to Standing Order 43, I seek the unanimous consent of the House to move a motion on a matter of urgent and pressing necessity.

Last week, I visited Gros-Cacouna, the site which had been originally proposed for the LNG methane terminal for the Arctic pilot project near Rivière-du-Loup. While there I met some people from the area. Shortly before the proposal was made by Petro-Canada to the NEB, this proposal was amended to include Canso in Nova Scotia, another possible site for the terminal. It is clear, Madam Speaker, that there is a conflict here between the Minister of Energy, Mines and Resources (Mr. Lalonde) and the Minister of Finance (Mr. MacEachen) concerning this site. I move, therefore, seconded by the hon. member for Burnaby (Mr. Robinson):

That the choice of the terminal site be referred to the Commons national resources committee in order to ascertain the pros and cons. I beg of both ministers to put an end to their chess game.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

PENSIONS

CALL FOR INCREASED BENEFITS—MOTION UNDER S.O. 43

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

That this House notes the frequent references made by the government to the $35 a month increase in the Guaranteed Income Supplement provided earlier this year, but this House points out that this increase has been completely absorbed by increased rents, increased fuel and other costs, and this House therefore calls on the government to bring in a measure that will provide a further pension increase, it being clear that such a measure will be passed in time for the increase to be included in the cheques our pensioners will receive just before Christmas.

Madam Speaker: Presentation of such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Madam Speaker: Oral questions.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

THE CONSTITUTION

SPECIAL JOINT COMMITTEE—BROADCASTING OF PROCEEDINGS—INSTRUCTION TO COMMITTEE

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is directed to the Prime Minister. It concerns the capacity of the joint committee of Parliament which is considering the constitution to have its proceedings televised. The Prime Minister will know that Madam Speaker has ruled that that decision can be taken only by this House in so far as the House of Commons is concerned. Would the Prime Minister tell the House whether it is the intention of his government to take an initiative which would allow Parliament to give what Madam Speaker has called a permissive instruction to the joint committee which would allow full coverage by radio and television of the proceedings of that committee?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I had occasion this morning to listen to the views of various caucus members on this subject. It was concluded that the government House leader would be willing to meet the House leaders of the other parties, as soon as they are ready, to discuss ways in which television might be brought into that committee if agreement can be obtained all around on the way in which it can be done.

● (1415)

Mr. Clark: Madam Speaker, I am pleased that we have moved that far, although I think that was a conditional answer given by the Prime Minister. Is it the position of the government that there should be live radio and television coverage of the proceedings of the joint committee?

Mr. Trudeau: Madam Speaker, I believe that is a repetition of the same question, and I can only answer in the same terms, perhaps more elaborate if necessary. The position of this party has been for a long while, in spite of the foot dragging by the official opposition, that television should come into the House. The Leader of the Opposition will recall that television coverage in the House be done under very specified circumstances, that there be certain kinds of electronic *Hansard,* and so on. The answer I gave earlier indicates that our caucus is willing to go in the direction of televising this particular committee if the proper conditions, safeguards and framework are worked out between the House leaders.

Mr. Epp: What conditions?

Mr. McDermid: Before December 9?

Mr. Clark: Madam Speaker, again we do not have an indication yet that it is the intention of the Government of Canada to recommend full radio and television coverage. The Prime Minister says that their agreement would be conditional. Would the Prime Minister tell the House of Commons what his conditions are?

Mr. Trudeau: Madam Speaker, I have indicated that our House leader is prepared to meet his House leader and the House leader of the New Democratic Party to discuss these conditions.

Mr. Clark: Madam Speaker, to discuss what conditions?

Mr. Trudeau: Madam Speaker, the Leader of the Opposition surely remembers that when television was brought into the House, it was after a long series of negotiations on many conditions. Some conditions were put forth by his own party. We want objective coverage, something in the nature of an electronic *Hansard*. We do not want spots. We want to have the equivalent of what takes place in the full House. There are other conditions to be discussed which the House leaders will be able to look at.

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ROYAL CANADIAN MOUNTED POLICE

McDONALD COMMISSION—POSSIBLE CONFLICT REGARDING RELEASE OF INFORMATION

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, my question to the Prime Minister also relates to a question of constitutional responsibility which needs public airing.

Where there may be a conflict regarding the release of information before a royal commission in this country and the very clear duty and responsibility of a provincial attorney general to prosecute or, at the very least, to have an investigation where serious allegations of a criminal nature have been made, which in the view of the Prime Minister and the government takes paramountcy? Is it the right of a royal commission to decline to release information to a provincial attorney general, or is it the right and responsibility of a provincial attorney general to prosecute?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, the question oversimplifies the problem. There are two sovereign governments involved and each has its own responsibility. Speaking for this government, a royal commission was established which has been asked to get to the bottom of the incidents involving the RCMP. The work of the commission is proceeding on course. It will report by next March 31, and as has been indicated many times in this House, the government will take its responsibility with that report.

Mr. Lawrence: Madam Speaker, I am curious as to why the Prime Minister, who claims to have a very serious knowledge of the law of this country and constitutional questions, would not answer that question.

My supplementary question to the Prime Minister relates, of course, to the long letter sent to the Minister of Justice by the attorney general of Ontario. Other attorneys general across this country are also seriously concerned about the absence of full and complete disclosure, contrary to an undertaking given by the Clark administration to those attorneys general, of information relating to very serious allegations of a criminal nature which would be given to them before the release of that information to the public.

● (1420)

I come back to the Prime Minister. Which in his mind has paramountcy when he, his Solicitor General, his Minister of Justice and I know that, in relation to the Checkmate matter in any event, in November, 1980, there is very little in those files which relates to national security matters.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member wants to know why I did not answer the first question. The answer is obvious. It was because the Solicitor General had the answer, and it was a perfectly satisfactory answer. We are faced with the problem of two levels of government having different areas of jurisdiction.

I repeat his words. As far as we are concerned as a government, we established a royal commission. We always, both in this House and outside the House, took the position that we would not intervene in the work of that commission, that we would not prejudge issues until the commission had reported, that we would not prosecute witnesses until the evidence was completely in or until the commission itself said that it was prepared to release the evidence. I think that is a perfectly acceptable and justifiable procedure, all the more justifiable, as the House knows, when the Solicitor General a very few days ago tabled an order in council indicating that we wanted the royal commission to bring in its final report by the end of March of next year, five months from now.

* * *

THE CONSTITUTION

SPECIAL JOINT COMMITTEE—METHODOLOGY OF BROADCASTING PROCEEDINGS

Mr. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the government House leader. I want to get a little more detail on what I now take it the government has accepted in principle, that is, the notion that there will be both radio and television coverage of the proceedings of the special joint committee on the constitution. Will the House leader confirm that the kind of detail the government has in mind simply refers, for example, to the method of covering the proceedings of the House—that everything that is said by a speaker in the House has to be included, that there be no editing; and, second, that cameras or radio microphones will not be focused on people who are not being formally recognized by the Chair. Is that the kind of detail the government has in mind?

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Those are good suggestions, Madam Speaker, and might I point out to the leader of the NDP that last week, when the members of the committee opposed their proceedings being televised, cer-

tain concerns were expressed. Some dealt with what the hon. member has just mentioned; others pertained to the application of certain principles such as, respecting the electronic *Hanzard*, bilingualism and simultaneous translation.

Other matters will also have to be discussed, such as how the proceedings will be televised, the problems of setting up subcommittees. The hon. member will understand that for the sake of efficiency the committee might well decide to break up into various groups with a view to hearing the largest possible number of witnesses; the question might well come up then of which of those groups should have its proceedings televised. That is the type of practical, real problems, which we are not making up, and which will have to be faced. I feel it might be wise for the House leaders to try to avoid them and, ultimately, find an arbitrator who could make the decisions should problems arise.

In concluding, might I say that our favouring, at this time, the televising of the proceedings of the joint committee should in no way be interpreted as a means of delaying, in any way, the work or the report of the committee.

[*English*]

INQUIRY WHETHER REPORTING DEADLINE WILL BE EXTENDED

Mr. Edward Broadbent (Oshawa): Madam Speaker, I am certainly glad the government has discovered that the degree of lighting in the committee will not be too strong to drive out witnesses and has decided to open up the process.

With that aside, I would now like to ask the Prime Minister an important question on the democratic process of constitutional change that is so integral to gaining acceptability in the federal state, not merely the substance of the program. Considering the delay, but not simply the delay, in getting the committee proceedings underway as a result of what happened in the other place, and considering the large number of people and organizations who want to present testimony to the committee, will the government be prepared to extend the deadline for the report of the committee by at least two weeks?

● (1425)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I remind the leader of the New Democratic Party of conversations which were held by the House leaders of the three parties early in October. They were to the effect that the dates were flexible. The issue then was—and it remains—how long does this total issue remain before Parliament, before Parliament makes a final decision? My recollection of the negotiations then was that our House leader was flexible as to the number of days or weeks the resolution would stay at second stage before committee, providing we had some view of what would happen at the end. Would there be some agreement to vote on the whole issue within some reasonable time? I remember the conversation I had with the Leader of the Conservative party and the Leader of the New Democratic Party in my office the day before cabinet made its final decision as to timing, procedure and content. The problem was discussed at that point too—that we should deal with this matter not in haste but with some sense of urgency. The argument I used then and use again was the commitment we made during the Quebec referendum.

An hon. Member: Were all members heard?

Mr. Trudeau: I recall the answers of both my interlocutors at the time. If they want to go into it further, I will indicate what was said at that time.

An hon. Member: Will all members be heard at least once?

Mr. Broadbent: If I understood the Prime Minister correctly—and I was listening with care—he said that he was prepared to extend in principle the time limit for the committee, but he wanted to link that in some way to the final time which would be taken both at committee stage and back in the House in terms of completing the bill. In particular, given the number of people who want to be heard at this time and the importance of us, as a parliamentary group, showing that we are interested in hearing the people of Canada, especially particular interest groups of central concern, is the Prime Minister prepared to say more precisely today what he has in mind, or is he saying that it is something which must be negotiated by House leaders?

Mr. Trudeau: I am saying the latter, Madam Speaker. I believe the Leader of the New Democratic Party, at least on this point, is agreed with our party that the matter must be dealt with within a certain framework. We discussed that last May and again in early October. I make no secret of the fact that we discussed timing also when I met the Leader of the Conservative party.

Mr. Clark: Very generally.

Mr. Trudeau: Very generally. I indicated to them then, and I indicate to them now that we want sufficient time to be devoted to this matter, to the hearing of witnesses and so on. That is why we were flexible in early October, and that is why the House leader is prepared to be flexible now. We are not flexible in the sense that we would prolong committee stage—

Mr. Andre: Flexible closure.

Mr. Trudeau: —if we had some reason to believe that when we reached the final stage we would still be faced with filibusters, bringing us into an indefinite amount of time. I believe that is the position of the New Democratic Party, as I understood it, in a general sense. There was no date agreed upon, but certainly there was an indication on their part which shared our part, that Canada must get on and settle this matter within some reasonable time. This is the context in which the House leader of our party will discuss with his opposite numbers.

• (1430)

LABOUR CONDITIONS

UNEMPLOYMENT—INQUIRY AS TO GOVERNMENT ACTION

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, my question is directed to the Minister of Employment and Immigration.

Some hon. Members: Order.

Mr. McDermid: The minister has stated in this House that the most severe difficulties are faced by those young people who cannot get their first entry into the job market and that he has to tackle that problem immediately. With unemployment in the 15 to 24-year-old age bracket now at 13.4 per cent, up dramatically since the minister decided to tackle the problem, and with 15,000 more unemployed in September—as a matter of fact, 2,000 fewer employed than a year ago—can the minister tell us how much longer the young people of Canada have to wait for action from this obviously uncaring government?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I would like to point out to the hon. member that since this time last year well over 230,000 jobs have been created in this country. That is a very important fact.

Some hon. Members: Hear, hear!

Mr. Axworthy: Furthermore, because of the number of cancellations and cutbacks the hon. member's government instituted, opportunities for young people, women and others to work in direct employment were cut back. We have had to put those programs back into effect, as we have now done, and they are now being implemented and providing a number of new work opportunities.

I further point out to the hon. member that we have initiated a major task force chaired by the hon. member for Notre-Dame-de-Grâce, and a number of assessments are going on in our department to provide the kinds of changes which we all recognize must take place in order to respond to new work conditions in the 1980s. So I think we are a caring government. We are concerned about unemployment but, unlike our predecessors, we are doing something about it.

Mr. McDermid: Madam Speaker, my supplementary question is for the same minister, who likes to put forward his programs as the panacea for all our problems but which provided only 12¼ jobs in my riding where there are 5,000 on unemployment insurance. Hon. members opposite are really doing a great job!

The minister is hanging everything on this committee. Is he telling this House that he is not going to take any action at all until that committee reports but that he will take action on that committee's report and follow its recommendations?

Mr. Axworthy: Madam Speaker, unlike the hon. member opposite, I would like to have the facts before I make decisions. I think it is important when we establish a committee of Parliament made up of members on both sides of the House that we pay them the proper respect and wait for them to bring forward their findings before going ahead and taking major action. That was the purpose of having the committee.

However, in the meantime we have started a number of programs this year which are providing employment opportunities. There are special programs for women in training, a special native training program, and the community development program which replaces the one cancelled by the hon. member's government.

Mr. McDermid: Twelve jobs in my riding.

Mr. Axworthy: The fact is that these programs are providing close to 50,000 jobs across this country, which is a very important step forward. We believe it is very essential at this time that we make a very careful assessment of the job market as it will appear in the years ahead and respond to it properly.

I also suggest to the hon. member that in the budget presented by the Minister of Finance two weeks ago an additional $350 million was allocated to deal with job problems and industrial problems in this country, and we intend to be making announcements on that very soon.

* * *

NATIONAL ENERGY PROGRAM

ROLE OF CANADIAN-OWNED OIL COMPANIES

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. It relates to the position of Canadian-owned, independent oil companies under the new energy program of the government. One of the objectives of this program is to increase the degree of Canadian ownership of the oil and gas industry in Canada, which is an objective we on this side of the House fully support.

However, one of the things which has become quite clear since the announcement of the report is that these companies have stated that their cash flows will be reduced by 25 per cent to 35 per cent, that they will be financially weaker. Many of them are cutting back operations. Some have stated their clear intention to move to the United States and spend their money developing energy resources in the United States.

In view of this, what role does the minister see the Canadian-owned, independent oil company playing in the Canadianization program which has been announced under the national energy program?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, the Canadian energy program is attaching the utmost importance to the role of Canadian independent petroleum companies. Those who have complained have looked at the taxation side of the budget, but I submit that they have not examined very carefully the very substantial incentive program this budget contains for Canadi-

an-owned companies. We have met with several of those companies and their spokesmen. We are reviewing with them the impact of the budget on their operations, and for those companies which are going to explore and carry on activities in Canada I submit that this budget and the national energy program are indeed very much to the advantage of Canadian companies.

Mr. Andre: They don't think so.

Mr. Lalonde: I add only that one of the most vociferous opponents of the program, after the hon. member for Calgary Centre who is always speaking, is a man who has been in this country 30 years but has not bothered to take Canadian citizenship.

Mr. Andre: Jim Gray was born in this country. He is more of a Canadian than you will ever be.

Mr. Wilson: Madam Speaker, many articles have come out in the newspapers since the announcement of this program calling for lay-offs, redirection of budgets to the United States, cutting budgets within Canada and hiring freezes. These people are not taking these actions without studying the impact of the energy program on their operations. The minister says he has met with a number of these companies and listened to their concerns. When does the minister propose to announce specific action which will take account of and redress the adverse affects of the energy program on the operations of these companies?

Mr. Lalonde: Madam Speaker, the measures announced by the government were contained in the budget. They were approved by this House during the course of last week. I have had meetings with a number of representatives of Canadian companies about certain detailed aspects.

Mr. Paproski: What did they say?

Mr. Lalonde: Many of them said privately that there were many things they liked in the program, but they do not dare say it publicly.

Some hon. Members: Oh, oh!

* * *

LABOUR CONDITIONS

UNEMPLOYMENT—REPORTED VIEW OF CANADIAN COUNCIL ON SOCIAL DEVELOPMENT

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, it is hard to top that one! I have a question for the Minister of Finance. The unemployment figures released today show that there was more unemployment this month than last month and more unemployment this year than last year. It is clear that the government is well on its way to keeping its promise to add over 100,000 to the unemployment rolls in the next year. In light of the minister's statement last week in the House of Commons that the report of the Canadian Council on Social Development was—and I am using his word—"distorted", I wonder if the minister could also tells us whether he feels that the council's documented view that increased unemployment also means an increase in marriage breakdown, crime, and suicide is also distorted.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I am not making any further comment about that particular report. I said at the time that I thought it was a bit far-fetched to relate the budget, as I thought had been done, to a whole series of social disorders. We all recognize the impact of unemployment, but the hon. gentleman ought to keep that problem in perspective, in fairness not only to the country but also to the unemployed themselves. Because as my colleague has pointed out, the total number of jobs in Canada has increased quite markedly over the past year.

Mr. McDermid: For young people?

Mr. MacEachen: In fact, the increase has been about 2.2 per cent year to year. The unadjusted unemployment level is precisely the same this month as it was a year ago. Furthermore, the performance of the Canadian economy is better than that of the United States. These are a number of encouraging signs which I invite the hon. member to place against the concern we all feel about increased unemployed at whatever level.

Mr. Rae: I invite the minister to go to downtown ridings and to areas of high unemployment—there is over 25 per cent unemployment among young people in my riding—and give that kind of complacent statement to young people hanging around and looking for jobs.

● (1440)

My supplementary question is for the same minister. In light of the announcement made today by the Minister of Consumer and Corporate Affairs that the community services program of CMHC will be cancelled entirely, and in light of the fact that the minister in his budget statement announced an increase in taxation by way of an increase in unemployment insurance contributions of $1 billion, thereby, in the words of his colleague, the hon. member for Lincoln, shifting the tax burden from one group of taxpayers to another, those least able to afford it, I should like to ask the minister what is the logic of this at a time when unemployment is increasing?

In the case of the community services program the minister is taking hundreds of millions of dollars—indeed, considering the multiplier effect, taking billions of dollars—out of the economy of our inner cities, and in the case of unemployment insurance taking $1 billion out of the economy at the present time. What is the logic of simply shifting the burden in the case of the community services program on to the provinces and on to taxpayers in another form, and in the case of the unemployment insurance away from one group of taxpayers, those best able to pay, to a group of taxpayers who are least able to pay, that is to say, employees?

Mr. MacEachen: Madam Speaker, first of all I would tell the hon. member that I do not intend to go to him to secure lessons about dealing with the unemployed and understanding their problems. I think if the hon. member took the view that there are others in this House who had as much interest and as much concern about the unemployed as he does, the discussion might become more rational and more logical.

The hon. member asked what the logic is about increasing contributions from both employers and employees. This Parliament adopted a principle that the unemployment insurance fund should be self-financing with respect to most of its activities. That is part of the law, and it was pursuant to that law passed by Parliament that the increased contributions were made, both from employees and employers.

Some hon. Members: Hear, hear!

Mr. MacEachen: That is the simple logic, Madam Speaker, that I ask the hon. member to consider.

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ENERGY

DELAY IN CONSTRUCTION OF TAR SANDS PLANTS

Mr. Maurice Foster (Algoma): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. In view of the urgency of moving ahead with the construction of tar sands and heavy oil plants in western Canada due to the tremendous capital costs and long lead time required for their development, will the minister be seeking an agreement with the Alberta minister of energy to have the province's hold on these plants lifted and this issue separated from the over-all disagreement on oil pricing and revenue sharing from conventional oil, so that these projects can go forward without delay?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, we have indicated our willingness to undertake further negotiations and we are certainly quite willing to undertake those negotiations under any format. The one suggested by the hon. member is indeed one we would welcome. I have had discussions over the telephone this morning with my colleague from Alberta—

An hon. Member: Which one?

Mr. Lalonde: —and I hope that the discussions will start at the level of officials in the near future.

* * *

ENERGY SUPPLIES ALLOCATION BOARD

EXCLUSION OF FOOD PROCESSING FROM PRIORITIES

Mr. Jack Murta (Lisgar): Madam Speaker, my question is also directed to the Minister of Energy, Mines and Resources. Since rationing plans have been drawn up by the Energy Supplies Allocation Board which sets up priorities for supply in the event of a shortage, apparently food production and food processing have not been included in the priorities but are still under review. Given the fact that agriculture, food processing and food supplies are such important items in the economy, this admission is somewhat shocking. My question to the minister is: where does agricultural food processing fit into the whole supply question, and why was it not included?

[*Translation*]

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, the Energy Supplies Allocation Board is in the process of drafting regulations. Those have yet to be submitted to cabinet, to the government; I have not seen them either. However, I can indicate to the hon. member that my colleague, the Minister of Agriculture, and his provincial counterparts have indicated that they feel agricultural products should be included in the very top category as being of the highest priority. I understand the board is now studying the question. There have been consultations and, as soon as I have received the recommendations of the board, I shall submit them for consideration to my colleagues, after which cabinet will be called upon to reach a decision. For the time being, cabinet has not done so.

[*English*]

Mr. Murta: Madam Speaker, my supplementary question for the Minister of Energy, Mines and Resources is simply this. Many categories have already been defined, down to garbage collection in some cases. Why has agriculture been left out? Is it an indication of the priority that agriculture has with this government? It is inconceivable that agriculture should have been totally left out. I ask the minister again, why?

[*Translation*]

Mr. Lalonde: Madam Speaker, I should like to remind the hon. member that agriculture has not been left out, far from it. The board is now preparing, as I have said before, draft regulations with various categories. I doubt that all those have been published. I shall check with the board to see if other regulations are being planned. But, in any event, those regulations have not been adopted by cabinet. The opportunity must be given to discuss those regulations with representatives of the various industries concerned, including agriculture. When the board has had those consultations, it will be in a position to make proposals to cabinet which in turn will have to study them. In the meantime, those regulations are but proposals. Once again, agriculture will not be ignored, I am sure.

[*English*]

MUNICIPAL AFFAIRS

TERMINATION OF COMMUNITY SERVICES CONTRIBUTION PROGRAM

Mr. Doug Lewis (Simcoe North): Madam Speaker, my question is for the minister in charge of housing. Today the government cancelled the community services contribution program which affects many communities in Canada. The minister is on record as suggesting that his objective was to have it extended and he promised to find some other way to assist municipalities. Having failed the municipalities of Canada, which will result in a rise in municipal taxes and will create unemployment, not only in the construction industry, which is already in trouble, but in service industries such as sewerage, pipes, etc., just how will the minister meet the commitment and the promise he gave in the House?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I hasten to point out to the hon. member and to other members who have spoken on the subject today that the program, although not renewed for 1981, still carries the commitment of the federal government to pay the sum of $400 million to the end of March, 1982. So that although there is a concern that the impact is immediate, in fact there is a commitment of $400 million to complete the government's program to that point in time.

Secondly, I have indicated in a letter to every member of the House today that the government is concerned about the deficit. The Minister of Finance, in tabling the budget papers, gave members of Parliament the priority system of the government in its response to control the deficit. Within that and within the area of responsibility for housing, I have to make certain choices. My choices are that this program, 50 per cent of which goes to soft services such as recreation centres, etc., probably has to stand down in place of some more urgent and better ways of expending federal funds. So in answer to the last question, I am looking at new priorities and new ways in which the federal government can carry out its responsibility to ensure adequate housing for Canadians across the country.

Some hon. Members: Hear, hear!

Mr. Lewis: Madam Speaker, I have another question for the same minister. It involves the delivery of 282 letters, all of them with the date written in. Is it not true that this announcement was held off until after Monday's civic election so that it would not affect any candidate with Liberal party connections?

Some hon. Members: Shame.

● (1450)

Mr. Cosgrove: Madam Speaker, the short answer to the question is no. The longer answer is that it was with some difficulty that I was able to have some 280-odd letters delivered even this afternoon.

POST OFFICE

CLOSURE OF RURAL OFFICES—INQUIRY WHETHER REVIEW COMPLETED

Mr. Doug Neil (Moose Jaw): Madam Speaker, my question is for the Postmaster General. It has to do with the Saturday closing of small rural post offices. In March of this year the Postmaster General sent me a letter which indicated a current review was taking place under the auspices of the deputy postmaster general, and that consultations would take place with the Canadian Association of Postmasters and Assistants before a decision would be made. Has this review been completed and has he met with the Canadian Association of Postmasters and Assistants?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, the deputy postmaster general has not yet completed his review. However, I can indicate to the House that discussions have been held with the Canadian Association of Postmasters, but that no final decision has yet been reached, which means that Saturday service will continue.

[*English*]

Mr. Neil: Madam Speaker, my supplementary question is for the Postmaster General. I believe he must be aware of the impact that the closure of these post offices on Saturday would have on small rural communities. Would he give an understanding to this House that he will recommend that the post offices in the small rural areas will remain open on Saturdays?

[*Translation*]

Mr. Ouellet: Madam Speaker, that commitment has already been made in the House. In reply to a question from a member on this side of the House, I have already stated that no post office would be closed on Saturdays, unless it is the wish of the people, and never without prior consultation. The general rule then is that post offices, especially in rural areas, will remain open on Saturdays.

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[*English*]

EMPLOYMENT

EFFECT OF TRAINING PROGRAMS

Mr. Jim Hawkes (Calgary West): Madam Speaker, my question is for the Minister of Employment and Immigration. Last Tuesday in this House he accused me of using exaggerated figures. I think that is sometimes a matter of definition.

Earlier today the minister indicated that his employment-creation programs provided 50,000 jobs. Debates in this House in June showed that was 7,000 man-years of employment. Would the minister confirm that his employment creation-programs in this fiscal year will create only 7,000 man-years of

employment for the whole nation, apart from the employment tax credit?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I point out to the hon. member that the department has a wide variety of employment training programs. They include not only the ones which were announced this spring and summer but those which are already in existence, such as the LEAP program and a variety of training programs. What we indicated to this House was that the combination of tax credit programs and direct employment programs now and in the future are creating upwards of 50,000 jobs for Canadians.

Mr. Hawkes: Will the minister share with the House the figures he uses in planning? There is some relationship between the performance of gross national product and the creation of jobs. I would like the minister to tell us what figure he uses in manpower planning to translate performance in GNP to jobs. For example, if the GNP is 1 per cent greater than expected, will the minister tell us how many jobs will result in the Canadian economy? Will it be 75,000, 100,000 or 125,000? What figure does he use in planning?

Mr. Axworthy: Madam Speaker, the hon. member has asked a question which would require a very detailed and technical answer. It is an answer which we gave on many occasions during the discussion of estimates and previous bills to engage in a mutual exchange upon. I would like to point out that the philosophy of this government is to target our employment programs toward those who have the greatest need. That is why, in the direct employment program, the largest percentage of money goes to those regions where the unemployment rate is the highest. That is why we think that we get the most use of our resources by helping those areas which have the toughest employment problems to face. That is the basis of the planning we use in our employment activities.

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NATIONAL GALLERY

RESIGNATION OF DIRECTOR—ACTION TO INCREASE FUNDING

Mr. Simon de Jong (Regina East): Madam Speaker, my question is for the Acting Secretary of State and it is with regard to the resignation yesterday of Dr. Shih, the Director of the National Gallery of Canada, who resigned in protest against the failure of the Liberal government to restore a budget cut of $1 million which the previous Tory government had introduced. In light of the fact that the minister plans another budget cut of over $200,000 for next year, and also considering that the National Gallery has lost two directors in less than five years because of this issue, will the Acting Secretary of State please inform the House what action the government plans to take to prevent the collapse of one of our most important cultural institutions as a result of organizational confusion and a lack of funding?

Hon. John Roberts (Acting Secretary of State): Madam Speaker, the factual basis upon which the hon. member based his question is incorrect. The cut which was made by the previous Conservative government, as the hon. member correctly stated, was restored by this government a week ago.

Mr. de Jong: Madam Speaker, I am left in amazement that Dr. Shih has quit because of the budget cuts, yet the Acting Secretary of State has just now informed us that that particular budget cut has been rescinded. Perhaps my question should have been asked of the Secretary of State and we would have received a more up-to-date answer.

I would ask the hon. gentleman this. Since various governments have promised that the National Gallery will be relocated in new premises—a promise which was made 25 years ago, I believe—and because the National Gallery is over 100 years old and is known and respected throughout the world, will the present Liberal government make good its promise and inform the House when the National Gallery can expect to move into a decent and adequate facility?

Mr. Roberts: Madam Speaker, I am not at all surprised that the hon. member is confused. The fact is that that matter is under consideration at the present time by the Minister of Public Works.

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ENERGY

CANSO, N.S.—POSITION OF MINISTER ON LNG TERMINAL

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, my question is for the Minister of Regional Economic Expansion. It relates to a question which was asked on Friday by the member for Joliette. The Minister of Energy, Mines and Resources indicated that the Minister of Regional Economic Expansion ought to be asked a question about what he said to some reporters recently with respect to the LNG terminal at Canso, Nova Scotia. I thought perhaps the minister would like to put his answer on record at this point.

[*Translation*]

Hon. Pierre De Bané (Minister of Regional Economic Expansion): Madam Speaker, I have indeed been questioned by reporters who suggested that since the Canadian government had decided to extend the gas pipeline to the maritimes, Gros-Cacouna would necessarily be put aside as a possible site; Petro-Canada had indeed in the past, indicated its interest in the Gros-Cacouna project and its possible site. The reply I gave them was that this was sheer nonsense since this whole issue would be reviewed in a few months by the National Energy Board and that we would have to wait for the hearings to be held and for the board to make its decision.

[*English*]

ACCESS TO INFORMATION

PUBLIC OPINION SURVEYS ON CONSTITUTION

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, unfortunately the Minister of Justice appears to have given us the slip, so I will direct my question to the Prime Minister. The Minister of Justice, who will be appearing before the constitution committee this afternoon, has previously indicated that he will withhold from Parliament and from the Canadian people the results of three publicly-funded public opinion surveys on the constitution conducted by the Canadian Unity Information Office. Will the Prime Minister of Canada, in the name of freedom of information, be prepared to make available to the Canadian people and to Parliament those three publicly-funded public opinion surveys?

Right Hon. P. E. Trudeau (Prime Minister): I believe this is a question which has already been answered several times, but I will be happy to take notice of the question on behalf of the minister.

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ENERGY SUPPLIES ALLOCATION BOARD

CATEGORIZATION OF FOOD AND FOOD PROCESSING

Hon. Bill Jarvis (Perth): Madam Speaker, I wish to go back to the minister of energy with regard to the government's rationing program and the proposal published in the November 8 edition of *The Canada Gazette* by the Energy Supplies Allocation Board. Every sector of the economy is identified by priority of use, either A, B or C, except food and food processing. Supplementary to the questions put by my colleague, the hon. member for Lisgar, one is hard put to understand why garbage collection is in category B if there is no food to collect. Is the review of food and food processing a review as to whether it should be in the top category A or in category B, or is there a consideration, even a remote consideration, for a lower category for food and food processing?

• (1500)

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, the hon. member is quite right. As he knows, these regulations have been put as proposals. At the present time the Energy Supplies Allocation Board is reviewing the whole situation and has been in touch with the agriculture industry. It will hear further representations on the proposals before it comes to the government and to me as the minister with the final proposal.

In the meantime it should be remembered that these are merely proposals and that any area which has not been mentioned is indeed under discussion and review by the board. I expect that in the next few months I will have a report from this board to take to cabinet. In the meantime these discussions should continue.

Mr. Jarvis: Madam Speaker, surely the minister must be as concerned as some of us on this side of the House that, after months and months, agriculture has not been dealt with despite the fact, I presume, that agriculturalists were lobbying that board just as much as any other sector of the economy. Can the minister explain the reason why agriculture and food and food processing is the only sector which requires review out of perhaps 30 or 40 different segments of our economy?

Mr. Lalonde: At my last meeting with the chairman of the Energy Supplies Allocation Board, I indicated the representations which I had received from several members on this side of the House and from the Minister of Agriculture on this very subject. I hope the board will review this subject very carefully. The chairman indicated that indeed the board was having consultations with representatives of the agriculture industry and that, indeed, it was attaching a very high priority and importance to this matter.

The food industry is a huge industry. It covers foods from basic staple foods to lollypops. It is a question of determining whether or not all food items should not be considered on an equal basis or whether or not there is justification for different classifications for different food items. As I understand it, at the present time the board is examining and reviewing this subject. I hope that it will come up with recommendations with which this government and the agriculture industry will be very happy.

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PRIVILEGE

MR. KEEPER—WITHDRAWAL OF COMMUNITY SERVICES CONTRIBUTION PROGRAM

Mr. Cyril Keeper (Winnipeg-St. James): Madam Speaker, my question of privilege relates to the letter which the Minister of Public Works (Mr. Cosgrove), in his capacity as the minister responsible for the Canada Mortgage and Housing Corporation, placed on our desks. My question of privilege relates to the fact that I feel very strongly that this matter should have been dealt with as a statement on motions. A statement on motions would allow the opposition to respond and ask questions, and I feel the matter should have been dealt with in this manner.

Obviously, there is a great need for this program across the country as indicated by the many resolutions which municipalities have taken the trouble to send to the federal government and to members of Parliament. This matter involves a major shift of financial burden from the federal level to the local community level, the level with the weakest tax base. I feel the matter is sufficiently important because it cuts a major subsidy to the construction industry and jobs in this country.

I feel the subject is one which demands a full debate in this House. It is a matter of information in the sense that we as parliamentarians must know what is going on. It is beginning to appear that what is occurring is simply a shell game in which the government takes money away with one hand by

withdrawing the community services contribution program and gives out money in the other hand in the form of promises, such as the economic development fund for the west.

I feel I have a question of privilege, Madam Speaker. This government is playing games with dollars and with Parliament. This matter should have been dealt with by way of a statement on motions to give hon. members an opportunity to respond and ask questions to determine what is happening.

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I believe the hon. member is unaware of the fact that two representatives of his party had ample opportunity in committee when the estimates of the Canada Mortgage and Housing Corporation were presented last week. I spent the better part of an hour explaining this particular program.

Mr. Rae: Did you announce the program last week?

Mr. Cosgrove: Also, hon. members of the official opposition party made inquiries. I believe the matter was fully canvassed and that both parties had an opportunity of which they took full advantage.

Although I have had little experience with the procedures of the House, I understand that it is a courtesy if a minister makes the material available to each member, as I have done here today. The material outlines the impact of the program in the various constituencies. It should come as no surprise to members opposite or to members over here that I have discussed this matter with many hon. members as it was being considered within the government, during the past two or three months, and received their suggestions.

Mr. Svend J. Robinson (Burnaby): Madam Speaker, my comments relate to certain remarks which were just made by the minister responsible for the Canada Mortgage and Housing Corporation. As the minister is aware, I entered into correspondence with him on behalf of the municipality of Burnaby, the council of which unanimously urged that this worth-while program continue. The minister indicated to me very recently that in fact the government was considering very seriously the continuation of this program.

Had there been any indication that this program might be threatened in any way, I and other members of my party who support this worth-while program would certainly have been in attendance at the committee meeting last week. For the minister to suggest that somehow everything is in order because the committee met and had opportunity to consider this matter and other matters though we had no notice whatsoever that this particular program would be chopped by the government, is completely irresponsible. I suggest and I hope that the minister will take the opportunity to stand up in this House and make a statement explaining why this important program has been chopped and permit members of the opposition to fully question him on the matter.

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, I want to comment briefly on the implications of the minister's answers in the House today and his answer to the question of privilege raised by my colleague, the hon. member for Winnipeg-St. James (Mr. Keeper). In answer to a question by the hon. member for Simcoe North (Mr. Lewis), the minister said there was no reason why this decision was withheld from the House until this time, which implied that in fact no decision had been made until very recently and that it would not have been possible for the government to have released this information before the municipal elections held on Monday right across the province of Ontario.

Now the minister is telling us that in fact he had this information last week and would have released it had he been asked. The minister should clarify his remarks right away because he is indicating that he withheld information from the committee which he had in his possession at the time and that he withheld it until today for purely political reasons.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, the House is obviously engaged in a debate. May I draw to your attention Standing Order 15(3) which clearly provides that the minister is not obliged to make a statement.

Madam Speaker: Indeed, now that I have heard a few speakers about this matter I am convinced that there is no ground for a question of privilege. The matter which has been raised certainly has great importance in the eyes of the hon. member for Burnaby (Mr. Robinson), but he has started a debate and would like to force the minister to make a statement. I must remind him that the minister is not obliged to make one. He can if he so wishes; that is, if he chooses to use that means to inform the House and other people. But he is not obliged to make a statement. Therefore, I see no prima facie case of privilege here.

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[*English*]

POINT OF ORDER

MR. PAPROSKI—DISTRIBUTION OF DOCUMENTS IN CHAMBER

Hon. Steven E. Paproski (Edmonton North): Madam Speaker, my point of order has to do with whether the minister received your permission to distribute these documents in the House of Commons prior to the question period. If so, did you give him that permission?

● (1510)

Madam Speaker: In answer to the hon. member's inquiry I must say that I saw these envelopes as I entered the House and I wondered why they were there. I understand an inquiry was made of the clerk's staff by a member of the minister's staff who was directed to the Sergeant-at-Arms, who is responsible for pages and in particular for the distribution of documents.

The request was not properly routed. I think it should have been referred to the clerk who usually examines documents

before giving such permission. I am sorry about this breakdown in communications, but that is exactly what took place. Had the inquiry not been routed to the Sergeant-at-Arms, I am sure it would have been considered, perhaps in the same manner. However, I must tell the hon. member that we did not have a chance to consider it.

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PRIVILEGE

MR. FORRESTALL—ALLEGED STATEMENT BY MINISTER OF REGIONAL ECONOMIC EXPANSION

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, some of us have been in this chamber for a number of years. I, too, am quite aware of what constitutes debate in this chamber. I am aware of the appropriate Standing Orders with respect to the rights and wishes of ministers and "demands" upon positions they take in this chamber or elsewhere, or whether or not they may choose this chamber in which to respond.

I am also aware, first of my right to be heard. Second, I am aware that when a minister of the Crown chooses to respond, he must accept responsibility for what he says.

Madam Speaker: Order, please. I must interrupt the hon. member. I determined there was no question of privilege in the matter raised by the hon. member for Winnipeg-St. James (Mr. Keeper). Is the hon. member speaking about the same question of privilege? It seems to me that he is. I thought he was rising on a different question of privilege.

Mr. Forrestall: Madam Speaker, you have quite successfully interrupted my question of privilege. You know that it is an entirely different question of privilege.

Some hon. Members: Shame!

Mr. Forrestall: The argument I am using is the point I want to make. When a minister does rise in his place, he has the responsibility to be honest or to accept responsibility for what he says.

In recent weeks there have been a number of statements. In a recent newspaper article the Minister of Regional Economic Expansion (Mr. De Bané), as I understand it, repeated an assurance given to him by the Minister of Energy, Mines and Resources (Mr. Lalonde) to the effect that the chances of the Strait of Canso becoming the eastern terminus for Arctic LNG movements are ridiculous and absurd. Indeed, as I understand it the language was much more colourful than that.

My question of privilege arises out of a question directed to the Minister of Regional Economic Expansion by my hon. friend from Central Nova (Mr. MacKay). In responding not only did the minister evade the matter, but now through the press he has misled the Canadian people. I cannot question him any further, because he has said that this whole conversation did not happen. On Friday last, as reported in *Hansard*, the Minister of Energy, Mines and Resources did not go as far as that but he said "If you want to find out whether I told the Minister of Regional Economic Expansion that—." In this connection, I refer to the words of my hon. friend the member for Joliette (Mr. La Salle).

My question is simply this: if I cannot question the veracity, how am I to make proper representations on behalf of my province and my constituency? How am I to respond to the veiled threats—not so thinly veiled—of the Minister of Finance (Mr. MacEachen) who, in fact, said that if we opened our mouths about this question and pursued it, we would stand a good chance of not even being considered for a liquefied natural gas terminal?

You may easily find that I do not have a substantive question of privilege in this regard, Madam Speaker. If you do, I am prepared to reserve my right tomorrow to move a motion. My question of privilege, again, is my right to question statements made in this House by ministers. It is my right to receive an honest and truthful answer. If it is politically evasive and I am not intelligent enough to get around it, that is my fault. In this case, I have been misled.

Mr. De Bané: Madam Speaker, what I would like is some honesty in this House. The hon. member for Joliette (Mr. La Salle) misquoted me and the Minister of Energy, Mines and Resources (Mr. Lalonde) reminded him of that. The hon. member for Joliette said that the Minister of Energy, Mines and Resources informed me that it would be completely ridiculous to choose Canso.

Mr. Forrestall: We cannot believe you any more, Pierre?

Mr. De Bané: This is what the hon. member for Joliette said. I am happy that you agree the hon. member from Joliette misled the House when he made such a statement. It is so easy to read from newspapers.

Some hon. Members: Oh, oh!

Mr. De Bané: The hon. member has just said that.

[*Translation*]

Madam Speaker: Order, please. The hon. member for Joliette (Mr. La Salle) on a point of order.

[*English*]

An hon. Member: You are rocking the boat.

Mr. Forrestall: I will rock the boat.

[*Translation*]

Hon. Roch La Salle (Joliette): I shall simply say a couple of words, Madam Speaker. The minister refers to a ridiculous project. I think I said in French last Friday that it was completely ridiculous, according to the words I could recall from the newspapers. I just might raise this point again later.

[*English*]

Mr. De Bané: Madam Speaker, what I said is in the paper but the hon. member for Joliette has misquoted me.

I never said that it would be utterly ridiculous to have the LNG terminal in Canso and I have the paper here to prove it. The Minister of Energy, Mines and Resources reminded the hon. member of that.

Some hon. Members: Oh, oh!

Mr. De Bané: I would like some honesty in this House. I never said that. The hon. member for Joliette has misquoted me and has misled the House. The Minister of Energy, Mines and Resources quite properly corrected him.

[*Translation*]

Madam Speaker: Does the hon. member for Joliette wish to speak on the same question of privilege or on another point of order.

Mr. La Salle: Very well, Madam Speaker. In that case, I should like to ask the Minister of Regional Economic Expansion (Mr. De Bané) whether he is prepared to confirm that he told reporters that his colleague the Minister of Energy, Mines and Resources (Mr. Lalonde) had informed him that the theory of choosing Canso was sheer nonsense. Is the minister in a position to tell us today whether his colleague the Minister of Energy, Mines and Resources did say that, as reported by newsmen?

Mr. De Bané: Madam Speaker—

Madam Speaker: Order, please. No, I do not want to hear the hon. minister twice on the same question of privilege. I think the exchange which has just taken place enabled both sides to specify what was said.

• (1520)

[*English*]

The question raised by the hon. member is obviously not a question of privilege; it is debate; it is expressing dissatisfaction with an answer received in the House. The hon. member can pursue his questioning at question period or at another time. I know he has not been recognized today. I have a list here of those who were not been recognized on Friday when we last sat and the hon. member's name is not on that list. Perhaps he rose earlier than that. At any rate, I will be glad to recognize the hon. member if he rises soon enough in the question period and he will have his turn like anyone else.

I am sorry, but I cannot find a prima facie case of privilege.

ROUTINE PROCEEDINGS

[*Translation*]

PETROLEUM ADMINISTRATION ACT

TABLING OF ORDINANCES

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, pursuant to Standing Order 41(2), I wish to table the following documents, in both official languages:

1. Order in council PC 1980-2915 issued pursuant to subsection 35(1) of the Petroleum Administration Act, as well as the proclamation declaring the coming into force of division II of part II of the said act;

2. Order in council PC 1980-2916 issued under section 36 of the Petroleum Administration Act, as well as the regulations prescribing maximum prices for crude oil;

3. Order in council PC 1980-2917 issued pursuant to section 52(2) of the Petroleum Administration Act, as well as the proclamation declaring that subsection 52(1) of the said act shall come into force on November 1, 1980;

4. Order in council PC 1980-2918 issued pursuant to subsection 52(1) of the Petroleum Administration Act, as well as the 1980 regulations prescribing prices for natural gas;

5. Order in council PC 1980-2919 issued pursuant to section 62 of the Petroleum Administration Act, as well as the amendment to part III regulations of the Petroleum Administration Act;

6. Order in council PC 1980-2920 issued pursuant to subsection 72(4) of the Petroleum Administration Act.

In order to give members of the House easy access to those documents, I would be willing, if it is agreeable to the House, to move that the orders be printed as an appendix to today's *Hansard*.

Madam Speaker: The House has heard the suggestion of the hon. minister. Is it agreed that the documents in question be printed in *Hansard*?

[*English*]

Some hon. Members: Agreed.

Mr. Knowles: Madam Speaker, I rise on a point of order. I trust it will have been observed by Your Honour that the hon. member for Vancouver-Kingsway (Mr. Waddell) has already been to the table with notices of motion to revoke two of these orders.

Mr. Wilson: Madam Speaker, I also wish to advise that we are tabling a notice of motion seeking debate on the proclamation announced by the Minister of Energy, Mines and Resources (Mr. Lalonde). We wish to have this debate and I presume this will follow in the normal course of business, because of the profound impact this action has on both pro-

ducers and consumers of energy in this country, and also the severe conflict that has been brought about between the federal government and the province of Alberta.

[*Editor's note: For documents referred to, see Appendix A.*]

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 1,017, 1,430 and 1,581.

[*Text*]

INDIAN CULTURE AND ART

Question No. 1,017—**Mr. Greenaway:**

1. In each year from the inception of the program to date, by province, what amount was designated for the purpose of (a) perpetuating (b) developing Indian culture and art?

2. In each province, what is the Indian per capita ratio total involved?

3. For each year, since the inception of the program to date, by province, what was the method of disposition of the artifacts created and what revenue was derived therefrom?

4. What is the total monetary value of any such artifacts on inventory at the present time and where is such inventory stored?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): 1. (a) and (b)—See list A for funding by the Department of Indian Affairs and Northern Development of Indian cultural and artistic activities. Although the department's Indian Arts and Crafts program does serve to perpetuate and develop Indian cultural art, the program's emphasis is, in fact, on the development of business opportunities through the sales of Indian arts and crafts. It would be difficult to attempt a calculation of the total amount of funds expended on this program, as Indian Affairs does not aggregate its various payments relating to Indian arts and crafts in its financial reports. Similarly, other government agencies supporting this program do not maintain separate records of these expenditures. Since the inception of the program in 1969, up to and including fiscal year 1974-75, the following expenditures are estimated to have been made by the Department of Indian Affairs and Northern Development both at headquarters and in regions:

	Total ($000)
1969-70	910
1970-71	809
1971-72	1,425
1972-73	997
1973-74	1,384
1974-75	1,501

Commencing in 1975-76 fiscal year, management of the program was centralized to Ottawa and capital and operational funds disbursed in the following manner:

	Total ($000)	Headquarters Disbursements	Regional Disbursements
1975-76	2,495	974,000	737,200
1976-77	2,908	1,267,600	1,640,800
1977-78*	3,200	1,091,450**	2,108,550
1978-79*	3,360	900,000**	2,460,000
1979-80*	3,360	629,588**	2,730,412
1980-81*	3,360	218,419**	3,141,581

*Program under direct control of Indian management, through National Indian Arts and Crafts Corporation (NIACC)

**Headquarters disbursement to NIACC

2. See list B for per capita breakdown of cultural grants. The actual number of Indian persons, and therefore the Indian per capita ratios involved in the Indian Arts and Crafts program, is presently unavailable. This information, however, is to be provided to the department by NIACC later this fiscal year under the terms of their contribution arrangement.

3. The method of disposition of the artifacts created under the Indian Arts and Crafts program was as follows:

(a) Direct from producer to consumer;

(b) Sale to retailers;

(c) Sale to wholesalers, both Indian and non-Indian

The department has records only of the revenue produced by the central marketing service which later became the Canadian Indian Marketing Service. Sales by the CIMS until its closing in 1978 were as follows: $2,275,000.

4. The only inventory of Indian art the Department of IAND holds is the departmental contemporary Canadian Indian Art Collection, which is presently stored on the 17th floor, Les Terrasses de la Chaudière, 10 Wellington Street, Hull, Quebec. The department is presently undertaking a complete inventory of the collection and will have a total monetary value of the collection by the end of the 1980-81 fiscal year.

List A

Department of Indian and Northern Affairs
Funding of Indian Cultural and Artistic Activities by Province—1964-65 to 1979-80—Totals in Dollars

	P.E.I.	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia
1964-65	—	—	—	—	5,000	—	—	—	—
1965-66	—	150	—	3,500	6,900	—	—	1,745	1,000
1966-67	—	150	—	20,400	7,000	3,900	—	300	1,000
1967-68	—	1,650	—	1,300	10,186	2,200	—	1,200	11,000
1968-69	—	500	—	—	25,000	1,300	40,000	16,055	3,000
1969-70	—	1,900	4,450	6,850	26,315	4,500	44,600	10,945	7,500

Order Paper Questions

	P.E.I.	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia
1970-71	—	4,950	735	26,200	33,684	29,150	72,350	12,500	30,770
1971-72	—	8,345	3,895	27,200	52,667	26,376	74,900	77,065	40,200
1972-73	3,561	8,881	98,564	282,000	348,700	32,000	495,814	535,971	57,200
1973-74	3,600	71,703	131,591	882,035	566,365	32,000	673,485	786,002	332,938
1974-75	3,600	146,847	84,998	897,031	875,627	93,820	1,086,988	683,495	643,722
1975-76	3,600	146,847	93,824	941,018	1,134,421	389,057	1,137,430	422,452	330,595
1976-77	3,600	146,847	91,745	819,341	1,167,368	384,264	1,137,430	506,547	402,834
1977-78	3,600	158,193	93,978	253,914	1,197,637	389,414	1,137,430	556,516	458,643
1978-79	3,600	164,847	118,106	617,497	1,239,080	421,162	1,137,430	515,203	477,345
1979-80	3,600	155,124	89,183	623,574	1,323,831	448,978	1,229,181	543,907	551,793

List B

Department of Indian and Northern Affairs
Funding of Indian Cultural and Artistic Activities by Province—1964-65 to 1979-80—Per Capita Amounts in Dollars

	P.E.I.	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia
1964-65	—	—	—	—	.10	—	—	—	—
1965-66	—	.03	—	.14	.13	—	—	.07	.02
1966-67	—	.03	—	.88	.13	.12	—	.01	.02
1967-68	—	.38	—	.05	.19	.06	—	.04	.24
1968-69	—	.11	—	—	.47	.03	1.18	.58	.06
1969-70	—	.41	1.03	.25	.48	.13	1.27	.38	.15
1970-71	—	1.06	.16	.94	.60	.81	1.99	.42	.63
1971-72	—	1.74	.85	.95	.93	.71	1.99	2.56	.81
1972-73	7.79	1.81	21.11	9.64	6.03	.84	12.68	17.38	1.13
1973-74	7.77	14.38	27.86	30.02	9.53	.81	16.78	24.73	6.53
1974-75	7.94	28.51	17.40	29.88	14.45	2.33	26.52	20.97	12.42
1975-76	7.80	27.96	18.79	30.71	18.40	9.44	26.81	12.59	6.27
1976-77	7.70	27.37	18.13	26.36	18.47	9.08	26.25	14.77	7.49
1977-78	7.43	28.83	18.34	8.02	18.54	8.98	25.33	15.76	8.37
1978-79	7.08	29.30	22.47	19.16	18.78	9.43	24.62	14.19	8.57
1979-80	7.08	27.57	16.96	19.35	20.06	10.05	26.61	14.98	9.91

GROS-CACOUNA—ST. LAWRENCE RIVER

Question No. 1,430—**Mr. Crosby:**

1. Have any undertakings or commitments been made by the government or the National Harbours Board in respect of the development of Gros-Cacouna on the St. Lawrence River and, if so, what are they?

2. Have any proposals been made by or to the government or the National Harbours Board whereby Gross-Cacouna will become a terminal or transshipment point for petroleum, gas or bulk products?

3. What control does the government exercise, directly or through an agency, over the development of Gros-Cacouna and who owns the facilities now in place?

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): 1. A general cargo terminal is under construction at Gros-Cacouna. The terminal will provide year-round shipping facilities to accommodate local and regional industries. Dredging of berth approach and turning basin is completed, as well as the construction of the wharf and storage area. A 25,000 square foot shed is being built and should be completed by December, 1980. Transport Canada will assume the administration of the facilities upon acceptance of the certificate of completion. The facilities are owned by the Federal Government and the Department of Public Works has responsibility for the realization of this project.

2. Following a proposal by Misener Holdings Limited to develop a dry bulk deep water terminal at Gros-Cacouna, Transport Canada, Misener Holdings Limited, Havre Champlain Incorporated and the provincial government entered into an agreement and signed leases on January 31, 1980. Misener Holdings Limited and Havre Champlain Incorporated have proposed a three-phase development program for a dry bulk terminal. A conceptual plan must be completed and submitted to Transport Canada within 12 months of the execution of the agreement. For the purpose of the signature of a lease with the province of Quebec, Phase III has been divided and is now referred to as phase III and phase IV. Gros-Cacouna figures among ports of the maritime region and lower St. Lawrence River under consideration by Trans-Canada Pipeline and Petro-Canada for developing a liquefied national gas terminal. The project is still being studied by the companies.

3. The Government of Canada, under authority of the Canada Shipping Act and the Government Harbours and Piers Act has control over the development of Gros-Cacouna. Pursuant to order in council No. AC 644 of April 5, 1966, and No. 1852 of June 27, 1979, land and water lots have been transferred to Canada by Quebec and Quebec has authorized Canada to lease such land and water lots to Misener Holdings Limited and Havre Champlain Incorporated. Canada is also leasing to Misener Holdings Limited and Havre Champlain Incorporated, certain federal land and water lots for this development, and is committed to dredge the approach channel and turning basin to a depth of forty feet. The cost of the dredging, estimated at $6.9 million, will be recovered from the company over a period of years.

HIGH SCHOOL LIBRARIES—COMPLIMENTARY COPIES OF HANSARD

Question No. 1,581—**Mr. Dinsdale:**

1. Since 1965, by year, how many high school libraries in Canada were supplied with complimentary copies of the daily *Hansard*?

2. Are copies of *Hansard* being supplied on a complimentary basis to high schools at present, to ensure that Canada's young people have ready access to the official record of parliamentary proceedings and, if not (a) on what date did the policy change and for what reason (b) what is the present policy?

3. (a) Are depository public libraries across Canada provided with the daily *Hansard* on a complimentary basis (b) can high school libraries be classified as depository libraries and, if not, for what reason?

Hon. J.-J. Blais (Minister of Supply and Services): 1. Not available. Copies of outdated subscription lists are not maintained.

2. No. (a) There was no policy change. In 1979, a review of the free subscription lists resulted in the deletion of all ineligible persons and institutions.

(b) The present policy is that only persons and institutions listed in appendix F, chapter 335, administrative policy manual issued by Treasury Board Canada, are eligible to apply for depository status.

3. (a) Yes, when requested.

(b) No. High school libraries do not appear on the list of persons and institutions eligible to apply for depository status, which is contained in appendix F, chapter 335, administrative policy manual, issued by Treasury Board Canada.

[*English*]

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

[*Translation*]

Madam Speaker: The questions enumerated by the parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

* * *

[*English*]

MOTIONS FOR PAPERS

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, I would ask that all notices of motions for the production of papers be allowed to stand.

Madam Speaker: Shall all notices of motions stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BANKS AND BANKING LAW REVISION ACT, 1980

MEASURE RESPECTING BANKING INSTITUTIONS

The House resumed from Friday, November 7, consideration of Bill C-6, to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other Acts in consequence thereof, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs, and motions Nos. 1 and 2 (Mr. Lambert).

Madam Speaker: The question is upon motion No. 1 of the hon. member for Edmonton West (Mr. Lambert).

Is it the pleasure of the House to adopt the said motion?

Some hon. Members: No!

Mr. Collenette: A point of order, Madam Speaker. I understood we would be deferring all the final votes on these—

Mr. Knowles: That is in the rule book.

Madam Speaker: All those in favour please say yea.

Some hon. Members: Yea!

Madam Speaker: All those opposed please say nay.

Some hon. Members: Nay!

Madam Speaker: In my opinion, the nays have it.

And more than five members having risen:

Madam Speaker: Pursuant to Standing Order 75 the recorded division on the proposed motion stands deferred.

The question is on motion No. 2 of the hon. member for Edmonton West (Mr. Lambert).

Is it the pleasure of the House to adopt the said motion?

All those in favour please say yea.

Some hon. Members: Yea!

Madam Speaker: All those opposed, please say nay.

Some hon. Members: Nay!

Madam Speaker: In my opinion the nays have it.

And five members having risen:

Madam Speaker: Pursuant to Standing Order 75, the recorded division on the proposed motion stands deferred.

I have three other motions to put to the House.

Mr. Ray Skelly (Comox-Powell River) moved:

Motion No. 3

That Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments

Association and to amend other acts in consequence thereof, be amended in clause 2 by adding immediately after line 21 at page 3 the following:

" 'cheque' means a bill of exchange drawn on a bank, savings bank, trust company, credit union, payable on demand;"

Mr. Bob Rae (Broadview-Greenwood) moved:

Motion No. 4

That Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in clause 2 by striking out line 39 at page 13 and lines 1 and 2 at page 14 and substituting the following therefor:

"varied as this act provides"

Mr. Ray Skelly (Comox-Powell River) moved:

Motion No. 6

That Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in clause 2 by striking out lines 26 to 43 at page 18 and substituting the following therefor:

"(3) Where the Inspector has received an objection pursuant to subsection (2),

(*a*) the Inspector shall conduct a public enquiry into the objection as it relates to the application;

(*b*) upon completion of the enquiry, he shall report his findings thereon to the minister; and

(*c*) the minister shall upon receiving the report make such report available to the public within thirty days."

He said: Madam Speaker, I was a little slow with my response but I should like to address some remarks to the amendment standing in my name in motion No. 3, and perhaps broaden the situation covered by this amendment.

First of all, I should like to compare what the government has proposed as a way of dealing with this particular dilemma which arises, basically, from the definition of a cheque. A cheque is basically an instrument drawn on a bank. The government in its amendments has broadened this definition and attempted to rectify the very limited definition already provided for a cheque. The major objection we put forward in committee is that the definition does not extend to "credit unions and other financial institutions" which are now providing financial services to consumers in Canada. We are concerned that the definition be broadened to allow those other financial institutions, including credit unions, to be involved in the process of issuing and handling cheques. Within the present legislation, the government has suggested it can remedy this problem. It does recognize there is a problem. Their suggestion is simply to amend the Bills of Exchange Act. In the proposed legislation, they have included a section 92, and I quote:

● (1530)

Part III of the Bills of Exchange Act is amended by adding thereto, immediately preceding section 165 thereof, the following section.

"164.1 In this part, 'bank' includes every member of the Canadian Payments Association established under the Canadian Payments Association Act and every credit union, as defined in that act, that is a member of a central, as defined in that Act and that is a member of the Canadian Payments Association."

Our proposal would broaden the definition of a cheque. We have put forward the suggestion that it means a bill of exchange drawn on a bank, savings bank, trust company, credit union, payable on demand. It is our feeling this would be a more comprehensive definition. We would like this definition mentioned in the Bank Act and have it apply to trust companies and credit unions.

In general terms the proposed Bank Act, as it is now constituted, has as one of its major objectives to improve competition. Items were placed within this legislation whereby the government suggested their main objective was to increase competition within the banks. We certainly recognize that the big five, in terms of the banks, control the financial lifeblood of this country.

Out of that recognition came certain proposals from the government side—that competition with the chartered banks in Canada was indeed important and that they would move in the legislation to deal with the problem of tremendous concentration, the problem of interlocking directorates among some of the most powerful companies in this country which literally control our financial development and economy.

We profoundly disagree with what has been done in terms of opening up the competition. Instead of undertaking to provide competition from our own native, home grown financial institutions, they have opted to allow foreign banks to come in and provide competition for Canadian banks. We feel this is very wrong.

We resisted this legislation at both the second reading and committee stages. We made a very determined effort to halt it. It was one of our main concerns that competition should come from Canadian financial institutions. The bill did open up the incorporation procedure to allow Canadian organizations to incorporate more readily. On the other side of the coin, we felt it was premature to allow the foreign banks to come in, become chartered banks in this country and carry on business to compete with Canadian organizations.

What we would like to see in the long haul is more emphasis on, and more capability for, competition among Canadian institutions which are accountable to Canadian shareholders and which therefore have the interests of this country at heart. That is why we come down to this very menial definition that a cheque means a bill of exchange drawn on a bank, savings banks, trust company or credit union. If that were placed in the legislation, it would be a sign from the government that we are very serious about these organizations being allowed to compete.

I wish to outline several approaches that I feel would assist native Canadian financial institutions to compete more effectively with the banks and, in that process, force banks and other financial institutions to provide more effective service at cheaper cost. One of those might involve the credit union movement.

There is some concern about government cheques. On a government cheque it is stated that the cheque is negotiable at no charge at any chartered bank in Canada. This is a very small matter, but it amounts to a tremendous amount of free advertising. We would like to see those words removed. A

government cheque should be negotiable free of charge at any financial institution or credit union in Canada. The situation will, of course, change if the Canadian payments association goes through, but at the present time the shareholders of credit unions must pay to cash government cheques. Therefore, we would prefer to have the free advertising item removed. I hope that will come about.

There are other problems. We are attempting to make Canadian institutions more competitive. It concerns me that there is now a procedure for a registered retirement income fund which is almost the exclusive preserve of the insurance companies. We would like to see other Canadian financial institutions have a greater capability of handling these items. I am sure there was a clear intent on the part of the government to create an opportunity allowing Canadians who had purchased registered retirement savings programs after 1978 to convert them into a Registered Retirement Income Fund.

At present, a person who has entered one of these programs winds up purchasing a fund which at age 70 allows only a very small payment out of that fund. It increases toward age 90. Unfortunately, credit unions, other financial institutions and trust companies are not given equal opportunity with the life insurance companies. This should be changed so that people have an opportunity to purchase more realistic programs. The credit unions and other Canadian financial institutions would be stronger if they were allowed to provide greater service and thereby compete more fully with the banks. Again we are back to the business of a cheque. A new definition of "cheque" would amount to a statement that the government in principle is in favour of these institutions being strengthened and competing effectively with the banks.

The small business development bond is another example of bias. I do not know whether it is deliberate or not. The government is biased against credit unions and other financial institutions in favour of the banks. From examination of the Small Business Development Bond, it appears the banks do not have to pay income tax on income earned. They provide the funds at a reduced interest rate to small businessmen. That is very desirable. They do not pay tax on it. Not only is small business benefiting but also the banking community. We are giving up our taxation capability in order to benefit the chartered banks. Unfortunately the credit union movement does not benefit in the same manner. In the first $500,000 given out, the banks are offered a better deal because of government regulation and legislation which unfortunately attracts customers inside the doors of chartered banks, and for the balance of any funds required they stay with the banks.

● (1540)

There must be an opportunity for credit unions and other financial institutions to compete in that sphere. Again the definition of "cheque" applies here. We want a statement from the government that this very important instrument in the whole financial procedure will recognize the equality between banks and the other very important financial institutions in the country which the government asked to compete with the banks. Yet, the government has provided no mechanism.

I have mentioned the Registered Retirement Income Fund mechanism in which there is discrimination. I have mentioned the Small Business Development Bond. The government says it wants the other institutions to participate, but it builds a bias in favour of the banks. The simple writing on the bottom of government cheques indicating that they are negotiable without charge at chartered banks is free advertising. Naturally it draws people to the banks. The bias is built into the system.

With the indulgence of Mr. Speaker, I should like to refer to another couple of examples. Hopefully the government will recognize this bias and give us some assurance when responding. If it is intended to create more opportunities in this legislation for other financial institutions to compete with chartered banks, hopefully the government will be prepared to give us a sign so that we in turn can give them a sign.

I should like to refer to the Financial Administration Act and the prohibitions built into it. These are fairly important. For example, we are concerned that the Government of Canada prohibits itself under the Financial Administration Act from placing deposits with credit unions and other financial institutions. If those associations and organizations provide services to people who deal with the government, the government should be required to remove that very prohibitive section and to place deposits with those organizations. This would allow those organizations to work and to benefit from the same kind of return as the banks now obtain from funds deposited by the Canadian government.

Basically I am suggesting we should amend this legislation and put clear signals in it indicating that we want equality with respect to the credit unions, banks and other financial institutions so that we are not specifically biasing competition in favour of foreign banks. It is my feeling that this item, just a simple definition of "cheque", would help make clearer the statement within the legislation. I see that my time has run its course.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, not in any way for the reasons outlined by the proposal of this amendment, I wish to argue that a definition of the word "cheque" should be included at this point in the Bank Act.

I used the word "cheque" in my amendment in the definition of a bank. It seems to me that it follows logically the amendment of the hon. member which we are discussing now. The definition of the word "cheque" follows logically and in sequence within this bill. I find extraordinary the mental contortions of the draftsmen who have said that they will put in the definition of a bank. They have broadened the definition of a bank contained in the Bills of Exchange Act by saying that a bank within the meaning of the Canadian Payments Association Act will include a credit union. I invite the minister, who is not a lawyer, to say that part of good law and well-prepared law is that it shall appear clearly. If a person, other than a person who has been exhaustively briefed, were asked by a client for the legal definition of the word "cheque",

I defy the minister to tell me that that person could turn to the Bills of Exchange Act to find a definition of it.

We are dealing with the Bank Act and its very exhaustive definitions clause, which is where I tried to put in the word "bank" and the business of banking. What does agricultural equipment mean? What about agricultural implements, beneficial interest, beneficial ownership, a bill of lading, a branch, a central co-operative credit society, a corporation, a court, crops, farms? Everything in connection with the Bank Act has a legal definition, except the business of banking which is its heart and core.

In my definition of a bank, I used the word "cheque". As the minister can readily understand, my definition, on which we will vote in due course, indicates that "bank" means any financial institution engaged in the business of lending money and accepting deposit liabilities transferable by cheque or other instrument. Any trained lawyer will say that is fine, but first of all he would like to know what are deposit liabilities and what is a cheque. The hon. member who spoke before me satisfied that lacuna by his definition of "cheque" in the definitions clause within the Bank Act. For that reason I support it, not for some of the reasons he suggested, but in the logical development of the Bank Act.

In committee I agreed with him that we should have a definition. I supported this idea in committee. But I find it strange that we must go to the Bills of Exchange Act in order to find some reference to what is a bank. It includes every member of the Canadian Payments Association established under the Canadian Payments Association act. What a horse's neck way of defining a bank! Anyone belonging to the Canadian Payments Association is a bank. It is not so.

● (1550)

That is the most convoluted thinking possible, and I will say without any equivocation that it is firmly fixed in my mind that as a result of the discussions and arguments I have had both in committee and in private with regard to this question of a definition of a bank within the Bank Act every effort has been used by government draftsmen to try to get around the logic and the necessity of responding to my arguments.

The actions of the government with regard to this just do not hold water. The government has some idea that somewhere, somehow, some court may some day establish a definition for a bank or what should be the business of banking. We get a half-hearted definition of a bank or a partial definition of a bank in clause 92, which appears at page 447 of Bill C-6, so a credit union is used or brought in to answer the very logical problem put forward by the proposer of this amendment. But it would have been much simpler to have accepted the amendment in its place in the definitions clause without having to go to this convoluted language of clause 92 when no one will really go and look to find whether any definition exists for what is a cheque and whether a cheque is an order for payment drawn on a credit union.

Now that the credit unions can appear within the Canadian payments association, certainly the document which is drawn by a credit union member and which is a cheque, since it transfers funds from the account of the depositor to a third party, must be defined as a cheque, and therefore the logic in the requirement is quite right. But why do it this way? It is merely, I think, because to do it in the way which would be the shortest and the most logical would be to admit to the logic I have been putting forward to the government for these many long months with regard to the definition of a bank and the business of banking.

I am going to support this amendment. Of course, it follows through, because if the amendments which are the subject of my motions Nos. 1 and 2 hopefully carry, then No. 3 must carry. They are complementary, and they would make for a much more intelligent bill than the one before us at the present time. For that reason I wish to support the amendment.

[*Translation*]

Hon. Pierre Bussières (Minister of State (Finance)): Mr. Speaker, very briefly, I would like to go over some of the arguments that I have used before the standing committee to explain why the government is against the proposal made by the hon. member for Comox-Powell River (Mr. Skelly) to include the definition of "cheque" in the list of definitions found in the first part of this bill to revise the Bank Act. First, the hon. member for Comox-Powell River used some arguments which, I agree with the hon. member for Edmonton West (Mr. Lambert), are not really relevant to the definition or to the usefulness of including such a definition in that part of the legislation.

The hon. member for Edmonton West suggested that for the sake of logic, we should try to establish a sort of continuity at the beginning of the bill between the definitions of bank, banking activity and cheques. I should like to tell him that I am inclined to agree with him, but that in addition to logic, there is also a matter of method or rather of methodology involved here. But let us consider first the logic. The hon. member will doubtless recognize that the definition itself and the fact that it appears at the beginning of the bill bear witness to the fact that it belongs to the generality, that it is a generic term. One moves from the general to the particular, and the definition of cheque, as has been mentioned, appears in the Bills of Exchange Act, a legislation of wide application which therefore covers to a certain extent the definition in the Bank Act, and is limited by the Bank Act itself. In other words, as far as logic is concerned, the generality of the Bills of Exchange Act provides a general definition for the term "cheque" which applies in this case to the Bank Act, which governs certain types of institutions defined in the act.

It was said there would be a problem, from a methodological point of view, in including strict definitions of bank, banking activity, and consequently, cheque. We got around the methodological difficulty—and the hon. member for Edmonton West or the hon. member for Comox Powell might say it is a distortion, but it is a methodological detour—by borrowing

from a text of general application such as the Bills of Exchange Act, where there is a definition of "cheque" and the meaning of the term "bank" is extended to members of the Canadian payments association, and we know the local credit unions, such as the caisses populaires will be covered by this amendment to section 92 of the Bills of Exchange Act.

So to get around the problem regarding powers, another method or another act is used. The caisses populaires and credit unions, being members of the Canadian payments association will meet the requirements that will enable them to have a certain type of activity or wider activities, and the term "cheque" as it appears in the Bills of Exchange Act will apply to those institutions since they belong to the Canadian payments association, which is what the amendment is seeking.

Mr. Lambert: But would the minister not agree that by using section 164.1 of the Bills of Exchange Act we are insisting on the fact that caisses populaires and credit unions are now banks? I say this because this clause states that "bank" includes the members of the Canadian payments association as well as the local co-operative credit unions. When I read that the word "bank" includes the members of the Canadian payments association, I conclude that this is a definition.

Mr. Bussières: Mr. Speaker, I believe that this only seems to be a problem because, as the hon. member is well aware, the Bank Act has a much more restrictive definition which includes only the institutions to which the act expressly applies, while from a methodological standpoint, to cover the opening made to caisses populaires and credit unions by the Canadian payments association, another definition is used for a very specific reason in another act.

I would like to refer to a few of the arguments made by the hon. member for Comox-Powell River which did not concern directly the matter of definition. For instance, I do not really see how a definition of the word "cheque", such as requested by the hon. member, would bring about more competition among chartered banks. I believe that, basically, this new legislation promotes competition because it makes it easier for financial institutions to become banks under the terms of the act. Second, it allows many financial institutions for instance, foreign financial institutions, to apply to become banks through letters patent. Third, this legislation creates the Canadian payments association which will enable the caisses populaires and credit unions to get fully involved in the types of activities which were previously restricted to the banks under the Canadian banking legislation or in activities in which chartered banks were more generally involved. I believe that it is basically these three elements which will promote more competition among banking institutions and within banking activities. And even though the definition proposed by the hon. member does not seem at first glance to create any problem within the legislation, it unfortunately does so.

For instance, the caisses populaires come under provincial jurisdiction. Even though they may, if they so request, become members of the Canadian payments association, they do not come directly under the federal legislation as financial institutions, and this is the type of problem that we want to avoid by implementing a different series of definitions for methodological purposes, and the hon. member will certainly understand that this takes nothing away from the competitiveness and the qualities of caisses populaires and credit unions.

• (1600)

[*English*]

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, what the hon. member for Comox-Powell River (Mr. Skelly) is suggesting, I think, by moving this amendment is quite simple. He is attempting to define a term which is used in the act without definition at present. I can remember in the committee when we were discussing this matter just prior to taking a vote, the Parliamentary Secretary to the Minister of Finance (Mr. Evans) asking, "Why should we define a term in the Bank Act when that term is not in fact used in the act?" He thought he had come up with the best objection possible to adopting what I would have thought was a relatively simple and uncontroversial definition of "cheque". It was pointed out to him that the word "cheque" is, in fact, used in the Bank Act. It appears, for example, at pages 310 and 311 of Bill C-6, in clause 303, paragraphs (a) and (b). That is just one example and there are others. So what we find is the use of the word "cheque" in the act without a definition, which I would have thought was not something government draftsmen would greatly desire. The definition put forward by my colleague, the hon. member for Comox-Powell River, is quite straightforward. It simply says that "cheque" means a bill of exchange drawn on a bank, a savings bank, a trust company or a credit union, payable on demand. The reason for putting that in is partly practical and partly symbolic. The practical implications are obvious when we consider that many government cheques and so on should not, in our view, specify that they are simply cashable at a chartered bank or at any of a number of financial institutions of which chartered banks are only one. Credit unions and caisses populaires are others. In our view it makes a great deal of sense, both practical and symbolic, to admit that we have a plural financial system, that we have a Bank Act which does not discriminate against trust companies and credit unions with respect to the use of the word "cheque" and the concept of a cheque and which encourages these financial institutions in their growth. As my hon. friend from Comox-Powell River has pointed out, we are anxious to see the credit unions and caisses populaires treated fairly and not in a discriminatory fashion by the government. So I cannot for the life of me see why we do not accept the definition.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I too support the amendment before us. I think it is important for some of the reasons which have been outlined by the previous speakers and also because it would make it possible for the credit unions in this country to operate more competi-

tively. The objective of this bill when it was introduced in the House was to increase competition in the banking field. The apparent thrust of that move toward more competition seems to have been aimed at introducing foreign banks to the Canadian climate rather than increased use of the banking institutions and near banking institutions we have here. There is a great need for changes to the act so as to enable this kind of competition to be brought about. How serious is the government about introducing more competition? We look at the bill as it has come out of committee and we find there is no definition of the word "cheque" and no proper recognition of the fact that credit unions can provide a great many of the services which banks provide. Is the government really prepared to consider the institutions which have been developed in this country, namely, the credit unions and the caisses populaires? Are their needs to be considered or is it the intention only to consider the needs of the foreign banks? What changes are the government proposing to make to the existing legislation? What changes are they talking about which would bring about equality in the competition?

The competitive disadvantages for credit unions are fairly well known, but I would like to list some of them. For instance, there are the legislative restrictions under the Financial Administration Act which prevent the deposit of federal government funds in financial institutions other than chartered banks. The Canadian Wheat Board Act permits elevator and grain companies, authorized by the board, to borrow from chartered banks but not from credit unions. The Livestock and Livestock Products Act requires livestock commission agents to keep a shippers trust account in a chartered bank but not in a credit union or caisse populaire. The Bills of Exchange Act defines a cheque as a bill of exchange drawn on a bank. This is the kind of thing we are talking about with respect to the Bank Act. We want to make certain that such cheques can be drawn on credit unions and trust companies as well.

● (1610)

There is also the Trust Companies Act, which I understand will be amended in the next six months or so. At the same time, the Cooperative Credit Associations Act, which is really complementary legislation, should also be opened up to allow for the broadening of the definition of the powers of a credit union. We believe one of the initial steps necessary to bring that about is to broaden the definition of "cheque" and the institutions which may handle such instruments under the new definition.

As we all know, credit unions have been clearing government cheques and orders at no cost. In some provinces this amounts to a fair sum of money. For instance, in my province of Saskatchewan credit unions provide 40 per cent of the clearings. In Quebec the caisses populaires cleared approximately 13 million items worth more than $2 billion in 1977. Yet credit unions and caisses populaires received no compensation for such work. It is true that the banks do not charge for clearing government orders but, at least, they have access to government deposits. This is something that all of the acts I have mentioned have in common—to specifically prevent the deposit of government funds in credit unions. So the banks, at least, have the use of approximately $6.7 billion in deposits, which provide a considerable source of compensation in lieu of the services rendered. These are some of the reasons why we think we should begin by amending the Bank Act, to define a cheque and to include the credit unions and trust companies. We think it is an important beginning.

We also believe that further clean-up work should accompany this kind of change. We see it as an important beginning to reintroduce true competition in the made-in-Canada banking business. The credit unions and caisses populaires grew up in this country and we think that if we are to broaden and encourage competition in the banking business this is the one place we should start. We should broaden the definitions in the Bank Act so as to allow credit unions and caisses populaires to operate on the same basis as banks when it comes to clearing cheques.

Mr. John Evans (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, I will make a few comments on this particular definition. First of all, we on this side of the House have very little dispute with the hon. members' comments with respect to the credit unions and caisses populaires and their functions in the future financial system. The unfortunate thing is that much of what they have said is totally irrelevant to what we are talking about here, because this particular definition must be considered within the context of the act to which it relates. The act to which it relates is the Bank Act.

Unless hon. members opposite are willing to say that caisses populaires, credit unions, trust companies and savings banks, other than in the form of the Quebec Savings Banks, are in fact banks and therefore must be regulated under this act, then I would say that such a definition should in no way refer to institutions which are not related to the act to which the definition applies. The Bank Act relates only to banks and these other institutions are not a part of that and are not regulated by it.

The hon. member opposite said that a cheque should be defined and that credit unions, caisses populaires and trust companies should be allowed to issue cheques or have cheques drawn against their deposit liabilities. If that is the case then the proper place to do that is in a much more general statute which deals with the nature of bills of exchange. Lo and behold, on page 447 of the legislation before us this is precisely what the government proposes to do. It defines a cheque as a bill of exchange and includes, within that definition, bills of exchange drawn on and payable on demand from institutions other than banks. It does that in a direct way by simply saying for the purposes of the Bills of Exchange Act and for the purposes of this part of the Bills of Exchange Act a bank includes those institutions. That certainly does not mean that for the purposes of the Bank Act a bank includes those institutions. As a result, it is totally ludicrous to put a definition into the Bank Act which includes a reference to those very institutions that are not included as banks.

The hon. member for Edmonton West (Mr. Lambert) has indicated that this definition is consistent with his definition of a bank. I would suggest that it is not perfectly consistent with that definition because in that definition of a bank it says that a bank is an institution that draws or issues cheques or accepts cheques against their deposit liabilities. But below that particular portion his definition is that qualification that a bank does not include credit unions, caisses populaires, trust companies and companies covered by the Canadian and British Insurance Companies Act. If they are not included, then why are we saying in the definition of a cheque, which comes in earlier, that in fact they are included? So the two are totally inconsistent.

I suggest that the government's approach of using the broader statute, which is the Bills of Exchange Act, as the vehicle for defining what a cheque is, so that institutions like credit unions, caisses populaires, trust companies and others can participate in this financial system using vehicles such as cheques, is the appropriate way of going about this. It certainly makes no sense to put a definition in the Bank Act which refers to institutions which are not banks and are not covered by the Bank Act. This being said, I would suggest that the amendment be defeated.

Mr. Gordon Taylor (Bow River): Mr. Speaker, I would like to say a few words on this subject. I fear that the consequence of the amendment if accepted would be something the mover of the motion does not want. If this is brought in under the Bank Act, then trust companies which are presently not charging for their cheques and giving a service that the public appreciates, would start charging for every cheque that they issue, as the banks are doing today. That is what I fear. Today the trust companies are doing very well. They are providing a very excellent service, as are the credit unions. I do not think we want to get them tied into the same organization as the banks, where they would become nothing more than banks, the result being no competition for the benefit of the working people. Mr. Speaker, I really cannot see the merit in the amendment, as proposed.

• (1620)

Mr. Les Benjamin (Regina West): Mr. Speaker, as my hon. friends have mentioned, this amendment deals not only with practicalities, but with symbols. It acknowledges a principle in which I and hundreds of thousands of people in this country have believed for a long time. It is not just a case of people working for money, but of money working for people. I would like to inform the hon. member opposite who has just spoken that 60 per cent of all cheque clearing in the province of Saskatchewan is done through the credit union movement and that the other 40 per cent is divided among trust companies, chartered banks, etc.

Dealing with credit unions comes from a tradition of long, bitter experience with banks, trust companies and finance companies. In fact, there should be a law against any finance company using the word "beneficial" because it is a total contradiction when one looks at the way in which they operate. The credit unions of Saskatchewan were the first, ahead of the chartered banks, trust companies or other financial institutions, to institute computer automatic bank tellers. Since the credit unions clear 60 per cent of all the cheques, surely the definition of cheques as they are handled and printed by credit unions, should be included in the Bank Act.

I have here my cheque book. The contents are called cheques and they are printed by the Sherwood Credit Union Limited, Regina, Saskatchewan. I do not deal with banks. It seems to me that whether it is a case of my clearing a cheque or a case of half the population of Saskatchewan clearing its cheques through credit unions, they should damn well be recognized as such in the Bank Act. The story of why I now deal only with credit unions began when I was a young married man with a job and three kids, owing bills all over town and trying to raise my first loan. The banks and finance companies would not lend me a nickel unless I owned some property such as a house or a farm. They wanted to know my assets when all I had was my salary and my good name. A credit union came through and helped me out within a matter of 20 hours, and I have never been to a bank since, nor do I have any intention of ever going to a bank.

What we are talking about is money working for the people, not just people working for money. I hope the government will reconsider and accept this amendment because it will do no horrendous damage to its idea of what should be banking legislation for Canada. However, it will finally give full and proper recognition, which is long overdue, to the day-to-day practice of credit unions and what is occurring in Saskatchewan and Quebec, the provinces where most credit unions and caisses populaires are found.

In fact, I hope credit unions become so abundant that some of the chartered banks and other private financial institutions gradually disappear. What they do, and the way in which it is done, are irrelevant to the needs of people when it comes to money working for people. The introduction of automatic bank tellers means that the several thousands employees of the federal government in Saskatchewan can go down to their credit union lobby and deposit a government cheque after normal banking hours. Credit unions have made use of the latest technology and it is working marvellously well.

I do not see any reason why, when there are areas such as Saskatchewan and Quebec in which the overwhelming majority of financial transactions by ordinary people occur with credit unions and caisses populaires, there should be no recognition given to credit unions in the Bank Act. What is the government worried about? If it wishes to amend some other legislation or include the matter in some other legislation, then that is fine.

Credit unions are people's banks. We call them credit unions because we think it is a much better term. Credit unions evolved because hundreds of thousands of Canadians across this country had bitter experiences with banks in the strictest sense of the word. They were formed by the people. Credit unions did not come out of Bay Street in Toronto or James Street in Montreal; they came out of the people.

Credit unions print their own cheques. They are cheques in fact, if not in law, so why do we not provide some kind of recognition by putting in place a symbol of what is a fact in this country? People from all walks of life, small businessmen, farmers, workers, old age pensioners and so on, bank at credit unions. I invite hon. members, particularly those on the government side who have dealings with the Bank Act, to visit the approximately ten branches of credit unions which thrive in the little city of Regina. They will see what credit unions mean to the people of that city and how these institutions operate.

The amendment proposed by my colleague, does nothing more than to bring up to date what is practice and tradition for several millions of Canadians from coast to coast. It is a practice which is growing in every province and region of this country. I do not understand the reluctance of the government to recognize this reality, face up to it and include my colleague's amendment in the Bank Act. Surely, the experience of the credit union movement, which I am sure has been brought to the attention of many hon. members opposite, with regard to the clearing of cheques by central banks, the kicks in the teeth it received from the banking association over the years and the attempts of the banks to discriminate, inhibit or make more awkward the operations of credit unions and caisses populaires to deal fully and completely with every aspect of a member's financial dealings, must be recognized in an updated Bank Act.

I do not understand the obfuscation put up by the hon. gentleman across the way a few moments ago. I do not understand why he has not recognized that the Bank Act, the primary financial legislation of this country as it pertains to financial institutions, should cover the point made by my hon. friend who moved the amendment. When I use the word "symbolic", I do not mean it lightly. It is a very important and serious symbol to many people in this country. Even if in most instances it is a minor detail and means little or nothing in day to day practice, the fact that it is there means a great deal to a lot of people.

● (1630)

I hope the government will reconsider and that the minister and his colleagues will say, "What the heck, there is no harm in having this." There is no harm to whoever it is they are trying to help. There is a benefit to the credit union and the caisses populaires employees of this country contained in this amendment. We do not move the amendment lightly nor without a great deal of consultation with our friends in the credit unions and the caisse populaire movement. We would not, and we do not, move it just on our own. This is not just socialist dogma, Mr. Speaker. It comes from people across party lines—in my province anyway—who say they want this sort of thing in the Bank Act. I hope the minister will reconsider and say it is all right, that he does not think it does harm to the government's bill. They may still wish to disagree but it may not mean that much to the credit unions and caisses populaires in Canada. He might be right in that; I do not know, but surely we could agree it will not do any damage to the legislation. Its passage may or may not be helpful to the credit union movement in this country.

On those grounds alone, Mr. Speaker, if for none of the other reasons that I have illustrated, I hope the government will accept this amendment.

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

Some hon. Members: Question!

The Acting Speaker (Mr. Ethier): The question is on motion No. 3 in the name of the hon. member for Comox-Powell River (Mr. Skelly).

All those in favour, please say yea.

Some hon. Members: Yea!

The Acting Speaker (Mr. Ethier): All those opposed please say nay.

Some hon. Members: Nay!

The Acting Speaker (Mr. Ethier): In my opinion the nays have it.

Mr. Knowles: On division.

Motion No. 3 negatived on division.

The Acting Speaker (Mr. Ethier): The question is on motion No. 4 of the hon. member for Broadview-Greenwood (Mr. Rae).

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, the purpose of this amendment is quite simple. We take a different view from that of the government with respect to the process of incorporation. One of the things this act does is to allow a process of incorporation to take place without requiring parliament itself to authorize a particular charter. I say to the minister that we would be prepared to withdraw this motion if he would be prepared to reconsider his position on motion No. 6. In other words, we made some progress in committee when we accepted the amendment from the hon. member for Edmonton West (Mr. Lambert) dealing with the question of the right of the Inspector General of Banks to hold an inquiry concerning the incorporation process.

The minister will recall that the hon. member for Edmonton West was concerned, and we supported him, that if we are going to move from a process of parliamentary charter to a process whereby incorporation of a chartered bank would become very much like the incorporation of any other public company, there should be at least some kind of hearing process. I have said to the minister on a number of occasions that if this legislation is passed as is, it will be easier to establish a chartered bank in Canada than to obtain a liquor permit in the province of Ontario.

The process by which one incorporates under the amendments put forward by the government does not require that the inspector general hold a hearing when he receives an objection,

but it gives the bureaucracy the right to decide whether the objections are of any importance and gives the inspector general the sole right, without having to hold a hearing, to determine whether the bona fides of those wishing to obtain a charter have been established.

In light of this, we would prefer a process whereby Parliament has a greater degree of control over the chartering of banks. We would prefer a continuation of the system whereby Parliament itself charters banks and each individual bank is subject to the strict scrutiny of Parliament and a parliamentary committee.

If this is not acceptable to the government, we are prepared to withdraw that motion and put forward the other motion. That is, if the government is not prepared to accept that principle, then at least require the inspector general—not to hold a hearing with regard to objections that have been made on the chartering of a bank—but to hold a public inquiry. Motion No. 6 in the name of the hon. member for Comox-Powell River (Mr. Skelly) specifies that the inquiry shall be held in public, that upon completion of the inquiry the inspector general shall report his findings to the minister and that the minister shall make such report available to the public within 30 days.

In granting a charter to those who are determined to create a bank, one is, in fact, granting an extensive licence—a licence which in my view has far more impact on the public than a liquor license permit or a television station licence or any of a number of other activities. Yet the government tells us that there is no requirement to hold a public hearing at which objections can be heard in the case of chartering our banks.

This is not astonishing, because I know the faith the Liberal party has in the bureaucracy, and I know the lack of faith the Liberal party has in the concept of due process yet it is surprising to me, having regard to the advances in administrative law we have seen over the last 15 years in Canada, during which the courts have said, for example, that there is a duty of fairness, a duty to hold a hearing by all sorts of institutions when previously there was no such requirement. For example, it is no longer possible for a police officer to be deprived of his job without the right to a hearing; hospital boards, liquor licence tribunals, rent review tribunals, workmen's compensation boards, expropriation boards or any administrative institution established under the jurisdiction of the provinces or the federal government are subject to a requirement to be fair. There is a requirement to protect the public interest. There is a requirement to allow objections to be made. Authorities planning to build a public highway in the province of Ontario go before the municipal board. Every city that is involved in putting forward an official plan knows that people can make objections to it.

Mr. Speaker, I have more right with respect to the process of objections and the requirement of a public hearing to stop my neighbour from parking his car on his lawn than I have as a citizen of this country or a financial critic of this party, to question the bona fides of those who propose to establish a chartered bank. Yet the implications of the one decision are much more vast and carry a far greater impact on the public than the question whether my neighbour can park on his lawn. It is amazing that the government can carry on in this way, just by a process of convincing themselves that there is no need to worry and that the bureaucracy can take care of everything. On other occasions the parliamentary secretary has said, "We do not want any yahoo coming in and objecting so that we will have to hold an inquiry." That is the typical Liberal attitude to objections from the public—that the public is necessarily illiterate; that the objections necessarily come from people who do not know what they are talking about and that the Government of Canada and the Liberal Party of Canada do not need to hear from those who object.

The Liberal party's attitude reminds me of the church before Vatican II. That is about the stage of their development. There is clearly a need for a Vatican II on that side of the House. There is clearly a need to let some light in, to let a little air in by having a public inquiry and not just, as the hon. member for Edmonton West has said, if the inspector general decides it might be worth while to give responsible citizens of Canada the chance to find out who the people are who want to establish a chartered bank, what their bona fides are, in which areas they plan to specialize, where they expect to gather their business and where they intend to invest in the future of Canada.

These are legitimate questions for Canadians to ask, Mr. Speaker. If we are not allowed to ask them in Parliament any more—and apparently such will be the case as a result of this act—then I think we should at least require the inspector general to hold a hearing and see that justice is done when a licence is granted to people to conduct a banking business, just as justice is required when licence is given to carry on all sorts of activities which give a substantial and substantive right to groups of individuals to engage in business in Canada.

Some hon. Members: Hear, hear!

• (1640)

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, this question of the inquiry started out as a result of representations I had made. My views were coloured, first of all, by recognizing early on that there should be an alternative procedure to the road to Calvary which incorporators of banks were made to travel under the previous procedure of a private bill. I defy anyone to devise such a tortuous, expensive and frankly unnecessary system as the incorporation by private bill. All it took was two or three members, who were ideologically opposed to banks, to totally hamstring a legitimate operation and over the years, I saw that happen. The hon. member for Broadview-Greenwood (Mr. Rae) has never been aware of the thousands upon thousands of unnecessary expenses which were piled upon incorporators of banks in the past due to frivolous, and I would say, purely ideologically and devilishy inspired interference in the normal parliamentary process.

It was scandalous the way the parliamentary process was abused on certain occasions. Therefore, that method had to be eliminated. Now comes this proposal that a bank may be

incorporated, with all the other requirements, merely by letters patent. I insist also there should be some form of parliamentary control, if necessary. I have had experience of one or two incorporations, but if more light had been cast upon them in the early stages, as there was subsequently through probing questioning by members of the finance committee, the incorporations would have proceeded much more smoothly and regularly.

The amendment which appears as No. 6 in the name of the hon. member for Broadview-Greenwood imposes a statutory obligation upon the Inspector General in the event of any objection—he does not say any valid objection. The world's greatest kook, or the most irresponsible, could object—and we know we have them. Anyone acting on a whim or for competitive purposes who wished to stall the application would merely have to file an objection with the inspector general who would then be bound to put the process of a public inquiry under way.

On the other hand, there could be valid objections. If members of the party of the sponsor of this amendment feel that any representations they might make, for example, against the incorporation of any particular bank, were not to be treated as valid or serious, and could be passed over casually by the Inspector General of Banks, then they place themselves perhaps in the right place at the right status. However, if they are going to be serious—and I am not necessarily saying they are not—and have a valid objection, on the basis of information, on the grounds that certain incorporators of a proposed bank were not persons of the quality required, or that there was some doubt about the source of funds, or for any number of valid reasons, they would have to come up with the proof. Mind you, they would have to realize that in making such allegation they would have to put their money where their mouth is. But that happens to anyone.

Let us look at the procedure to be followed by the inspector general and the minister under those circumstances. It must be remembered that under the letters patent procedure the application is filed and there are certain statutory requirements as to capital, the number of persons, the quality of those persons, and so on. The inspector general, of course, has sources by which he can make investigations about the character and backgrounds of the persons concerned. Let us assume that the applicants meet all those requirements. The Inspector General then has to make a recommendation to the minister, after which the further steps of incorporation can take place if all conditions are met. But if there were either verbal or written objections which appeared valid, there is not the slightest doubt in my mind that the Inspector General and the minister would insist upon a public inquiry. Take the possible case of either the Inspector General of Banks or the minister failing to recognize the validity or the seriousness of an objection and just issuing the permit. Subsequently the fact that there were valid objections to the permit to commence business would surface. Both individuals concerned would, I think, find themselves fired for dereliction of duty.

I know very well that the minister responsible for financial institutions would under no circumstances, if there were the slightest doubt, fail to hold a public inquiry. Therefore, I feel that by granting this discretion to a responsible official, by, in fact, imposing a duty on the minister in question to really have a hard look at the circumstances, we are protecting the public. Incidentally, we are also possibly protecting the incorporators who could find themselves facing malicious charges or malicious information. We cannot understand the motives of men at all times. Let us assume in this case that an application is made and there comes into the hands of the Inspector General or of the minister in question a letter or letters making certain allegations of a spurious nature. Pray, how could the minister, the Inspector General or the individuals involved disprove these spurious allegations? They may be smears or allegations as to past criminal records or bankruptcies. Not one of those individuals would have a venue to correct the record.

● (1650)

The Inspector General cannot do those things which he is not authorized to do. Neither can the minister. How would the record be cleared except by way of a public inquiry with the persons who make the allegations put on the stand to prove what they had said. To that extent I think there should be a public inquiry of the nature I proposed. I am told that concurrently a similar proposal was made in the Senate. I had no contact with it. I am glad the government saw the value of the proposal on the basis of the arguments advanced, not only to protect the public in the appropriate case, but to protect the minister and the Inspector General of Banks as well as those who would make a proposal under the act to incorporate a bank.

Therefore, the amendment incorporated in the bills reported is far superior to the amendment put forward by the hon. member for Broadview-Greenwood (Mr. Rae). I understand his motives, but I respectfully differ from him in that his amendment would lay the operation of the act open to a great deal of mischief.

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, it seems we have slipped from motion No. 5 to No. 6 in the course of general consideration of a couple of amendments which would apply to the kind of principle we are attempting to get at. The first is basically the proposal which would remove from Parliament the right to consider the incorporation of a bank. My hon. friend outlined fairly clearly some of the dilemmas there.

It concerned us in committee that this is yet another removal from Parliament of a power exercised over very strong influences in our society. It is acknowledged that banks are very powerful players in the economy of Canada. What they do will shape all our lives. We are not dealing merely with a parking fine or the implementation of a by-law respecting the running of fences in a municipality where people are accorded the benefit of a public hearing. We are dealing with the removal of yet another right from Parliament to consider and provide input on very powerful players in our economy.

I have heard members on both sides stand up and say that this is of no consequence. In fact, when the government presented its original proposal, it wanted the inspector general to look at the circumstances, make recommendations to the minister and that was all. Parliament was no longer to have the responsibility. This was to be the procedure, they said. Very quick, very neat. On behalf of those who are trying to glean information from the government and ministers opposite, I say, shame. Members across the way know the kind of record which has been established over the last year and, indeed, since the present Prime Minister (Mr. Trudeau) came to power, yet they allow the erosion of yet another power of Parliament.

I am a new member of this institution. Since roughly 1968-69, the power to effectively control the estimates of the government has disappeared to a committee. The committees themselves have been hamstrung. Millions are spent on issues and items that cannot be properly examined because of a deliberately structured device to remove from Parliament the opportunity to consider them. Here is another example of erosion. It is being resisted by members who for more than ten years have fought against the government, the Prime Minister and some ministers about the erosion of the rights of Parliament.

The Inspector General of Banks is not responsible to the Canadian people for what goes on in the banks. It is the minister and the elected representatives here. We are responsible. We were sent to this Parliament to consider such matters. However, I see members of the official opposition allowing yet another erosion of the power of Parliament. This is of serious concern.

I mentioned our concerns about the Prime Minister. They deserve stating again. He has not played fair ball with the people of Canada in some of his actions. I call to the attention of hon. members the changes in our rules which had to be bashed home with closure. When they changed the rules, they removed the estimates and allowed Parliament to be hamstrung. I also recall the War Measures Act. In retrospect, the leader of that party stood up after it was over and stated he regretted the fact he had supported it at the time. That was a product of actions by that government, that Prime Minister and those ministers.

There is also the issue of the anti-inflation legislation. They made a commitment to the people that they would not introduce it, but once in power they jammed it through. That attitude is also reflected in the proposal before us. It is the erosion of another power of Parliament, and I am seriously concerned about it. The other day we sat through the closure motion. The government is not opposed to using closure, removing the powers of Parliament. We were seriously concerned about that. I congratulate the hon. member for Edmonton West (Mr. Lambert) for individually overcoming a very serious dilemma. The government in fact accepted it. It now lacks a single thing. Although it is a lesser solution, our amendments overcome it. The power is still largely removed from Parliament.

On the other side of the coin, the Inspector General has the discretion not to hold a public hearing "because there are kooks out there". What disturbs me is that over the years the government has said that the kooks are those who disagree with it. We all know where dissent is in a democracy. It is a very healthy procedure. It will not tie up or hamstring the business of this country to have people with serious concerns write those concerns down, submit them and have them considered at a public hearing.

Kooks are not going to be supported by large numbers of the public. People have the right to bring forward serious concerns about these powerful institutions. A major concern is that this procedure is not open enough. Second, there is an attitude which has been prevalent with this government—I do not think anyone here can deny it. They hold information very closely. They somehow feel it is not the right of Parliament and Canadians to have information. When it comes out, they feel it is politically damaging, and that is worse than providing the information. This provision still allows the basic offensive nature of the previous proposal put in by the government. Perhaps that is why it is there in only half its form, because it still gives the Inspector General of Banks the authority to do this. He can give notice to the minister involved, and the minister can say, "Do not do it". If we follow the legislation, we will realize that it has been removed now from the control of Parliament. Essentially we are faced with a continuing erosion of the powers of Parliament. Also we see a controlling of the entire process of incorporating banks by the Minister of Finance (Mr. MacEachen) who undoubtedly will direct the Inspector General of Banks. We are very concerned about this particular item.

● (1700)

Allowing the amendment we have proposed to go through will broaden the very constructive amendment of the hon. member for Edmonton West (Mr. Lambert) so that the government cannot compel the Inspector General to put it aside and say, "No, we do not want to expose it to the public". It compels the Inspector General, upon receipt of an objection, to hold a public meeting and allow concerned individuals to express their concerns in front of the press and in front of the people. Although the matter has been removed from Parliament, it is still compelled to remain within a public forum. No one in the House would disagree that banks are among the most prominent players in the economy. Foreign banks are among the most powerful institutions in the world, especially considering the leverage they will have over us.

This incorporation procedure is one of the most important issues of this act. Acceptance of our proposal will not harm anyone. The only objection was the one raised by the hon. member for Edmonton West, that perhaps a kook will submit an objection and therefore we should put a provision in the legislation giving absolute discretionary power to a public servant who in fact is manipulated—a poor choice of words—or guided by the Minister of Finance. Perhaps I will reselect that word.

If the House is prepared to accept our amendment, certainly no harm would follow. We will not see the banks hamstrung. They will not come streaming forward in droves trying to incorporate. We will not see the whole procedure hung up. In fact, there will be very few incorporations over a period of time. People will approach this new procedure very cautiously.

An hon. Member: It only takes one to go down.

Mr. Skelly: It only takes one to go down. I think we will see a very slow and easy incorporation procedure. If our amendment was adopted, these organizations would be required to go in front of the public when there was an objection. Certainly they cannot come before Parliament any more, but they could be made the subject of public scrutiny. There is no harm in that, despite the fears of the hon. member for Edmonton West.

I urge members of the House to accept this amendment. They are prepared on any municipal project to allow municipalities to hold public hearings, to allow the citizens to participate or at least to be informed about the decision-making and to register their objections so that concerned elected officials will know about them. This is not inconsistent with the legislation. The government is prepared to do it on sensitive environmental questions. I believe that on sensitive and serious economic questions affecting the way the economy will develop, who will control it and what are their objectives, we should allow the procedure to become public and not allow the government at will to suppress knowledge.

I urge members of the House to support this one small amendment which would allow the entire incorporation procedure to become a public process. If it does not happen, we shall not only be allowing the government to remove one further power from Parliament, as it has so many others, making this institution less effective in expressing the wishes of the people, but we shall also be depriving the public of the opportunity of having these powerful economic players appear before it on items of serious objection.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I will be brief. I have listened to the debate, to the points made both by my hon. friends and by the hon. member for Edmonton West (Mr. Lambert). I was struck by the unusual position put forward by the hon. member for Edmonton West. We are suggesting the provision of even a greater amount of protection for the public.

In order to understand the nature of our proposal, one must appreciate that members of the public have infinite confidence in the banking system. When they put their money in the bank, whether by way of purchasing shares or by deposit, they are confident in the belief that the banks operate under federal law which is written in such a manner that it is virtually impossible for the bank not to operate in a fiscally responsible way. When the hon. member for Edmonton West made his comments, I was struck by the confidence which he placed in the public service. He said that there may be some frivolous intervention. I draw the conclusion that because there may be some frivolous intervention, the public will get less protection than it might otherwise be entitled to. The hon. member mentioned that it might be more costly to do it the way we are suggesting; because there may be an additional cost, the public are to have less protection than it might otherwise be entitled to. Because the member has confidence in the public service of today, he is saying in essence that the public of the future will have less protection than it might otherwise expect and heretofore has been entitled to.

Turning from banks for a few moments, I should like to look at the problems within financial institutions in general. Look at what happened in the most recent Astra Trust case—I want to point something out by way of example. I see the minister shaking his head. I am not suggesting a parallel can be drawn, but I am suggesting we ought to be encouraging a far greater degree of public scrutiny within all financial institutions, rather than lessening the degree of public scrutiny. I see the minister is now shaking his head affirmatively. He can understand why I draw that comparison, he can understand what I am driving at. In the case of trust companies, at the moment they are subject to approval, albeit provincial. There is a certain amount of federal involvement, but primarily it is provincial. People who had put their life savings into something they believed was protected by law discovered the protection was not worth the paper upon which it was written. There was no public hearing process in advance of that trust company being given the authority to conduct business and no mandatory process for advertising and public participation about which we are talking. If we take that extreme case today and extrapolate it over the next ten or 15 years, we would almost assuredly come up with the thought that a similar kind of thing could well occur within the banking structure.

Mr. Rae: The Bank of Western Canada.

● (1710)

Mr. Deans: My colleague mentions the Bank of Western Canada. A similar kind of thing could well occur within the banking structure under the system which is currently being proposed by the government and supported by the hon. member for Edmonton West (Mr. Lambert).

What we are talking about is a guarantee that there will be the opportunity for public participation in perhaps the single most important area of the economy a guarantee that the sort of thing which happened to Astra, Reymor and the people who put their money there could not happen within the banking system. We are suggesting that if we adopted these simple amendments to ensure a public hearing, there would be scrutiny and an opportunity for the public, and those who might have knowledge, to take part in the process, thereby taking a step toward guaranteeing that this kind of failure and consequent hardship could never occur.

I ask the minister not to be impressed by the suggestion of the hon. member for Edmonton West that, because on an odd accasion there might be someone with frivolous intent who would attempt to subvert the process we would put other people in jeopardy over the course of years ahead, or that just because it might cost those who are asking for incorporation a

little more in terms of the dollars they would have to invest in order to go through the public hearing process we should run a risk unnecessarily. It was suggested that people might invest on the assumption that the government's guarantee stands behind a financial institution and that somehow or other, because it may cost a little more to go through that process, members of the public should have less protection in the future than that to which they are presently entitled, or, for that matter, because today's public service is working well and can be trusted with the responsibility this necessarily will always be the case in every instance.

We must write the law to protect the public, not the incorporators from a frivolous intervention, a costly hearing or from a civil service from which they need no protection. We must protect the public from situations which, at this point, we think might not occur but which, however, could well occur under the current legislation. That is what we are asking for, and it is simple. We are not talking about hearings every day of the week for the rest of our lives. We are not talking about incorporations being requested and applied for by the hundreds. We all know that this will not happen. We are talking about a reasonable number of hearings which will be held because we are committed to making sure that not just the banking structure but all of the financial institutions have to submit to the most rigorous set of requirements and present themselves before the public in order to justify the contention that they should be permitted to operate within the financial structure of Canada. That is what we are suggesting, and we are saying that this kind of amendment means further protection.

It is not just further protection; it is necessary protection. I am not suggesting for one moment that my comments are any more meaningful than those of anyone else, but in the light of these observations can the minister not see that we are courting potential danger in the future, that we are leaving a door open for failure in the banking system which we need not leave open? Rather than opening that door we should be closing other doors in an effort to protect the people of Canada who for some reason have great trust in the political system and believe that "guaranteed by the Government of Canada" means something. That is how they feel about banks. Incidentally, that is also how they felt about trust companies until fairly recently. For some reason they thought that because they were incorporated and given licences to operate by the government, the government would be looking into them with such care that there could be no way they could be ripped off by unscrupulous dealers. Unfortunately, the minister knows that has not been the case. I would have thought we would be moving to a more carefully thought out and more restrictive method of reviewing entry to the financial system of Canada rather than opening it up and leaving things to chance.

I therefore ask the minister in good conscience if he will not consider the representations made by both of my hon. friends and say, "Yes, you are right, there is, in fact, the chance that we may slip up, so let us close the loophole".

[*Translation*]

Hon. Pierre Bussières (Minister of State, Finance): Mr. Speaker, we are discussing motions 4 and 6. I will first speak on motion No. 4 presented by the hon. member for Broadview-Greenwood (Mr. Rae). The effect of this motion would be to block one of the two avenues now open to an institution aiming at becoming a bank in the present sense of the law, since clause 7(a) states that an institution that wants to become a bank can still proceed through incorporation by Parliament as we do now and another option is added which is to proceed through letters patent. Motion No. 4 suggested by the hon. member for Broadview-Greenwood would do away with this second possibility, namely, to proceed through letters patent.

I was surprised to hear the hon. member for Comox-Powell River (Mr. Skelly) say that the bill proposes to remove completely, from the process whereby a financial institution obtains the status of a bank, the right for Parliament to examine that incorporation. In fact, we are adding one more possibility, while keeping, as I pointed out before in subclause 7(2), the possibility of incorporation by both Houses. If that procedure is chosen by an institution, it is well understood that the public parliamentary examination now in current usage would apply.

However, another means is being put at the disposal of those institutions desirous of obtaining bank status and of falling under the jurisdiction of the federal Bank Act, and that is letters patent. For the first time, the Bank Act provides truly wide possibilities, which this really is, in the procedure allowing a financial institution to accede to bank status.

Much has been made in the course of our debate of certain public examinations. The hon. member for Edmonton West (Mr. Lambert) made much of the procedure those institutions will have to follow.

Mr. Speaker, hon. members are aware—or they will learn when they read clauses 12 and others following on page 18 of our bill—that before an application is made under subclause 7(1)(b), a notice of intention to apply for the proposed letters patent and to operate as a banking institution under the Bank Act shall be published by the applicants for a period of four consecutive weeks in *The Canada Gazette* and in a newspaper published at the place where the head office of the bank is to be situated. That is the first stage.

Any person, as mentioned by the hon. member for Edmonton West, who has objections to the granting of letters patent to the people who have thus applied for them may write to the Minister of Finance (Mr. MacEachen) or the Inspector General of Banks to advise them of his or her concern and request a public inquiry.

If we consider the procedure which appears in the text the committee submitted to the House, namely the amendment to clause 12, on page 18, which was largely based on the proposal made by the hon. member for Edmonton West, we note that

the only difference between the wording of subclauses (2), (3) and (4) and motion No. 6 proposed by the hon. member for Comox-Powell River appears in this part of the motion, and I quote:

(*c*) the minister shall upon receiving the report make such report available to the public within thirty days.

Already the committee, in its report to the House of clause 12, recognized the right of the Inspector General, for specific reasons, to ask for a public inquiry. Clause 12, page 18, states that on completion of the inquiry, the Inspector must report his findings to the minister. The one thing which is added is that the report must be made public. Mr. Speaker, I think that if we take a close look at clause 7, subclauses (*a*) and (*b*) and at all of clause 12, we see that there is always a possibility for Parliament to discuss the matter if an institution chooses incorporation before the two Houses of Parliament as set out in clauses 7(*a*) or if it chooses to proceed by way of letters patent according to the new provisions proposed by committee, then there is always the possibility of a public inquiry should it be deemed necessary by the Inspector General. I think we should keep those two mechanisms since they protect the public well and since there is to be a thorough investigation as to the integrity of the individuals who will be creating a new institution which is to function as a banking institution. We must also remember, as the hon. member for Hamilton Mountain (Mr. Deans) pointed out I believe, that the purpose of the act is first and foremost to protect the common good, to ensure that the Canadian public is well served, properly served, faithfully and honestly served by the institutions operating under the Bank Act. For these reasons, Mr. Speaker, I suggest that we reject motions Nos. 4 and 6.

● (1720)

[*English*]

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

Some hon. Members: Question.

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

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Ethier): All those in favour of the said motion will please say yea.

Some hon. Members: Yea!

The Acting Speaker (Mr. Ethier): All those opposed will please say nay.

Some hon. Members: Nay!

The Acting Speaker (Mr. Ethier): In my opinion, the nays have it.

Some hon. Members: On division.

The Acting Speaker (Mr. Ethier): I declare the motion negatived on division.

Motion No. 4 (Mr. Rae) negatived.

The Acting Speaker (Mr. Ethier): We are now on motion No. 6. All those in favour of the said motion will please say yea.

Some hon. Members: Yea!

The Acting Speaker (Mr. Ethier): All those opposed will please say nay.

Some hon. Members: Nay!

The Acting Speaker (Mr. Ethier): In my opinion, the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Ethier): Pursuant to section 11 of Standing Order 75, the recorded division on the proposed motion stands deferred.

Motions Nos. 5, 12, 13, 16, 19, 20, and 21 are grouped for debate.

Mr. Bob Rae (Broadview-Greenwood) moved:

Motion No. 5

That Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in clause 2 by striking out lines 19 to 24 at page 14.

Hon. Marcel Lambert (Edmonton West) moved:

Motion No. 12

That Bill C-6, an act to revise the bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in clause 2 by

(a) striking out lines 4 and 5 at page 95 and substituting the following therefor:

"each shareholder is an offi-"

(b) striking out lines 16 to 21 at page 95.

Hon. Marcel Lambert (Edmonton West) moved:

Motion No. 13

That Bill C-6, An act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in clause 2 by striking out lines 18 to 32 at page 96 and substituting the following therefor:

"Her Majesty in right of Canada or in right of a province or an agent of Her Majesty in either such right is not included within the expression 'person' as used in those sections."

Mr. Bob Rae (Broadview-Greenwood) moved:

Motion No. 16

That Bill C-6, An act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in

clause 2 by striking out lines 7 to 10 at page 99 and substituting the following therefor:

"the government of a foreign state or".

Hon. Marcel Lambert (Edmonton West) moved:

Motion No. 19

That Bill C-6, An act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in clause 2 by striking out lines 16 to 18 at page 102 and substituting the following therefor:

"(*a*) an".

Hon. Marcel Lambert (Edmonton West) moved:

Motion No. 20

That Bill C-6, An act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in clause 2 by triking out lines 30 to 32 at page 110 and substituting the following therefor:

"shares of the bank to a financial".

Hon. Marcel Lambert (Edmonton West) moved:

Motion No. 21

That Bill C-6, An act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in clause 2 by striking out lines 46 and 47 at page 110, lines 1 to 16 and lines 36 to 47 at page 111, lines 28 to 47 at page 112 and lines 1 and 2 at page 113.

The Acting Speaker (Mr. Ethier): The question is on motions Nos. 5, 12, 13, 16, 19, 20 and 21.

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, I want to speak on motion No. 5. That motion deals with the section of the act which specifies to whom letters patent incorporating a bank can be issued. Clause 8 reads as follows:

Notwithstanding subsection 7(2), letters patent incorporating a bank shall not be issued

(a) to Her Majesty in right of Canada or in right of a province, to any agent or employee of Her Majesty in either such right, or to any corporation owned or controlled by Her Majesty in either such right;

I find it ironic that the government would be taking such an ideological position with respect to the next ten years in our banking legislation. I do not see why the government should rule out of court the question as to whether or not a province should be allowed to incorporate a chartered bank—and I will come to the reasons why that may be a very good idea—or why the government should not be allowed to establish a Crown bank if it were found to be one way of increasing competition in the absence of competition coming from other sectors, or if it is found to be one way in which the government can reorganize its granting of concessionary or other special kinds of loans to a number of special interest groups, such as farmers, small businessmen, people involved in housing or others.

I want to deal with each of those two points. The first is with respect to the ability of the provinces to engage directly in the business of banking by incorporating a federally chartered bank. It is one of the realities in our country that our largest chartered banks, the "Big Five" as they are called, which have such a stranglehold on the banking business and indeed on many aspects and many parts of capital markets today, are regarded by many Canadians as the representatives of a particular part of Canada, as simply being institutions for the benefit of central Canada which, in a historic sense, have sucked up savings from Canadians right across the country and largely to the profit of those who live in central Canada. Indeed, I think it is one of the perceptions of our country which has a detrimental effect not only on our financial life but also on our political and social life. As a result of the boom in oil and natural gas in western Canada it is no longer the case that the west is without economic resources. Indeed, it is the fastest growing part of the country, economically, and the economic power of the west which is growing very rapidly. It is growing so rapidly that the province of Alberta has developed a heritage fund worth somewhere in the area of $8 billion at the present time. The value of the fund grows daily and it will be further increased by the additions to the price of oil and gas which have just been tabled in the House of Commons by the Minister of Energy, Mines and Resources (Mr. Lalonde).

● (1730)

One of the key questions is that of the fiscal imbalances which these revenues create in our economic system, the fiscal relationship between the federal and provincial governments. It is one of the intractible problems of the decade and one of the great challenges of the 1980s. It has become unrealistic to say to the government of Alberta, or to the people of Alberta: you can create your credit unions and your provincial savings offices, which function in a sense as savings banks for individual Albertans, but you're not allowed to become directly involved in the business of chartering a bank. I find it hard to understand how a party which prides itself on being pragmatic and responsive to events and on being one which does not take any ideological position, would say that under no circumstances will provincial governments be allowed to incorporate federally-chartered banks. The ironic consequence of taking this ideological position will be that the federal government will have less control over capital markets than would be the case were they to allow the provincial governments to become directly involved in the federally-controlled and legislated business of banking. I am thinking particularly of the provincial government of Alberta, but it could be the provincial governments of Saskatchewan or British Columbia. I find it ironic that the federal government, a Liberal government, is requiring that the governments of Alberta, Saskatchewan and British Columbia—indeed, any provincial government—establish not federally-chartered institutions but provincial institutions. For example, six or seven years ago, when Mr. Barrett's government wanted to establish a financial institution which would reflect the needs and demands of the economy of British Columbia and which would be able to deal directly with the problems of small businesses and consumers—problems which were not being dealt with by the chartered banks—he was not able to establish a federally-chartered bank. Instead, he was required to establish a provincially-incorporated trust company. I find it ironic that because it is taking an ideological position with respect to the formation of Crown banks, wheth-

er they be provincial or federal, a Liberal government should be guaranteeing that the recycling process take place, which is so critical, is going to take place entirely outside federal jurisdiction. It is a phenomenon which is, indeed, passing strange.

It is also a strange phenomenon that the federal government would be tying its hands in this way by saying that under no circumstances will we consider in the next ten years the possibility of forming a federally-chartered Crown bank. I say this because ministers opposite has often said they pride themselves on their lack of ideology with respect to the formation of Crown institutions. In fact, they have nationalized whole areas of economic life. The Conservative party did precisely the same thing. It makes me smile to hear Conservative friends on my right mounting opposition to any direct federal or government involvement in the economy when it was a Conservative government which created such institutions as the Bank of Canada and the CBC.

It was the Liberal government which authorized the takeover of de Havilland and which created many Crown corporations from Polysar to Polymer and countless others. Now they are telling us that this kind of Liberalism is dead and is being replaced by a more hard line kind of Conservatism which means they are not going to become involved in the economy in this way any longer. They say this in spite of the variety of consumer services provided by our chartered banks, whether in fact the chartered banks are providing the services they could provide to small business, farmers, or consumers right across Canada or whether they are providing the services they could to fishermen in Atlantic Canada or to northern communities which are essentially isolated and without financial institutions. The federal government is saying that under no circumstances will it ever consider the possibility of creating a federally-chartered institution, at least for the life of the Bank Act. Frankly, I do not see the logic of the government's position, other than to suggest that it is a purely ideological one. Ministers over there are not prepared even to consider the possibility of allowing provinces to get involved in their banking institutions and to play as great and as active a part in the financial life of the nation as central Canadians have played for the last hundred years. I find it passing strange that they would be tying their own hands at a time when a great many Canadians are asking questions with respect to the services being provided to them by the largest chartered banks.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I must say something at this point because all the other amendments I have go further than the strictures in the act. The act does not allow a federal or provincial government to incorporate a bank under a letters patent process. That is the section which is being amended. The objective of the amendment is to delete that prohibitive clause. On the other hand, in the act there are already provisions which allow a government to participate—up to 25 per cent—in the incorporation of a bank. That is a grandfather proposition. It was a pay-off.

There was the WEOC Conference in Calgary some years ago. It pre-dated the Hon. John Turner leaving the government, so it would be about 1973. To please Mr. David Lewis and the NDP, as well as Mr. David Barrett, the Premier of British Columbia, the Prime Minister (Mr. Trudeau) indicated that the Bank Act would ultimately be amended to allow for the incorporation and establishment of a chartered bank in British Columbia. Subsequently, but without the knowledge of Mr. Turner, the Prime Minister broadened this to actually purchasing an interest in an existing chartered bank.

[*Translation*]

An hon. Member: You could speak—

Mr. Lambert: If a government member wishes to take part in the debate, he should also rise. He can understand me, we are in a bilingual country and since most people in my area are English-speaking it is natural for me to speak to them in English. However, if the member wants me to do so I will take up the time of the House and repeat everything I say. In that specific case, since I am dealing with a rather Anglophone issue, I will speak in English.

● (1740)

[*English*]

In an attempt to please British Columbia, the intent was to allow that province to buy into an existing bank, much to the horror of the then minister of finance. When the Bank Act came down with a white paper, fortunately reason had prevailed and the reference to purchasing an interest in an existing bank had disappeared. It was due mostly to the fact that by that time the heritage and trust fund had begun. It was obvious that if the province of Alberta were so minded, it could likely go out and buy the control of any chartered bank in the country. Economically, for all the reasons in the world—and I do not have to repeat those reasons which I put on the record at the time of the incorporation of the Bank of British Columbia and subsequently—I am unalterably opposed to the Government of Canada or to the government of any province having any interest in a charter bank.

According to this legislation, governments are allowed to become involved in new banks, not the existing banks, up to 25 per cent after a period of time. Governments would even be in better shape than any other corporate shareholders whose maximum involvement can only be to the extent of 10 per cent. There is a conflict of interest. With a holding of that size, a government as a shareholder would be entitled to one or more directors on the board. At that point, the government would have direct access to the business affairs of all the clients of that bank. Suppose the bank had interests beyond provincial boundaries and proposals were put forward by a particular client for financing an expansion either in one province or another. It would come to the attention of the government-appointed directors that a business proposed to borrow money from the bank to assist it in establishing a business in other than the province which had a share in that bank, at which point the squeeze can be put into effect—the government could insist that the development take place in that particular

province, all other things being equal other than, shall we say, the location of a particular resource or raw material.

Each of the provinces has a department of industry, trade and commerce, and it is up to those departments to illustrate the advantages to industry of locating in the particular province. It is up to that government through such a department or departments to put legislation on the books which will offer to the public generally incentives to establish a business in that particular province. Certainly, it should not at any time be within the powers of any government to use the leverage which it will have on the board of directors of a bank to direct investment into or out of a particular province under a "beggar thy neighbour" policy.

I cannot for the life of me see how that could be just in any instance. Therefore, it is my view that chartered banks should continue to be allowed to move across the country without the permission of the government or the Inspector General of Banks, establish branches at their own volition without the permission of any one and move into or out of any province without interference from government.

Many people say the government should have the right to interfere. Mr. Speaker, government influence is far from benign. We have seen examples of government influence which has been wrong, punitive and damaging. The history of this country can give many illustrations. Man's motives, when he gets into government and into power, are not necessarily the most pure at all times. Power which rests within government must not, in the type of economy and society which we in Canada want, move into our financial institutions. I do not mind savings and loans associations being organized under the aegis of government. They are like a post office savings bank.

Personally, I would much rather see the Alberta treasury branches brought under the operations of the Bank Act as a private bank—I say private as opposed to being publicly owned by the province. It is only in recent years that the treasury branches have been successful, but they could be more successful given the privileges of a chartered bank. Of course, treasury branches carry on certain activities which are not allowed to chartered banks, and I agree that this is an anomaly.

However, the situation does not justify inserting into the Bank Act, the privilege of allowing governments to invest in existing banks or to participate in the creation of new banks whether by private bill or by letters patent. I have referred to this question generally, because many of the amendments under my name are frankly consequential in a number of sections. These amendments attempt to wipe the slate clean, once and for all, of government being able to enter banking. I oppose amendment No. 5 which is before us. In due course, I will commend to hon. members the amendments which I have put forward and which would eliminate entirely any government interest in any chartered bank. As far as we know, the shares in chartered banks may be owned at the present time by trustees of government pension funds, but not directly because there are disabilities on directors.

• (1750)

No government wants to own shares in a bank unless it can have directors. That is the nature of the beast. It insists that if it is going to put up some money it shall have some say. No one can gainsay that. As a matter of fact, the justification for allowing governments to invest in chartered banks is so that they may appoint directors—so that governments may have a say and influence on the direction of their affairs. I do not think that is what we want in Canada, and I would so move.

Mr. Gordon Taylor (Bow River): Mr. Speaker, I should like to say a few words on this amendment. I have the highest regard for the hon. member for Edmonton West (Mr. Lambert), for his knowledge of banking and so on, but there are one or two points which I think are relevant.

First of all, I believe that a government, whether federal, provincial or municipal, has a responsibility to reflect in its policies the thinking of the people who elected it. If some time in the future the people of a province were to elect a government with a very definite mandate to get into the banking business, that government would be unable to do so because of the laws passed here. In my view that is not a democratic procedure.

I should also like to speak to the question of freedom of choice. I think governments should have some freedom of choice also. While there is much to be said on both sides, I feel that a strict mandate prohibiting a provincial government, for instance, from going into the banking business really amounts to the federal government telling the provinces what is or is not good for them. Provincial governments should be able to carry out the dictates of the people who elected them and not have to do what a senior government says they can or cannot do. I do not agree with this omnipotence of the federal government. I think the people are omnipotent.

If the people of a province are so dissatisfied with the chartered banking system that they ask the provincial government to go into the banking business in competition, I do not see anything wrong with that. It would be acting as a government, not just looking into people's records. There is much to be said for the remarks of the hon. member regarding directors.

I should like to mention one or two points which make me suspicious of the provision that provincial governments cannot enter the banking business under any circumstances—whether 95 per cent of the people of a province wants it to establish a bank in competition or not. That cannot be done—because an act of the federal government says it cannot be done. I do not like that type of procedure, Mr. Speaker. Surely a provincial government should be in a position to carry out the wishes of the people who elected it. It should not be subject to some other power telling it that it cannot take such action.

I remember the early depression years in Alberta, in 1935—I was not a member of the legislature at that time. The government of the day was elected on a very anti-bank feeling. The people were very unhappy with the banks because during the depression years they withdrew credit right and left. Many

companies were put into bankruptcy and, as we used to say, there was hunger in the midst of plenty.

Those banks were not operating in accordance with the wishes of the people and so the people were unhappy. The result was almost a landslide victory for the party that proposed to change the banking system but, unfortunately, it could not get a charter from the federal government to form a bank. Instead, it formed what were known as the treasury branches. The reason it wanted a bank was that it could have the privilege of arranging for the expansion of credit, as was pointed out by the hon. member for Edmonton West. If you hold so many dollars in the Bank of Canada you can expand that and lend, I believe, up to 14 times the amount. This gives the bank tremendous avenue for making money or for service, whichever way you want to look at it.

The treasury branches could not do that, however. They could not lend the money of the depositers under the provisions contained in the Bank Act of that time. Each customer had to sign a statement giving permission to lend their money and so the treasury branch came into being. It is a pretty profitable institution today.

Had the treasury branches been subject to the provisions of the Bank Act, however, then last year the provincial government of Alberta would not have been able to offer the tremendous benefits of reduced interest to the farmers and the developers of that province.

Sometimes people wonder why industry has prospered in Alberta. One reason is that the provincial government provided for loans to be available from the treasury branches and not at an exorbitant rate of interest. They had the freedom to do that because they did not have to abide by any rules set out by the Bank of Canada as did the chartered banks. As a result, many people left the chartered banks and went to the treasury branches.

To tell someone that they cannot form a bank is to do things by the backdoor. Had the treasury branches been formed in the same way as a chartered bank there would have been advantages and disadvantages. They would have come under the rules that apply to all other banks but they would have been able to expand their credit. Today, that expansion of credit could be a tremendous thing for any province or any country.

We have to look carefully at exactly at what we are trying to accomplish, Mr. Speaker. What harm would there be if the province of Ontario wanted to establish a bank in competition with the other banks? We say we want competition, so would it not be just as well for the people of Ontario, through their government, to form, say, the Bank of Ontario, and then expand credit in the interest of all of the people of the province instead of just those who happen to be the shareholders of a bank?

Let me give an illustration, Mr. Speaker—this is not in the banking field but it is something similar. During the depression years premiums for fire insurance on homes in Alberta became exorbitant. Hundreds of people could not take out insurance, as a result. The government of the day was not socialist but it offered to form an insurance company in competition with the other insurance companies because it thought it could be done at a reduced rate. It was done, and the Alberta Insurance Office came into being. It was swamped with hundreds of thousands of applications. It did so well that all the insurance companies had to reduce their rates in order to stay in business. It was competitive, Mr. Speaker.

The Acting Speaker (Mr. Ethier): Order, please. May I remind hon. members that the House will be sitting tomorrow morning between the hours of 11 a.m. and 1 p.m. for further consideration of Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof.

It being six o'clock this House stands adjourned until tomorrow morning at eleven o'clock pursuant to an order made Wednesday, November 5, 1980.

At 6.01 p.m. the House adjourned, without question put, pursuant to Standing Order.

APPENDIX "A"

(*See p.*)

ORDINANCES TABLED UNDER PETROLEUM ADMINISTRATION ACT

P.C. 1980-2915
28 October, 1980

His Excellency the Governor General in Council, on the recommendation of the Minister of Energy, Mines and Resources, pursuant to subsection 35(1) of the Petroleum Administration Act, being Chapter 47 of the Statutes of Canada, 1974-75-76, is pleased hereby to order that a proclamation do issue declaring that Division II of Part II of the said Act shall come into force and have effect upon, from and after the 28th day of October, 1980.

Department of Consumer and Corporate Affairs, Registration Division, Ottawa, October 28, 1980.

I hereby certify the within to be a duplicate copy of the original Proclamation dated 28th October, 1980 declaring that Division II of Part II of the Petroleum Administration Act shall come into force and have effect upon, from and after the 28th day of October, 1980.

L. McCANN

Deputy Registrar General of Canada

ED SCHREYER

Canada

ELIZABETH THE SECOND, by the Grace of God of the United Kingdom, Canada and Her other Realms and Territories QUEEN, Head of the Commonwealth, Defender of the Faith.

ROGER TASSÉ

Deputy Attorney General

TO ALL TO WHOM these Presents shall come or whom the same in anyway concern,

Greeting:

Proclamation

Whereas in and by subsection 35(1) of the Petroleum Administration Act, being chapter 47 of the Statutes of Canada, 1974-75-76, assented to on June 19, 1975, it is provided that Division II of Part II of the said Act shall come into force on a day to be fixed by proclamation;

And Whereas it is expedient that Division II of Part II of the said Act should come into force and have effect upon, from and after the 28th day of October, 1980.

Now Know You that We, by and with the advice of Our Privy Council for Canada, do by this Our Proclamation declare and direct that Division II of Part II of the Petroleum Administration Act shall come into force and have effect upon, from and after the 28th day of October, 1980.

Of All Which Our Loving Subjects and all others whom these Presents may concern are hereby required to take notice and to govern themselves accordingly.

In Testimony Whereof, We have caused these Our Letters to be made Patent and the Great Seal of Canada to be hereunto affixed. Witness: Our Right Trusty and Well-beloved Edward Richard Schreyer, Chancellor and Principal Companion of Our Order of Canada, Chancellor and Commander of Our Order of Military Merit upon whom We have conferred Our Canadian Forces' Decoration, Governor General and Commander-in-Chief of Canada.

At Our Government House, in Our City of Ottawa, this twenty-eighth day of October in the year of Our Lord one thousand nine hundred and eighty and in the twenty-ninth year of Our Reign.

By Command,

GEORGE POST

Deputy Registrar General of Canada

P.C. 1980-2916
28 October, 1980

Whereas no agreement has been entered into pursuant to section 22 of the Petroleum Administration Act, with the Government of the Province of Alberta, Saskatchewan or Manitoba.

Therefore, His Excellency The Governor General in Council, on the recommendation of the Minister of Energy, Mines and Resources, pursuant to section 36 of the said Act, is pleased hereby to make the annexed Regulations prescribing maximum prices for the various qualities and kinds of crude oil that are produced, extracted or recovered in Alberta, Saskatchewan and Manitoba and that enter into interprovincial trade or that are mixed or blended with crude oil that has been acquired for movement out of the province where it is produced.

REGULATIONS PRESCRIBING MAXIMUM PRICES FOR THE VARIOUS QUALITIES AND KINDS OF CRUDE OIL THAT ARE PRODUCED, EXTRACTED OR RECOVERED IN ALBERTA, SASKATCHEWAN AND MANITOBA AND THAT ENTER INTO INTERPROVINCIAL TRADE OR THAT ARE MIXED OR BLENDED WITH CRUDE OIL THAT HAS BEEN ACQUIRED FOR MOVEMENT OUT OF THE PROVINCE WHERE IT IS PRODUCED

Short Title

1. These Regulations may be cited as the *Crude Oil Pricing Regulations*.

Maximum Prices

2. In respect of crude oil that is produced, extracted or recovered in the province of Alberta, Saskatchewan or Manitoba and that enters into interprovincial trade or is mixed or blended with crude oil that has been acquired for interprovincial movement from the province where the crude oil is produced extracted or recovered, the maximum prices set out in sections 3 to 6 or derivable from section 3 shall apply.

3. Except as provided in sections 4 and 5, the price per net clean cubic metre of crude oil having a density at 15dC of eight hundred fifteen kilograms per cubic metre or less, and containing less that one gram of sulphur per kilogram, shall not be more than $108.75 as at the Edmonton, Alberta, terminal of Interprovincial Pipe Line Limited and the prices of all crude oil that were derived or were derivable from or related to the price of the said crude oil prior to the making of these Regulations shall continue to be derived from or related to the price of that crude oil according to the practices of the trade prevailing immediately prior to the making of these Regulations, including practices related to the establishment of differences in price on account of variances in density, sulphur content, location and the establishment of prices for mixed streams of crude oil except that, where in any month after the making of these Regulations, a gathering charge or transportation toll applicable to any particular kind or quality of crude oil to which this section applies, is established or amended, the gathering charge or transportation toll as established or amended shall be added to the maximum price for that quality or kind of crude oil or shall be substituted for the charge or toll applicable to that quality or kind of crude oil immediately prior to the making of these Regulations, when calculating the maximum price for that quality or kind of crude oil.

4. The price for natural gasoline or condensate per net clean cubic metre shall not be more thatn $115.05 as at the Edmonton, Alberta, terminal of Interprovincial Pipe Line Limited.

5. The price for any hydrocarbon or mixture of hydrocarbons per net clean cubic metre that is produced by extraction from oil sands and is not a refinery oil product within the meaning of section 26 of the *National Energy Board Part VI Regulations* shall not be more than $111.90 as at the Edmonton, Alberta, terminal of Interprovincial Pipe Line Limited, excluding any compensation paid or payable in respect of any such hydrocarbon or mixture of hydrocarbons pursuant to Part IV of the *Petroleum Administration Act*.

6. The maximum price per net clean cubic metre for any crude oil not specified in section 3, 4 or 5 or derivable from section 3 shall not be more than $115.25 at the point of sale before its transmission or transportation out of the province in which it was produced, extracted or recovered, less any gathering charge or transportation toll from that point of sale to Montreal.

EXPLANATORY NOTE

(This note is not part of the Regulations, but is intended only for information purposes.)

These Regulations prescribe maximum prices for the various qualities or kinds of crude oil produced, extracted or recovered in Alberta, Saskatchewan or Manitoba that enter into interprovincial trade or that are mixed or blended with crude oil that has been required for movement out of the province where the crude oil is produced, extracted or recovered.

P.C. 1980-2917
28 October, 1980

His Excellency the Governor General in Council, on the recommendation of the Minister of Energy, Mines and Resources, pursuant to subsection 52(2) of the Petroleum Administration Act, being Chapter 47 of the Statutes of Canada, 1974-75-76, is pleased hereby to order that a proclamation do issue declaring that subsection 52(1) of the said Act shall come into force and have effect upon, from and after the first day of November 1980.

Department of Consumer and Corporate Affairs Registration Division, Ottawa, October 28, 1980.

I hereby certify the within to be a duplicate copy of the original Proclamation dated 28th October, 1980 declaring that subsection 52(1) of the Petroleum Administration Act shall come into force and have effect upon, from and after the 1st day of November, 1980.

L. McCANN
Deputy Registrar General of Canada

ED SCHREYER

Canada

ELIZABETH THE SECOND, by the Grace of God of the United Kingdom, Canada and Her other Realms and Territories QUEEN, Head of the Commonwealth, Defender of the Faith.

ROGER TASSÉ

Deputy Attorney General

TO ALL TO WHOM these Presents shall come or whom the same may in anyway concern,

Greeting:

Proclamation

WHEREAS in and by subsection 52(2) of the Petroleum Administration Act, being chapter 47 of the Statutes of

Canada, 1974-75-76, assented to on June 19, 1975, it is provided that subsection 52(1) of the said Act shall come into force on a day to be fixed by proclamation;

And Whereas it is expedient that subsection 52(1) of the said Act should come into force and have effect upon, from and after the first day of November, 1980.

Now Know You that We, by and with the advice of Our Privy Council for Canada, do by this Our Proclamation declare and direct that subsection 52(1) of the Petroleum Administration Act shall come into force and have effect upon, from and after the first day of November, 1980.

Of All Which Our Loving Subjects and all others whom these Presents may concern are hereby required to take notice and to govern themselves accordingly.

In Testimony Whereof, We have caused these Our Letters to be made Patent and the Great Seal of Canada to be hereunto affixed. Witness: Our Right Trusty and Well-beloved Edward Richard Schreyer, Chancellor and Principal Companion of Our Order of Canada, Chancellor and Commander of Our Order of Military Merit upon whom We have conferred Our Canadian Forces' Decoration, Governor General and Commander-in-Chief of Canada.

At Our Government House, in Our City of Ottawa, this twenty-eighth day of October in the year of Our Lord one thousand nine hundred and eighty and in the twenty-ninth year of Our Reign.

By Command,

GEORGE POST

Deputy Registrar General of Canada

P.C. 1980-2918
28 October, 1980

Whereas an agreement with the Province of Alberta was entered into under section 50 of the Petroleum Administration Act;

And Whereas the said agreement is terminated by the declaration of the parties in the said agreement as of October 31, 1980.

Therefore, His Excellency The Governor General in Council, on the recommendation of the Minister of Energy, Mines and Resources, pursuant to subsection 52(1) of the Petroleum Administration Act, is pleased hereby to make the annexed Regulations prescribing prices for natural gas produced, extracted, recovered or manufactured in the Province of Alberta that enters into interprovincial or international trade, effective November 1, 1980.

REGULATIONS PRESCRIBING PRICES FOR NATURAL GAS PRODUCED, EXTRACTED, RECOVERED OR MANUFACTURED IN THE PROVINCE OF ALBERTA THAT ENTERS INTO INTERPROVINCIAL OR INTERNATIONAL TRADE

Short Title

1. These Regulations may be cited as the *Natural Gas Prices Regulations, 1980.*

Interpretation

2. (1) In these Regulations,

"cost of transportation" of natural gas moved from one place to another, means the aggregate of the costs of transmission and metering and all other costs associated with such movement of natural gas;

"imputed Alberta border price" of natural gas produced, extracted or recovered in the Province of Alberta and delivered to the border of that Province means 177.565 cents per gigajoule;

"international border price" of natural gas produced, extracted or recovered in the Province of Alberta and delivered at various points on the international boundary line between Canada and the United States for consumption outside Canada means the Canadian dollar equivalent, calculated in accordance with the conditions of the applicable licence, of

(*a*) 417 cents in United States currency per gigajoule, with respect to natural gas exported under the authority of Licence No. GL-1, GL-3, GL-4, GL-5, GL-6, GL-16, GL-17, GL-18, GL-19, GL-20, GL-24, GL-25, GL-28, GL-35, GL-36, GL-37, GL-38, GL-39, GL-41, GL-43, GL-52, GL-54, GL-55, GL-57, GL-60 or GL-61; and

(*b*) 340 cents in United States currency per gigajoule, with respect to natural gas exported under the authority of Licence No. GL-29.

(2) Each zone referred to in the schedule is an area of Canada comprising a zone proposed by TransCanada PipeLines Limited in its application to the National Energy Board dated August 14, 1969 and approved with modifications by the National Energy Board by Order No. TG-1-73 of May 10, 1973.

Prescription

3. the prices for natural gas produced in the Province of Alberta that enters into interprovincial trade for sale in Canada outside Alberta are, in Canadian currency, as follows:

(a) for natural gas sold by TransCanada PipeLines Limited for consumption in Canada in a zone set out in Column 1 of the schedule, the aggregate of the imputed Alberta border price and the transportation rates set out opposite that zone in the column of that schedule that is applicable to the type of service under which the gas is sold;

(b) for natural gas consumed by TransCanada PipeLines Limited as fuel or for other uses, including any gas lost during transmission, the imputed Alberta border price;

(c) for natural gas sold by TransCanada PipeLines Limited to ICG Transmission Limited at Spruce, in the Province of

Manitoba, for export under Licence No. GL-28, the international border price less the cost of transportation on the ICG Transmission Limited pipeline from Spruce to the international boundary between Canada and the United States of America near Sprague, in the Province of Manitoba, which cost is a monthly demand charge of 3,209 dollars;

(d) for natural gas sold by TransCanada PipeLines Limited to ICG Transmission Limited at Spruce, in the Province of Manitoba, for export from Canada and re-import into Canada under Licence No. GL-30 and for subsequent re-export from Canada under Licence No. GL-29 at Fort Frances, in the Province of Ontario, the international border price less the aggregate of

(i) the cost of transportation on the ICG Transmission Limited pipeline in Canada, which cost is a monthly demand charge of 59,678 dollars,

(ii) the cost of transportation on the Inter-City Minnesota Pipelines Ltd. pipeline in the United States, which cost, in United States currency, is a monthly demand charge of 13,190 dollars, and

(iii) a commodity charge of 0.171 cents per cubic metre delivered.

(e) for natural gas sold

(i) by TransCanada PipeLines Limited to Niagara Gas Transmission Limited for export under Licence Nos. GL-6 and GL-55,

(ii) by TransCanada PipeLines Limited to The Consumers' Gas Company, which gas is subsequently sold by The Consumers' Gas Company to Niagara Gas Transmission Limited for export under Licence No. GL-6, and

(iii) by The Consumers' Gas Company to Niagara Gas Transmission Limited under an agreement dated October 31, 1975 between those two companies,

the international border price for gas exported under those licences less the cost of transportation on the Niagara Gas Transmission Limited pipeline from Cornwall to the international boundary between Canada and the United States near Cornwall, such cost being the average cost of transportation calculated in accordance with the contract dated January 2, 1968 made between Niagara Gas Transmission Limited and St. Lawrence Gas Company Inc. and approved by the National Energy Board;

(*f*) for natural gas sold by Many Islands Pipe Lines (Canada) Limited to Saskatchewan Power Corporation at the point of interconnection of the facilities of these two companies near Beacon Hill, in the Province of Saskatchewan, which cost is a monthly demand charge of 1.959 cents per cubic metre for 1048.1 thousand cubic metres of daily demand;

(*g*) for natural gas sold by Many Islands Pipe Lines Limited to the Saskatchewan Power Corporation at the point of interconnection of the facilities of Mid-Continent Pipe Lines Limited and the facilities of the Saskatchewan Power Corporation near Hatton in the Province of Saskatchewan, the aggregate of the imputed Alberta border price and 0.00088 cents per cubic metre, being the cost of transportation on that portion of the Mid-Continent pipeline in the Province of Saskatchewan;

(*h*) for natural gas sold by Many Islands Pipe Lines Limited and Saskatchewan Power Corporation to TransCanada Pipelines Limited at Success, in the Province of Saskatchewan, the aggregate of the imputed Alberta border price and 0.126 cents per cubic metre, being the cost of transportation on that portion of the Mid-Continent pipeline in the Province of Saskatchewan and on the facilities of the Saskatchewan Power Corporation pipeline connecting with those of TransCanada Pipelines Limited;"

(*i*) for natural gas sold by Consolidated Natural Gas Limited to TransCanada PipeLines Limited at a point in the Province of Saskatchewan near Burstall, the imputed Alberta border price;

(*j*) for natural gas sold by Consolidated Natural Gas Limited to Greater Winnipeg Gas Company at a point in the Province of Saskatchewan near Burstall, the imputed Alberta border price;

(*k*) for natural gas sold by Pan-Alberta Gas Ltd., to Gaz Metropolitain, Inc. at a point in the Province of Saskatchewan near Burstall, the imputed Alberta border price;

(*l*) for natural gas sold by Many Islands Pipe Lines Limited to Saskatchewan Power Corporation at a point in the Province of Saskatchewan near Merid, the imputed Alberta border price;

(*m*) for natural gas sold by Alberta and Southern Gas Co. Ltd. to Columbia Natural Gas Limited at various points of connection between the facilities of Alberta Natural Gas Company and Columbia Natural Gas Limited in the Province of British Columbia, the aggregate of the imputed Alberta border price and the average cost of transportation in the Province of British Columbia to the various delivery points on the Alberta Natural Gas Company pipeline, incurred during the month of the sale of the gas and calculated in accordance with Order No. TG-1-80, issued by the National Energy Board;

(*n*) for natural gas sold by Westcoast Transmission Company Limited to Columbia Natural Gas Limited at various points of connection between the facilities of Alberta Natural Gas Company and Columbia Natural Gas Limited in the Province of British Columbia, the aggregate of the imputed Alberta border price and the average cost of transportation in the Province of British Columbia to the various delivery points on the Alberta Natural Gas Company pipeline, incurred during the month of the sale of the gas and calculated in accordance with Order No. TG-1-80, issued by the National Energy Board;

(*o*) for natural gas sold by Alberta and Southern Gas Co. Ltd. to Inland Natural Gas Co. Ltd at the point of connection of the facilities of Alberta Natural Gas Company and those of Inland Natural Gas Co. Ltd. in the Province of British Columbia near Yahk, the aggregate of

(i) the imputed Alberta border price,

(ii) a peaking service charge in respect of the volumes delivered in each month equal to thirty per cent of the price paid by Alberta and Southern Gas Co. Ltd. to

acquire that gas in the Province of Alberta in each month from the Alberta Petroleum Marketing Commission, and

(iii) the cost of transportation in the Province of British Columbia on the Alberta Natural Gas Company pipeline, incurred during the month of the sale of the gas and calculated in accordance with Order No. TG-1-80, issued by the National Energy Board;

(*p*) for natural gas sold by Alberta and Southern Gas Co. Ltd. to Westcoast Transmission Company Limited at a place on the international boundary between Canada and the United States near Kingsgate, in the Province of British Columbia, the international border price;

(*q*) for natural gas sold as peaking service gas by TransCanada PipeLines Limited to Niagara Gas Transmission Limited at Cornwall, in the Province of Ontario, for export under Licence No. GL-6, 15.497 cents per cubic metre plus the aggregate of the transportation commodity rate and the transportation demand rate for Contract Demand service in the Eastern Zone as specified in Schedule 1 and the imputed Alberta border price;

(*r*) for natural gas sold by Many Islands Pipe Lines (Canada) Limited to Saskatchewan Power Corporation at the point of interconnection of the facilities of those two companies near Smiley, in the Province of Saskatchewan, the aggregate of the imputed Alberta border price and the cost of transportation on that portion of the Many Islands Pipe Lines (Canada) Lmited pipeline between the Alberta Saskatchewan border and Smiley, Saskatchewan, which cost is a monthly demand charge of 0.035 cents per cubic metre for 481.6 thousand cubic metres of daily demand;

(*s*) for natural gas sold after October 31, 1976, by Many Islands Pipe Lines (Canada) Limited to Saskatchewan Power Corporation at the point of interconnection of the facilities of Many Islands Pipe Lines (Canada) Limited and the facilities of Saskatchewan Power Corporation near Unity, in the Province of Saskatchewan, the aggregate of the imputed Alberta border price and the cost of transportation on that portion of the Many Islands Pipe Lines (Canada) Limited pipeline in the Province of Saskatchewan, which cost is a monthly demand charge of 0.522 cents per cubic metre for 835.7 thousand cubic metres of daily demand;

(*t*) for natural gas sold by Alberta and Southern Gas Co. Ltd. to Westcoast Transmission Company Limited at the point of connection of the facilities of Alberta Natural Gas Company and those of Inland Natural Gas Co. Ltd. near Yahk, in the Province of British Columbia, for export under Licence No. GL-41, the international border price less 0.600 cents per cubic metre, being the cost of transportation on the Westcoast Transmission Company Limited and Inland Natural Gas Co. Ltd. pipelines from Yahk to the international boundary line between Canada and the United States of America near Huntingdon, in the Province of British Columbia;

(*u*) for natural gas sold as fuel by Alberta and Southern Gas Co. Ltd. to Westcoast Transmission Company Limited under an agreement dated January 17, 1977 between those two companies for delivery at the point of connection of the facilities of Alberta Natural Gas Company and those of Inland Natural Gas Co. Ltd. near Yahk, in the Province of British Columbia, the aggregate of the imputed Alberta border price and the cost of transportation in the Province of British Columbia on the Alberta Natural Gas Company pipeline, incurred during the month of the sale of the gas and calculated in accordance with Order No. TG-1-80, issued by the National Energy Board;

(*v*) for natural gas sold by TransCanada PipeLines Limited to Gaz Métropolitain, Inc. at the point of connection of the facilities of those two companies near Montreal, in the Province of Quebec, for export f.o.b. Gaz Métropolitain, Inc.'s liquefaction plant in the City of Montreal, under Order No. GO-2-80 issued by the National Energy Board, the international border price for gas exported under Licence No. GL-19;

(*w*) for natural gas sold by TransCanada PipeLines Limited to Saskatchewan Power Corporation at Unity, in the Province of Saskatchewan, under an agreement dated the 30th day of June, 1972, as amended, between those two companies, the imputed Alberta border price;

(*x*) for natural gas sold by TransCanada PipeLines Limited to Gaz Métropolitain Inc. at the point of connection of the facilities of TransCanada PipeLines Limited and those of Gaz Métropolitain Inc. near Montreal, in the Province of Quebec, under an agreement dated February 15, 1977 between TransCanada PipeLines Limited and Gaz Métropolitain Inc. and approved by the National Energy Board, the aggregate of the imputed Alberta border price and the transporation commodity rate for Contract Demand service in the Eastern Zone as specified in the schedule;

(*y*) for natural gas sold by Pan-Alberta Gas Ltd. to Sulpetro Limited at a point in the Province of Saskatchewan near Burstall, for export under Licence No. GL-57, the international border price for gas exported under that Licence, less the cost of transportation on the TransCanada PipeLines Limited system in respect of the volumes delivered in cach month for export under that Licence, which cost shall be based on the monthly demand rate and the transportation commodity rate per cubic metre of natural gas delivered as set out in the schedule to the *Sulpetro Limited Export Price Order*; and

(*z*) for natural gas sold by TransCanada PipeLines Limited to Consolidated Natural Gas Limited at a point in the Province of Saskatchewan near Burstall, for export under Licence No. GL-61, the international border price for gas exported under that Licence, less the cost of transportation on the TransCanada PipeLines Limited system in respect of the volumes delivered in each month for export under that Licence, which cost shall be based on the monthly demand rate and the transportation commodity rate per cubic metre of natural gas delivered as set out for Licence No. GL-61 in Schedule I to the *TransCanada PipeLines Limited Export Price Order*.

1. Imputed Alberta border price — ¢/GJ
2. Transportation Commodity Rate — $/10³m³
3. Transportation Demand Rate — $/10³m³/mo.

TYPES OF SERVICE

COLUMN I Zones		COLUMN II Contract Demand	COLUMN III Small General Service	COLUMN IV Authorized Overrun Interruptible	COLUMN V Annual Contract Quantity	COLUMN VI Peaking Service	COLUMN VII Temporary Winter Service
Saskatchewan	1	177.565	177.565	177.565		177.565	177.565
	2	.803	5.212	2.787		71.220	26.040
	3	53.64					
Manitoba	1	177.565		177.565		177.565	177.565
	2	2.379		6.819		71.220	26.040
	3	158.44					
Western	1	177.565		177.565		177.565	177.565
	2	3.861		10.669		71.220	26.040
	3	257.33					
Northern	1	177.565		177.565		177.565	177.565
	2(a)	6.016		16.062		71.220	31.330
	2(b)	6.016		21.210		71.220	31.330
	3	400.58					
Eastern	1	177.565		177.565	177.565	177.565	177.565
	2	7.676		17.732	21.467	99.460	33.100
	3	504.63					

(a) NDA — Northern Delivery Area
(b) SSMDA — Sault Ste. Marie Delivery Area.

EXPLANATORY NOTE

(This note is not part of the Regulations, but is intended only for information purposes.)

These regulations prescribe the prices at which natural gas produced, extracted, recovered or manufactured in Alberta that enters into interprovincial or international trade is to be sold on or for delivery in any areas or zones in Canada and outside Alberta or at points on the international boundary of Canada.

P.C. 1980-2919
28 October, 1980

His Excellency the Governor General in Council, on the recommendation of the Minister of Energy, Mines and Resources, pursuant to section 62 of the Petroleum Administration Act, is pleased hereby to amend the Petroleum Administration Act Part III Regulations, C.R.C., c. 1261, in accordance with the schedule hereto.

SCHEDULE

1. (1) All that portion of subsection 3(1) of the *Petroleum Administration Act Part III Regulations* following paragraph (d) thereof is revoked and the following substituted therefor:

"those costs and charges shall be the Alberta cost of service with respect to the gas and the movement of the gas as defined or determined in accordance with the applicable provisions of the *Natural Gas Pricing Agreement Act* of the Province of Alberta or the *Natural Gas Price Administration Act* of the Province of Alberta, whichever Act is applicable."

(2) Subsection 3(2) of the said Regulations is revoked and the following substituted therefor:

"(2) In paragraph (1)(a), "contract field price" and "regulated field price" have the meaning given those expressions in the *Natural Gas Pricing Agreement Act* of the Province of Alberta or the *Natural Gas Price Administration Act,* of the Province of Alberta, whichever Act is applicable."

EXPLANATORY NOTE

(This note is not part of the Regulations, but is intended only for information purposes.)

This amendment adds a reference to the Natural Gas Price Administration Act of Alberta.

P.C. 1980-2920
28 October, 1980

His Excellency the Governor General in Council, on the recommendation of the Minister of Energy, Mines and Resources, pursuant to subsection 72(4) of the Petroleum Administration Act is pleased hereby to revoke

(a) Petroleum Classes Designation Order No. 2 made by Order in Council P.C. 1978-3825 of 21st December, 1978;
(b) Petroleum Classes Designation Order No. 3 (Temporary) made by Order in Council P.C. 1979-2116 of 2nd August, 1979; and
(c) Petroleum Classes Designation Order No. 4 made by Order in Council P.C. 1979-2577 of 27th September, 1979.

HOUSE OF COMMONS

Thursday, November 13, 1980

The House met at 11 a.m.

GOVERNMENT ORDERS

[*English*]

BANKS AND BANKING LAW REVISION ACT, 1980

MEASURE RESPECTING BANKING INSTITUTIONS

The House resumed from Wednesday, November 12, consideration of Bill C-6, to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs, and motions Nos. 5 (Mr. Rae), 12 (Mr. Lambert), 13 (Mr. Lambert), 16 (Mr. Rae), 19 (Mr. Lambert), 20 (Mr. Lambert), 21 (Mr. Lambert).

Mr. Gordon Taylor (Bow River): Mr. Speaker, I was making the point when I concluded yesterday afternoon that there are times when a government—

Mr. Skelly: On a point of order, Mr. Speaker, I regret very much interrupting the hon. member, but I would like to place a question before the Chair. I do not really comprehend what we are doing. It is my understanding that we are considering a series of motions, Nos. 5, 7, 8, 9, 12, 19,—

Mr. Bussières: And 20 and 21.

Mr. Deputy Speaker: In reply to the hon. member's query I understand that we are considering motions Nos. 5, 12, 13, 16, 19, 20 and 21 which have been grouped for purposes of debate. Does that answer the question for the hon. member?

Mr. Skelly: In terms of some of the particular amendments they could be argued on their own merits. Indeed, the debate which is taking place seems to be dealing with motion No. 5. It strikes me that some of these motions should be debated on their own merits. Would the Chair entertain a motion to consider these motions in sequence, rather than simultaneously?

Mr. Deputy Speaker: The purpose of the Chair, of course, is to serve the House. The Chair has made these suggestions for the convenience of hon. members in terms of the debate. It is my understanding that Madam Speaker in this place the other day made the suggestions and invited comment at that time. No comment was made. However, if it is the wish of the House to change what has been suggested by the Chair with respect to these motions, then certainly an order could be made and considered.

At this time we will proceed under the present order and, in the meantime, perhaps conferences might be held between the spokesmen of the parties of the House to determine if they wish to make any amendments. At this stage the House is following the suggestions which were made by Madam Speaker and which were accepted at the time.

Mr. Lambert: Mr. Speaker, the order was made the other day. I do not know whether the hon. member was present, but certainly the leader in this debate of his party was present at the time. It is my understanding, as I believe it is that of the minister, that having made those suggestions they were then made a House order. Otherwise, there is no way in which we can proceed if, as we go along, some hon. member wishes to initiate some changes on his own.

Mr. Deputy Speaker: The hon. member's point is very well taken. I am now informed that it is an order of the House to proceed in this manner.

• (1110)

Mr. Taylor: Mr. Speaker, I believe there is some distinct advantage in doing things this way because a member may speak on a number of items that are of concern to him, as did the hon. member for Broadview-Greenwood (Mr. Rae) recently.

In my remarks I want to deal specifically with the prohibition against a provincial government going into the banking business. In my concluding comments yesterday I pointed out that there are times when free enterprise does not satisfy the population. I believe in free enterprise, Mr. Speaker, but if it becomes a monopoly then it is just as bad as any other type of monopoly. As an illustration of my point I used the instance of Alberta, where in the hungry thirties the insurance companies did, in reality, become a monopoly and charged prohibitive rates. At that time thousands of people could not afford to buy fire insurance on their homes. The government endeavoured to get the insurance companies to change their rates, but without success, so it went into the insurance business itself in competition with the companies. As a result, the people had free choice; they either went to the Alberta government insurance office or to one of the private companies.

The fact that the rate charged by the Alberta government was considerably lower brought thousands of applicants to its offices which did a rousing business. Within a short time the other companies found that in order to stay in business they had to lower their rates to be comparable with those charged by the government. Eventually the Alberta Insurance Office

became the private insurance company which is today called the Alberta General Insurance Company, a very efficient operation which does excellent business.

I used that example to show that there are times when free enterprise is not free, but becomes a monopoly. In such circumstances, I believe that a government has an obligation to ensure that there is competition. It is the life blood of a free enterprise system; without competition there certainly is no free enterprise.

We are now dealing with competition in the banking business. This is possible. I hope it will succeed because the keener the competition, the less cost to the consumer. I also believe that the credit unions, caisses populaires, the treasury branches of Alberta and probably similar institutions in other provinces, are providing competition to the banking system, even though they are not covered by the Bank Act.

I want to emphasize two points, Mr. Speaker. First of all, there are disadvantages in the Bank Act. Had the treasury branches of Alberta been covered by the Bank Act they would not have been able to provide lower interest rates during the 1978-79 and 1980 seasons to farmers, developers, producers, and builders in the province. Because they were operating under the auspices of the Alberta government, however, their rates did not increase with the Bank of Canada rates and there was no obligation for them to do so. Consequently, they provided a service to the people. That is one of the reasons that many businesses in Alberta continued to thrive whilst there were widespread bankruptcies in other provinces.

If free enterprise gets to a point that it wants to charge all the market will bear, then I think a government has a responsibility to act, whether it be in the area of banking, insurance, transportation or anything else.

I recall another instance when competition resulted in exactly what I am trying to indicate here, and that is that a provincial government should have the right to enter the banking business if it chooses.

At one time the cost of transportation between Fort McMurray and Drumheller was exorbitant. There was only one way for freight to travel, and for most passenger traffic as well, and that was by train. The rates charged by the railway company were exorbitant. In Fort McMurray, people paid four or five times more for milk, sugar and potatoes than was charged in Edmonton. As soon as the highway to Fort McMurray was completed and truckers were able to provide competition for the railway, prices came down. In other words, Mr. Speaker, the railway was charging what the market would bear, and in my view that is not an aspect of free enterprise; it is an aspect of monopoly.

The same thing happens with our banks. If banks become a monopoly, all charging the same rates and not competing with each other, it may well be that the people of a province would approach the government to establish competition in the banking business. I cannot see why a provincial government, composed of responsible people elected by the citizens of a province, should be barred from the banking business.

There is another point that I want to make, Mr. Speaker. Originally, the banking business was handed over to private entrepreneurs by government. Since that time it has prospered, and it is not difficult to understand why. Banks provide a service, but they also have some tremendous benefits not available to trust companies, credit unions or treasury branches, such as the expansion of credit. Through this expansion of credit banks have been able to make big profits. I do not think there is any dispute about that. I have argued many times that some of that expansion of credit which comes about because of the growth of business in a community and an increase in the gross national product of the country, should be plowed back into the community through low interest loans for the building of schools and hospitals. If the banks were to adopt this suggestion they would not be subject to the criticism of making tremendous amounts of money through the privilege granted them by government of expanding credit, based on certain rules. No other business has that privilege.

The treasury branches in Alberta do a great deal of business. One of the best features is that they lend out the money of depositors. When I deposit money in a treasury branch, Mr. Speaker, I sign a paper stating that they may lend my money. They make a profit on the daily operation as a result but, Mr. Speaker, they cannot make any money on the expansion of credit because that privilege is not open to them.

A previous government in Alberta applied formally for a banking charter for the simple reason that the treasury branch could then expand credit. It was held that this would be of benefit to the people because it would mean higher payments to those on welfare, higher pensions and expanded benefits for the disabled—indeed, better service all the way around beause there would be more money available. The privilege was not granted, however. I cannot see anything wrong with that, Mr. Speaker.

I should like to ask the government to reconsider the prohibition against any provincial government entering the banking business. Surely we want this country to enjoy freedom of choice. We do not want free enterprise monopolies any more than we want government or other types of monopolies. A monopoly is a monopoly, Mr. Speaker, and the only way to break one is through competition. I suggest that monopolies can occur in the banking business; they have in the past and they can in the future. Let us keep this weapon of free enterprise. Competition is the lifeblood of the free enterprise system.

I want to conclude by repeating what I said in my opening remarks, Mr. Speaker. I believe a government, whether it be federal, provincial or municipal, has a responsibility to reflect the thinking of the greatest possible number of people who elected it. If the people of a province elect a government to create a bank in competition with the banking system, and I do not mean a monopoly, surely that provincial government should have the right to do it.

• (1120)

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I wish to take part in this phase of the debate. I was pleased to hear the remarks of the hon. member for Bow River (Mr. Taylor). They reinforce many of the points made in committee and recognize a very important sphere of activity.

When looking at the series of amendments today, the one which typifies this is No. 5. By including prohibition in the act, the government is having the Crown become involved in the business of banking. That was a very serious error. Also, it is inconsistent with many of the things they are doing. The resolution before us states:

Notwithstanding subsection 7(2), letters patent incorporating a bank shall not be issued

(a) to Her Majesty in right of Canada or in right of a province, to any agent or employee of Her Majesty in either such right, or to any corporation owned or controlled by Her Majesty in either such right;

Not only is this completely wrong, but it is inconsistent with the government's behaviour in many other areas. We have a very late but definite recognition of the need for a publicly owned oil corporation to explore, develop, refine and distribute petroleum. We have had some terrible experiences in this country with the private sector such as the monopoly control, seven sisters' approach in the oil industry. I suggest the industries which mobilize capital in this country have the same sort of concentration and control. It has worked to the disadvantage of many regions of this country.

The member from Alberta spoke with his very knowledgeable background about some of the serious problems that have occurred in that province. Until recently, the hardship in that province was extreme. The people of British Columbia have had the same experience from a very concentrated profit oriented group responsible to a small number of individuals in this country. They have not been accountable. Their goals have not been enunciated with regard to the aims and wishes of the charters that allow them to exist.

The government should not include prohibition in the act. They should leave it silent. If governments of certain provinces wish to become involved in the mobilizing of capital within their provinces, they should be allowed to do so. It will provide competition. We must recognize that in this country there is a small population and a very large area. We have the potential for tremendous economic benefits as a result of our resources and opportunities for development.

If in certain regions of this country the private sector fails, the co-operative sector has the opportunity to move in. Later I will refer to some areas where there has been a determined effort by the co-operative sector to do this. But there are areas in which the co-operative sector cannot function effectively. We must recognize that in those areas there is a very definite role for the public sector to play.

I ask the government to reconsider this. It would be a simple matter to delete those sections and allow the act to remain silent on this. If governments in British Columbia, Alberta, Saskatchewan, Manitoba or the maritimes wish to become involved in the creation of a bank or financial institution, and mobilize capital to become involved in certain regional developments which would enhance the lives of their people, we must recognize that the public sector can be involved effectively and this should be allowed to occur.

I wish to give a couple of short examples where public sector activity might have been of assistance in the province of British Columbia with regard to the chartered banks. In the small community of Sayward, banking services were terminated because the Canadian Imperial Bank of Commerce felt it could no longer do business there. It simply moved away and left that logging community without banking service. The nearest banking service was over 60 miles away. The same situation occurred in Bella Bella, Ocean Falls and other areas. The bank said it could not make a profit in those areas and, therefore, would no longer provide the service. What happened? These people were left with the closest banking service some 350 miles away. The bank just up and left, telling a community to do the best it could.

In many of these communities there are not enough individuals to become involved in an effective co-operative scheme. We need a public sector banking system which can spread the profits. If one area is lucrative, profits can be used to provide service to people in other areas. This would be a benefit. If the capital can be mobilized and put to use in an underdeveloped area, that area will eventually develop. It will attract other individuals who will begin an enterprise, and the communities will develop and flourish.

Rather than taking the attitude of the chartered banks toward some of those communities and going to where they can make a fast buck, this is where we should be concentrating. The banks are not concerned about whether small communities along the coast or northern Vancouver Island wither and die. They still do what they want. This problem is not only in the remote rural areas. A bank close to Victoria was closed. It was a small branch serving a small community.

The public sector should be allowed to become involved in the banking industry. It could provide tremendous benefits for Canadians, especially in those regions where the traditional chartered banks have no interest and are not providing the benefits.

I wish to summarize those few remarks. First, by putting this prohibition in the legislation, the government has created a contradiction. It recognizes that this country is a mixed economy made up of the private, co-operative and public sectors. There are no other rational options because we have a small population spread over a large area. Ministers recognized that in oil and in other areas.

Second, the private sector is not the be all and end all. We have recognized the difficulties there. Certainly this House agonized over such matters as Chrysler and Massey-Ferguson. We see a withering shipbuilding industry in some areas of this country and the failure of the private sector to become involved constructively and thrive.

We must recognize there is a need for public sector involvement, not only in industry and transportation, but in the

raising of capital for projects deemed to be desirable by the people of this country.

I would like to conclude my remarks on that aspect and open up one other. This forms part of a series of amendments to this legislation. This is a very important part. I find this difficult, especially as a result of some discussion in committee where the parties over there terminated consideration by the committee. In effect they imposed closure in support of the Liberals on the committee and, I think, left many of these questions to be discussed in the House. I would like to suggest that we look not only at this one but at the process of incorporation as being very important. It is a thing we consider to be serious. The exclusion of the public sector is a very serious error, and it is an inconsistency.

• (1130)

I think the question of financial disclosure was not properly addressed, as well as the business of consumer protection. Our opposition to foreign banking is clearly known. As well, there are some very serious questions about the operation of Canadian banks in foreign countries. These are very serious questions.

I would suggest that one of the most serious questions is that of competition. There is a feeling that this is simply pro forma debate. I caution everyone that our members feel very seriously about this. In fact, in committee we are given to understand that this would not be just pro forma debate but, in fact, would deal with these serious questions which the committee had considered long and hard. We understood they would come to the House and there would be some movement on issues which we felt were important and which the government did not seriously oppose.

One of the key areas is the area of competition between financial institutions in Canada. The government has mentioned this. There are some improvements to be made to the co-operative sector which could be easily handled and which would strengthen the process of competition and, in that process, would give a better deal to Canadians. I would urge the government to break this wall of silence. Let us sit down and hear something from their side with respect to what can be done to ease some of these concerns so we may proceed with this debate and bring it to a conclusion.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, before us is a series of amendments dealing with the government or government agencies being involved in the business of banking. The House must appreciate that under the British North America Act the control of banking, banks, interest rates, interest and so on, are all matters of federal jurisdiction. Consequently, it is important that the federal government exercise that jurisdiction.

One of the problems we face with respect to the regulation of credit, the terms of borrowing and lending, consumer protection and the rest of it, is that the federal government over the years has not bothered legislating. Ministers have not bothered to take their responsibilities seriously under the British North America Act. Consequently, we have had credit unions and trust companies develop to national size. They are totally free to do as they wish, and almost conduct the business of banking—indeed, they do conduct banking—without any control by the federal government. In other words, the federal government has abandoned its constitutional requirements. In the last 12 years we have seen an increase in the number of foreign banks coming into Canada and doing business in the banking field without any control by the federal government or the inspector of banks. We have seen them operating under provincial legislation as provincial financial management companies and the like. It is about time that the Government of Canada exercised the obligations and responsibilities it has under the British North America Act.

In the amendments we are discussing now the federal government is at least coming to grips with the problem. It is starting to do something. Specifically, it is prohibiting provincially-owned Crown corporations and provincial governments from using the device of letters patent to incorporate what amounts to a bank. In our constitution, surely the subject of banking is a matter of federal responsibility. Surely, if we are to have any separation of powers in this country it is important that this act recognizes that the provincial governments should stay out of the business of banking, regardless of whether or not they have been successful with respect to treasury board branches. They are not in that field. They have other jurisdictions to look after.

In a country there are certain responsibilities which must be handled by provincial governments, and certain responsibilities which must be handled by the federal government. In this country the federal government is responsible for banks and banking. Therefore it must be clear that provincial governments and their agencies should be excluded from banking.

If, as the hon. member for Bow River (Mr. Taylor) says, there are requirements for government to get into the business of lending and advancing money for projects, plus handling credit in various parts of Canada, then there is no question that the Government of Canada has the authority to do so. But it should not have that authority in the Bank Act. This is really an act to control private corporations in banking. If the Government of Canada is to be in the banking business, then we should have an act from the minister which incorporates a special bank in the commercial lending field owned by the Government of Canada. If that is necessary, we will do it. In fact we have done it.

We have done it through the Federal Business Development Bank. We have done it with respect to financing export trade. We have done it in a number of locations, in a small way, through Canada Mortgage and Housing Corporation and the like. These are the kinds of activities into which the government has entered. A further example of this is the financing of wheat sales through the Bank of Canada.

The job of the Government of Canada, Mr. Speaker, is to control banking and to control it properly. If there is a need for a government or government agency to go into the business of banking, then it should be a matter for the cabinet to produce legislation in order to create another banking institution. That

should not be an institution under this Bank Act. If the government were to go into the business of banking, then why should it be tied up with this legislation which is really designed for private banks?

More important, we have a number of Canadian Crown corporations which have developed the habit of expanding their jurisdictions over the past many years. As a result we have companies in the railway business that all of a sudden decide to become developers. We have companies which are in the airline business that decide to become travel agents. Corporations such as these were never designed to go into those other businesses. That was never contemplated. It is about time we prohibited those Crown corporations and agencies from expanding further. Indeed, it is important that this government introduce legislation which will control the expansion of its own Crown corporations. Thus it will have some control over where those corporations go. This act and the sections which are proposed by the government specifically prevent the Crown and Crown corporations from becoming involved. I suggest the minister consider the motion by the hon. member from Edmonton that deals with further limiting the government's ability in this area. This is set out in motions Nos. 19 and 20.

It is important we treat this act for what it is. It is an act which is to operate as a charter for those people in the private banking business. It is not an act designed to extend credit, to create more banks, or to allow other government agencies into the business of banking. If that is the intention then a separate type of statute is required. Surely, if it is the intention of the Government of Canada to go into banking in a commercial way, it has the power and authority, and properly could produce a separate charter with separate powers. Perhaps much broader powers would be needed for the creation of a Government of Canada commercial bank. At this stage I would be opposed to that type of proposal.

● (1140)

There is nothing to prevent the Government of Canada from setting up a bank if it wants to, but surely not under the Bank Act because the government is just passing this act to control the private banking field. Let us not have this act as enabling legislation for provincial Crown corporations to apply for letters patent and so further extend provincial jurisdiction into federal jurisdiction. One of the great problems we have in our Canada is the overlapping, duplication or triplication of governments involved in the business of other governments. I commend the attitude of the minister and the government in preventing, through their amendments or this act, provincial governments and their agencies from being involved in banking.

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I am glad to be able to share some of my thinking on motion No. 5. The effect of motion No. 5 would be to delete section 8 which reads in part as follows:

> Notwithstanding subsection 7(2), letters patent incorporating a bank shall not be issued
>
> (a) to Her Majesty in right of Canada or in right of a province, to any agent or employee of Her Majesty in either such right, or to any corporation owned or controlled by Her Majesty in either such right;

It seems that in some very important ways the Bank Act we are being asked to approve today in 1980 is already out of date, and yet this will form the basis of our banking system for the next ten years. Indeed, if it takes as long to revise the Bank Act the next time around as it has this time, it will be more than ten years.

We feel that the Bank Act looks to the past rather than to the future. Last Friday the hon. member for Broadview-Greenwood (Mr. Rae) put it this way:

> Instead of looking forward to the problems which in a sense are simply here today in a very small and growing form and seeing where these tendencies will take us, there has been a tremendous tendency in this legislation to look at problems which grew up in the early 1970s and late 1960s and to respond immediately to those rather than to look at the broad framework for the future.

The ideological framework of the present Bank Act denies the reality of Canada. The banks have been trying to create Canada in their own image, centralized and ignoring the regions, especially the growing economic needs of western Canada. This reminds me of the way in which in an earlier generation the banking system of Canada systematically drained and bled the maritime provinces, so that the present crisis in eastern Canada is to a large extent the result of the banking system which drained these areas of the necessary capital they needed to develop themselves.

One of the basic matters which the banking system should recognize and deal with is the fact that we have a mixed economy. Perhaps one of the best testimonies to our mixed economy was given by the hon. member for Bow River (Mr. Taylor), who is not what we might call a socialist. He explicitly pointed out that he was not a socialist, but in speaking yesterday he said, and I quote:

> Let me give an illustration, Mr. Speaker—this is not in the banking field but it is something similar. During the depression years premiums for fire insurance on homes in Alberta became exorbitant. Hundreds of people could not take out insurance, as a result. The government of the day was not socialist but it offered to form an insurance company in competition with the other insurance companies because it thought it could be done at a reduced rate. It was done, and the Alberta Insurance Office came into being. It was swamped with hundreds of thousands of applications. It did so well that all the insurance companies had to reduce their rates in order to stay in business. It was competitive, Mr. Speaker.

I submit that that points to the reality of Canada and to the fact that we do live in a mixed economy. We do not live in an economy which in any sense corresponds to the traditional free enterprise market economy about which people sometimes like to talk. In the short time I have been a member of Parliament I have seen the government called upon to intervene and to bail out corporations which thought they could do very well on their own as long as they were making profits, but as soon as there is some difficulty they come to the government with their hands outstretched, asking for money.

Very obviously we live in a mixed economy, and the present Bank Act ignores this fact. It ignores the direction in which Canada must move and the direction in which other major industrial nations of our world have been moving, that is, not

just in having mixed economies but economies in which there can be public participation.

By deleting the provision which prohibits provinces or provincial corporations from incorporating or having bank charters issued to them, motion No. 5 restrains in an undue fashion the public sector. It prohibits the growth of the economies of western Canada.

A few years ago the government of British Columbia under Premier Barrett wanted to use the financial resources of the province for public goals. This provision makes that very difficult, if not impossible. It is important that the provinces have an opportunity to use their financial clout so that they can mobilize capital for regional and local goals. I pointed earlier to the fact that the present banking system is largely responsible for the draining of capital invested by the people of the maritimes, that this capital was invested in the maritimes and that it was drained off to use for resource extraction in the west. The people in the west are tired of their region being treated merely as a hinterland and they themselves as hewers of wood and drawers of water.

So I ask, why should the governments of the provinces, which are elected by the people, not have the right to be involved in the banking business to see that some of the financial institutions which operate in the provinces are serving the needs of the people of those provinces?

I urge hon. members to support this amendment. I urge that as we deal with other amendments we recognize that we have to move beyond an ideological base which is rooted in the past. We have to begin to deal with the needs of Canada as we move into the 1980s, and we have to remember that this Bank Act will be serving our needs—or not serving our needs, whichever way we choose—for the next ten or more years. I urge that we pass this amendment and not unduly restrict the provinces.

Mr. John Evans (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, I would like to make a few comments on the series of motions which has been put before us with regard to government ownership, whether it be federal or provincial, of banks as a specific form of financial institution. The hon. member for Cowichan-Malahat-The Islands (Mr. Manly) has just indicated that the provincial governments need a vehicle, and he has selected banks as that vehicle, for stimulating and encouraging economic development in the regions. I suggest that there is a large number of good reasons why the chartered banks should not be that vehicle and also that there are a great many other financial institutions through which the provincial governments can have the effect that is desired by the hon. member opposite.

● (1150)

Certainly one of the most fundamental features of chartered banks, of the banking system in Canada, is that the banking system has the ability to create money as a result of the acceptance of its liability, the demand deposit as a means of payment of debt. This is also true, frankly, of other institutions, such as credit unions, caisses populaires and certain trust companies. But the fundamental feature of a bank and of banking, the reason why it is an area of federal jurisdiction, is that the banking system can create money. As a result, the Bank of Canada was established to control the degree to which money is created by the banking system.

From the perspective of the federal government, if the federal government were to become an active participant or an owner of a chartered bank, there is clearly the possibility of a fundamental conflict of interest because it is the Bank of Canada, another federal agency, which controls the reserves made available to the chartered banking system and thereby the degree to which the chartered banking system can create money. Here we could have a federal government bank amongst private sector banks. This creates the possibility of differences of treatment arising. This bank could be subsidized. For example, it might not be covering its own costs and, as a result, there could be extremely unfair competition and the possibility of conflict of interest between the Bank of Canada and one of the chartered banks, such as a federal bank.

The second area of great concern to me is that the chartered banking system under the Canadian Constitution is a federal area of jurisdiction. I know that in other parts of this act there is a provision for provincial governments to participate in the formation of new banks under very strict limitations. The concern I have about further enlarging the possibility for participation by provincial governments in the chartered banking system is that if we were to allow, for example, a provincial government to own a chartered bank, under the assumption that that chartered bank would live by the existing rules contained in the act, we could find a difficult potential situation where a provincial government might say, "Being a provincial government ourselves, a provincial agency of the Crown, it is not possible for the federal government to regulate a provincial government, and as a result we do not have to comply with the provisions of the Bank Act because that is a federal statute and federal statutes cannot regulate provincial governments per se."

Those arguments are currently being brought out with regard to the new national energy program, with respect to agencies of provincial governments in the oil industry. The question of whether or not the federal government has the power to tax those agencies could be raised also with regard to whether or not the federal government has the power to control reserve levels, through the Bank of Canada, of chartered banks owned fully by a provincial government. That could lead to some very difficult problems with the implementation of the monetary policy in this country as well as the control of the money supply in a more specific sense.

So I can see from the questions with regard to ownership of chartered banks by the federal government that there are potential major conflict of interest problems. From the point of view of provincial governments, there are not only conflict of interest problems but there are also fundamental questions of

constitutional jurisdiction and the ability of the Bank of Canada to be able to continue to control monetary policy.

Finally, I should like to say quite honestly that clearly the hon. members opposite do not have a fundamental grasp of the nature of the Canadian financial system and of the nature of the range of financial intermediaries which are currently operating within our financial system, and the possibilities that arise therefrom for provincial governments to participate actively in the general area of financial intermediation.

Clearly provincial governments have had a great influence on the growth and development of the credit union and caisses populaires movement, and over the last decade credit unions and caisses populaires have grown faster than the chartered banks. Trust companies have grown at least as fast, and in some cases faster, than chartered banks, and provincial governments have a direct input into the trust company industry since certain of the trust companies are chartered by the provincial governments. Those are two vehicles that the provincial governments have available to them to stimulate the growth and development of their regions. In addition, there are provincial treasury branches. We know of them in Ontario, in Alberta, and in other provinces. So these institutions are available, and venture capital firms, such as the Canada Development Corporation at the federal level and the same thing at the provincial levels, are available.

There are any number of ways in which provincial governments can have an impact on the growth and development of the regions of the country. Certainly they do not need to have access to ownership of chartered banks to facilitate their economic goals. As I stated, there are a number of reasons for this, the last one being that it is simply not necessary to achieve the objectives which the provinces wish to achieve. There is no benefit that I can see in allowing governments, provincial or federal, under this legislation to become actively engaged in this particular area of endeavour, namely, banking from the perspective of a chartered bank.

[*Translation*]

Hon. Pierre Bussières (Minister of State, Finance): Mr. Speaker, after the extremely serious, sound and well-founded remarks the hon. member for Ottawa Centre and Parliamentary Secretary to the Minister of Finance (Mr. Evans) has just made, I shall be very brief.

In view of the group of amendments we now have before us, I feel we are confronted with two extreme positions, namely, on the one hand, the proposition of the NDP who would have governments directly involved in the activities of the financial institutions known as banks under the present act and, on the other, the proposition explained by the hon. member for Edmonton West (Mr. Lambert) who would have provincial government action completely excluded from those same institutions.

In this bill, according to clause 114, our government took what could be called a half-way stance.

I presume, Mr. Speaker, that the hon. member for Broadview-Greenwood (Mr. Rae) of the NDP is the spokesman for his party on the Bank Act. He will say the position of the government is timorous. I say to him that, on the contrary, it is a wise position in that it avoids the excesses and dangers pointed out by the hon. member for Ottawa Centre, while at the same time being generous in that it allows the governments who may feel the need to do so to invest in up to 25 per cent of the shares of a new bank to help it get started; of course, those governments will be subject, for a period of ten years, to the same regulations as any other shareholder, that is they will have to decrease their portfolio to 10 per cent.

We reject the two extreme positions which is why we call upon hon. members in this House to reject the group of amendments now before us.

• (1200)

[*English*]

Mr. Deputy Speaker: We are now on motion No. 5. Is the House ready for the question?

Some hon. Members: Question.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 75(11), the recorded division on the proposed motion stands deferred.

We are now on motion No. 12. All those in favour of the said motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

Mr. Lambert: On division.

Mr. Deputy Speaker: I declare the motion negatived on division.

Motion No. 12 (Mr. Lambert) negatived.

Mr. Deputy Speaker: We are now on motion No. 16. All those in favour of the said motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

Mr. Rae: On division.

Mr. Deputy Speaker: I declare the motion negatived on division.

Motion No. 16 (Mr. Rae) negatived.

Mr. Deputy Speaker: Now the Chair will put motion No. 13 to the House, and this may dispose of motions Nos. 12, 19, 20 and 21 which are consequential to it. All those in favour of the said motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 75(11), the recorded division on the proposed motion stands defered.

According to a House order, motions Nos. 7, 8 and 9 shall now be grouped for debate.

Mr. Bob Rae (Broadview-Greenwood) moved:

Motion No. 7

That Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in clause 2 by striking out lines 24 to 27 at page 33.

Mr. Bob Rae (Broadview-Greenwood) moved:

Motion No. 8

That Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in clause 2 by striking out lines 45 to 47 at page 33.

Mr. Bob Rae (Broadview-Greenwood) moved:

Motion No. 9

That Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in clause 2 by striking out lines 48 and 49 at page 33.

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, we are getting to the point where some of my previous remarks bear repeating, but the question in this one is different than we have been looking at, the basic question. It was very interesting to have both government members coming on line so clearly. The arguments of the parliamentary secretary were rather circular. I wonder whether he actually accepts them as being serious but, as we have seen, they are quite prepared to put them on the record. I hope they will consider that this is a different option and relax their very narrow ideological view that the public sector be excluded.

Basically our proposal in motion No. 7 is to delete section 35(1) which reads:

The following persons are disqualified from being directors of a bank:

And subsection (j) reads as follows:

a person who is an officer or employee of a corporation owned or controlled by Her Majesty in the right of Canada or a province;

It is a somewhat interesting situation where the government will often go out into the private sector. Almost exclusively in many cases it will go into the private sector and sometimes the public service to recruit people who have expertise in certain areas in order to develop public corporations. Occasionally the government goes out to recruit retired politicians, as we have seen in one notable corporation, but by and large it recruits people to handle public enterprises who have skill in the area.

A very large number of corporations are owned by the government. I can point to Air Canada, which is a very successful Crown corporation, CN in some respects, and Petro-Canada which is developing and I hope one day will be a very strong leader in the field of energy development within the country. We have seen the government move into things like de Havilland, Canada Air and various other industries. Very definitely the government is involved in the public sector. There is no dispute.

Conservative members no longer sit on the Treasury benches because they failed to recognize that the country has a strong feeling about a mixed economy and successful public enterprises which represent the interests of people, that is, the interests of people generally instead of a very narrow group of people. By and large Canadians feel that a mixed economy is very valuable. The reason they do not sit there any longer is that PetroCan did them in. Their willingness to put that organization to the sword touched the people of this country. It probably took the Liberal members a long time to wake up to the reality that Petro-Canada was necessary, and on doing it, retouched the responsive chord and now recognize even more seriously that it must expand. We would make the same argument that this is also necessary in the sector of the economy where we want to mobilize capital. These projects are very important.

They have totally rejected the concept that our prime capital mobilizers is the banking industry, the concentrated, tightly-controlled mobilizers of capital. They say the public has no place. When one considers the matter, those are very strange and contradictory remarks. However, motion No. 7 allows for another option. It would allow us to have on boards of directors of banks people who are involved in a public corporation, and these people, albeit through a rather circuituous route, are accountable to the people of Canada, not merely to a small group of private shareholders whose interests can often be

totally different from the interests of the people of Canada. There is no reason for this prohibition.

• (1210)

Many corporations within the country have surplus funds at times, and with connections and certain expertise these surplus funds could be invested through such an organization. There are also projects which require large amounts of capital which must be raised other than through the public purse. For example, let me again refer to Petro-Canada, the nemesis, in this case, of the Tory party when it was the government. That organization will need a tremendous amount of capital at some point to undertake some of the projects which have been outlined. I presume that Petro-Canada will undertake exploration and we will see drilling rigs offshore and in the frontier areas of the country, and eventually we will see the company distributing oil and natural gas in eastern Canada.

The government intends to pay for these activities from the public purse by a tax at the gas pumps. Perhaps a more effective method would be to sit one of the directors of that corporation on the board of a bank. From this position funds could be mobilized from the private sector.

I find the placement of this prohibition in the legislation a very strange contradiction. The expertise is certainly available and the philosophy is consistent. By and large, the prohibition is rigid and ideological. Perhaps a far better approach would be to allow the legislation to remain silent, or merely delete it. If it were deleted, the banks themselves would be in a position to determine whether or not it is in the interest of the institution to be informed on what certain of our key Crown corporations, such as Air Canada, CN or Petro-Canada, are doing.

It strikes me that the clause is inconsistent with the philosophy put forward by the government. It is not required in the act because the banks in appointing directors would naturally control the appointments.

Since we are dealing with motions Nos. 7, 8 and 9 simultaneously, I will comment on all of them together, although they are slightly different in their intent. Not only do we exclude directors of Crown corporations in motion No. 7, but in motion No. 8 we disqualify any agent or employee of Her Majesty in the right of Canada or the provinces. The government's position was made quite clear that it opposes public input to the boards of directors of banks and accountability to the public for the actions of some of these institutions. Instead of opening these institutions to the public and allowing some degree of opportunity for public input, the government closes the door and says, "No, the act is fine". It feels that the inspector general can handle this matter better. Of course the inspector general reports to the minister, but the minister in any cases is not obliged to report to the House or to any other body. The supervision seems to be no more than bookkeeping as opposed to policy.

This debate allows us an opportunity to let a little more light into these areas. My party would like to see this prohibition clause deleted from 35(1)(m), which reads:

Bank Act

The following persons are disqualified from being directors of a bank:

(m) a person who is an agent or an employee of Her Majesty in right of Canada or in right of a province.

Motion No. 9 refers to a minister of the Crown. As we proceed up the ladder from Crown corporations to agents and employees and finally to ministers of the Crown, in the final analysis motion No. 9 is consistent with the government over-all philosophy and I do not feel that I need to elaborate further.

The ultimate decision as to whether or not people in these positions could make a contribution to the board of a bank should be left to that bank, particularly with regard to the areas of Crown corporations. The government should look seriously at deleting motion No. 7, but I am pessimistic. The government does not want public sector involvement or accountability in the banking system. I am pessimistic that it will see the light, but I appeal to the government to remove that prohibition.

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, I do not understand the position taken by the government. I think it will prove to be quite shortsighted in the areas of protecting the interests of consumers and, indeed, of the public interest on the boards of directors of our corporations. It is important we remember that when the government initially considered the question of who would be qualified to be a director, many concerns were expressed about our peculiarly closed banking system and its closed brotherhood of directors. We have a system of interlocking directorships between our banks and our large corporations which gives a tremendous advantage to those corporations and a lie to the notion that we have a genuinely competitive and open system. In fact it is a highly closed system.

My party has made a number of proposals to deal with the realities of the situation. First, we suggested that the governments of Canada and of the provinces should be able to create their own financial institutions and banks, if that is the area in which they would like to get involved. It was rejected by the government. On the motion about which my friend, the hon. member for Comox-Alberni (Mr. Skelly) has just spoken, we said, "All right, if you're not prepared to allow the federal government to form a chartered Crown bank or the provinces to form federally Crown banks or chartered banks, why don't you at least give us the ability to have appointed to the boards of directors of chartered banks people who are in a sense agents of Her Majesty?" Of course it would all depend on the decision that it is something which must be done in the public interest. The government has said, "No, we are not going to do that either".

To anticipate such a reply to the suggestions we have made, we said, "Let's restrict the ability of bank directors to sit as directors of other companies and the ability of other companies to appoint directors to the boards of chartered banks. Let us attempt to break the stranglehold which the old boy network has on our banking system." Again the government has said no to every one of those amendments. The amendments deal with very fundamental principles which attempt to

introduce elements of democracy into our economic and industrial system.

I read an article the other day which was written by the Prime Minister (Mr. Trudeau) before he became Prime Minister. I would recommend it to the minister, to the parliamentary secretary and to others who are interested. The title of the article is "Economic Rights", and it was published in the 1962 *McGill Law Journal*. The article describes the failure of our economic system to introduce any elements of democracy; it gives a graphic description of the cost to the average working person of the absence of those elements of democracy. It also describes what the author called an erroneous concept of property by which absentee directors and absentee shareholders are able to withdraw capital at any time, which withdrawal would have a drastic impact on people who are affected by plant closures and lay-offs.

● (1220)

I find it ironic that a Bank Act produced by a government headed by the Prime Minister, the author of that article, would contain absolutely no elements of economic planning, no elements of industrial or economic democracy, and nothing to ensure any of the rights of which he spoke before becoming Prime Minister. I think it is sad that the government would have so little imagination that basically it is only prepared to say that the business of banking is to be left to the bankers—to the same economic elite that has run this country for 300 years.

Any opportunity that the people have to take greater control of their financial institutions, any opportunity introduced by our party that would provide for competition from popular institutions such as caisses populaires and credit unions, has been rejected by the government, and any opportunity to provide for the protection of the public interest because of the activities of government has been consistently rejected by this government.

This is a statement, if you like, of the extent to which the party opposite has fallen prey to the embrace of the economic elite, the embrace of the economic establishment, and the extent to which it has rejected every single progressive proposal made by this party regarding the Bank Act.

Mr. John Evans (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, quite frankly I have never heard such rhetorical garbage in my life as that just put forward by the hon. member for Broadview-Greenwood (Mr. Rae). It is absolutely the most ideological piece of information ever passed on in this House.

If the hon. member for Broadview-Greenwood was interested in promoting the expansion and development of the Canadian financial system, if he was interested in promoting competition, then I think he would suggest a far different range of options than those he has proposed today. What the hon. member and his colleagues have put forward are ways in which government agencies—which some would argue are not necessarily the most representative agencies of the people from a democratic point of view, bureaucrats—would put people on the boards of banks and thus make them much more democratically representative institutions. I hear no argument to justify this contention. To say that putting members of government agencies, bureaucrats and public servants, on the boards of banks would make them more democratically representative of people, is not necessarily true.

The reason the hon. member for Broadview-Greenwood put forward this amendment in the first place, I think, is because it was necessary in conjunction with his previous series of amendments which concerned the ownership of those institutions by governments. If governments could own the institutions but were precluded from having members on the boards, then who would sit on those boards? That is what this amendment was intended to accomplish and not all the other things the hon. member put forward. In fact hon. members opposite have forgotten why they proposed the amendment.

Given that the will of the House appears to be that governments will not be allowed to own financial institutions which are called banks in this country, then there is no need to allow government agents to sit on the boards. They are not going to be able to own shares or take part in the ownership of chartered banks in Canada.

The same argument that arises with respect to potential conflict of interest in the ownership of banks by governments, arises with the placing of government agents on the boards of directors of these institutions. The conflict of interest is precisely the same.

Hon. members opposite decry what they consider to be the fact that we have no control whatsoever over the behaviour of banks in this country. That is utter nonsense, Mr. Speaker. We are now debating passage of a bill that provides massive control over chartered banks in this country.

An hon. Member: Absolute rubbish.

Mr. Rae: You do not even believe that yourself.

Mr. Evans: We have an act that regulates the behaviour of these financial institutions, and at the federal level we have the office of the Inspector General of Banks established to ensure that banks operate in the public interest.

An hon. Member: What a tiger.

Mr. Evans: Mr. Speaker, I hear hon. members opposite harping and screaming from their socialist prospective. I say that this is the alternative we have chosen in the past, and it is the alternative we are continuing to choose today. I am afraid they will have to put off their socialistic desires until some later date.

I would suggest to you, Mr. Speaker, that the real concern of this government and of this country is for the expansion, the increase in the dynamic nature of Canadian financial markets and Canadian financial institutions. This government is pursuing a course of action that will lead to the increased competition that we all want very badly.

Through the Bank Act we have provided for the entry into this country of institutions from other countries. Hon. members opposite have fought that, of course, and they will fight it again when the motions are put forward shortly. It is known, however, that these institutions will promote competition with Canadian chartered banks.

Over the last ten years we have seen the massive growth of credit unions and caisses populaires. We want to encourage that and to see it continue. There is some discussion about whether it might be appropriate to have a federal credit union act which would allow credit unions to expand beyond the borders of one province as the chartered banks may. This would expand competition.

The act provides for the chartering of banks through letters patent and makes it easier for new banks to be formed. This measure was fought by hon. members opposite but it would stimulate competition by allowing banks to be formed and to compete with the existing chartered banks' structure in a much more direct manner than has been the case in the past. The requirement in the Bank Act that chartered banks may only be formed through an act of Parliament, which in many cases has taken years, has seriously deterred the formation of new banks. That is why there is a provision to allow the creation of new banks by letters patent. This measure would increase competition but it is opposed by hon. members opposite who have absolutely no interest in competition. They want to put their fingers in everything in an attempt to exercise control from their perspective, which, in some cases and, indeed, maybe in all cases, is not necessarily in the interests of the country.

The government has made a commitment to introduce a new savings trust and loans companies act. This act would allow the Quebec Savings Banks, federally incorporated trust companies and federally incorporated loan companies a broader scope in the financial markets. It would allow them to expand and thus increase competition in the financial market. It is our perspective, and I think that of a good many members opposite, that if we can enhance competition there will be a better financial market, more competitive rates, and the best possible service to the consumer. That is how we intend to go about this, not by allowing the federal government or any government to permeate every aspect of our lives.

There are sound, logical and good long-term reasons why we do not accept these amendments, Mr. Speaker, and why this motion is not acceptable to the government.

● (1230)

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I have been listening to the Parliamentary Secretary to the Minister of Finance (Mr. Evans). Indeed it is unfortunate that it is not possible to get a playback of the representations which were made before the finance committee in early 1979 by the present Minister of Industry, Trade and Commerce (Mr. Gray) on this particular point. If there ever was an interventionist in all sorts of business, it was by that minister.

As a matter of fact, at the time the New Democratic Party had more or less abdicated any role in the determination of the contents of this Bank Act, and the representations with regard to the so-called consumerism and all the trappings that go with it came out of the mouth of the now Minister of Industry, Trade and Commerce. It is rather remarkable that he would, in any way, approve within cabinet the acceptance of the present bill. Of course we know very well what he said when he was the finance critic in opposition regarding interest rates. He said that he would resign if they were allowed to go up. Interest rates are much higher now than they were then, and he is still holding on to the reins of office. He also wanted to put representatives of consumer associations on the boards of banks, whether they were shareholders or not. In that case certain individuals would have a right somehow or other either to engage in public snooping or do what a do-gooder does.

A very interesting section concerns officers of Crown corporations as to who may or who may not be directors of banks. In subclause (j) at page 33, the subject of amendment No. 7, it is said that an officer or an employee of a Crown corporation cannot be a director. Those are clearly defined individuals. Amendment No. 8 covers a person who is an agent or an employee of Her Majesty in the right of Canada or in the right of a province. In other words, a public servant cannot be a director of a bank. In amendment No. 9 it is the minister of the Crown in either the right of Canada or the right of a province who cannot be a director of a bank.

A few moments ago we had a debate on the question of whether a provincial government or the Government of Canada could own a bank; in other words, on whether a charter could be granted to a government for the organization of a bank, and someone said no. A government is prohibited from owning any shares in an existing chartered bank, but there is an anomaly carried forward in this act. My amendments are designed to eliminate that. I do not think the government members fully understood when they said no to my amendments in the previous debate. This act does allow a government to be a participant in a new chartered bank up to the extent of owning 25 per cent. That has never been changed and it has not been eliminated. I find it very strange that the government of a province or the Government of Canada could take part in a newly chartered bank but none of its employees, none of the employees of a Crown agency or a Crown corporation, nor could a minister, represent the government on the board as representatives of those banks. I ask hon. members then who would?

I invite the parliamentary secretary to turn his attention to this particular part. Who would represent the interests of that provincial government which is entitled to invest in the incorporation of a new bank? The parliamentary secretary will remember that during the committee hearings I moved to strike that particular part out, but the government majority blindly went ahead—I say blindly—but perhaps it was blithely went ahead in the spirit that since the government has introduced this bill it is omniscient and therefore it must be right. But in the existing dealings, there is a trap. I must say that having seen the way the government went along, if it wanted to walk into the trap it created for itself, it was fine by me. All

public servants, all representatives of Crown corporations are banned from representing a provincial government which may wish to participate in the incorporation of a bank. But then, who is to represent the government on the board? It will have to have some individual, or excuse itself from the board. There is no provincial government which would invest one bent penny in a chartered bank.

Is it a case of the government, for cosmetic reasons giving into an alleged provincial demand which existed back in 1973 when Dave Barrett was the premier of British Columbia? At that time he was making loud noises about wanting to redirect the investment in his province. He did try, but with disastrous results. But on the other hand, does the government want to withdraw from the province any right of participation in the direction of the affairs of that bank? It is a cynical exercise. I think I was being far more honest myself when I just simply said, "No way." Neither will a government, provincial or federal, be entitled to own a bank or be granted a charter of incorporation, either by way of letters patent or by way of a private bill, as was attempted with the original Bank of British Columbia. No employee of a Crown corporation or public servant, whether federal or provincial, can serve as a director. In fact no provincial or federal government can buy any shares directly in any of the existing chartered banks. Nor can it nor should it be able to take any interest in a new bank.

● (1240)

The act now states that a provincial government can invest up to 25 per cent in a new bank, but no public servant, cabinet minister, employee of a Crown agency or corporation, can represent the bank. Who is going to represent the bank on the board of directors? Who will be the registered shareholders, nominees or agents of the bank? That is a cynical exercise. Under the act as it is going to go through, I suggest there is not one provincial government which would invest, as I said, a bent penny in any chartered bank about to be founded. I am sure there are some bank shares held by provincial government interests through pension funds, but they can have no direct influence. Nor can they invest in bank shares for purposes of conducting business activity. It is more of a passive investment for investment's sake. That is as it should be.

I do not think any pension fund should preclude its directors from making the best possible investments. In the main, bank stocks are good investments. From time to time the odd one goes for a bump and there may be some losses over a short period of time. We have seen that in the last few years. It would be more logical, and members opposite would be more honest if they supported my amendments which preclude provincial and federal governments from any interest in any chartered bank, existing or in the future. I hope the House in the majority will be persuaded to that view. I know there are some contrary views.

May I say this in passing. I recognize the views of my friend from Bow River. He is not alone in our caucus holding such views. He and I are of about the same generation. I worked in a chartered bank during the depression years. A lot of the hard-heartedness and what have you is a lot of folklore which somehow or other has gained credence.

I worked in a branch in rural Alberta. Outside of the current and savings ledgers, the thickest one we had to look after was the ODWOs, the register for overdue debts written off. Branches were amalgamated, maybe five into one, because there had been a period of rather rapid expansion and competition among the banks in the twenties, and they were a little on the shaky side. When the depression came, it obviously restricted the activity and the cost of operating a great number of branches. There was improved communication.

In the twenties there was not one gravel road north of Edmonton. They were all dirt roads. There were not many cars and they were not that efficient. Therefore, every little hamlet had a branch of a bank or agency because the farmers' grain tickets had to be cashed. There were certain cash requirements and there were savings accounts.

After 1925, we had more cars and more gravel roads. Therefore every hamlet no longer required a branch of a bank or an agency. This was given considerable impetus in the thirties with declining business and the necessity to reduce costs. Only after World War II did we see in some towns a resurgence or re-entry of a branch of a bank. We saw more competition in the towns which for decades had only one branch. We found branches of three or four banks. Mind you, there was a greater population, more money circulating, and more business being carried on.

Some of the major chartered banks are now on to a retrenchment of branches. Some will close as many as 60 or 80 branches across the country this year. Those are decisions that are being made. In some spots it has not turned out as well as anticipated. Others are better business spots. If the government wants to get into a particular funding purpose, it can pass legislation and create an agency. What is wanted in Alberta is more of a liberalized Alberta trade corporation to help small businesses, what may be called a lender of last resort. That is where the need is.

There is a need for advising agencies. We have the Federal Business Development Bank with an advising agency. However, it charges $30 to open the file and a $7 an hour consulting fee. Some small businessmen have complained that when they went to ask for advice about their business, it cost them $100 to find that out. That is not the purpose of a publicly funded business advice agency or a lender of last resort. If there is a public social purpose to be served, it should not be on a fee basis as is done at the present time.

My view is that credit unions have developed to the point today where they have their own mortgage companies, and that is an anomaly or an anachronism. Credit unions were founded to get away from mortgage companies. But now they have their own mortgage companies and their own trust companies. They were supposed to allow the little man to wriggle out from under a trust company.

• (1250)

We are preventing the banks from getting into the car leasing business, yet the credit unions are forming their own car leasing companies. There are not many needs unfulfilled at the present time. There are both federal and provincial trust companies, chartered banks, and then we will have a great number of class "B" banks offering a variety of services. It seems to me that the whole spectrum is more than filled. We do not need any government-owned banks, or even banks in which governments have an interest which would allow them some direction in the operations of those banks. I would certainly hope my amendments will receive the support of the House and that they not be defeated.

Mr. Doug Anguish (The Battlefords-Meadow Lake): Mr. Speaker, I rise to support the amendments before the House, specifically the one which would delete the provision whereby a member of a Crown corporation could not sit on the board of directors of a banking institution or a bank.

I would like to make a few brief remarks on what the member for Ottawa Centre (Mr. Evans) said this morning in the House. He referred to not wanting all these bureaucrats getting onto the boards of directors of banks and that they could not do a good job there. I am reminded of when the member for Ottawa Centre was the director of investigation and research with the Department of Consumer and Corporate Affairs—

Mr. Evans: On a point of order, Mr. Speaker, I would like to keep the record as clear as possible with respect to what is about to be said by the hon. member. I was director of research and evaluation for the consumer side of the department. I was not director for investigation and research. That position is held by Mr. Bertrand, who is the director of investigation and research.

Mr. Anguish: Mr. Speaker, I would like to thank the hon. member for clearing that point up for me. The area I wish to concentrate on deals with the fact that with the hon. member himself being a bureaucrat I imagine he would say he would not be able to make any meaningful contribution to the people of Canada, just as the other bureaucrats he referred to would be unable to either. That is a point with which I disagree on behalf of the people who are employees of Crown corporations, even though I would not necessarily disagree that the hon. member for Ottawa Centre is making any meaningful contributions since he has left the bureaucratic role within government. I think there are many people in Canada who could make very substantial contributions—

Mr. Evans: On a point of order, Mr. Speaker, I think that is a misinterpretation of what I said. If the hon. member would refer to *Hansard* he will see that I did not say that bureaucrats could not make a valuable contribution. I said, with reference to democracy, that there was no necessity—

Mr. Deputy Speaker: This appears to be an exchange between the hon. members and it is not a point of order.

Mr. Anguish: Thank you, Mr. Speaker. I can see that the hon. member for Ottawa Centre is as confused about his remarks as I am.

As I was saying, I think there are some very important people who are involved with some of the Crown corporations, federally and provincially, who could provide meaningful input to the boards of directors of any bank within this country. I am reminded of Wilbert Hopper, who is chairman of the board of Petro-Canada. I think of Donald Harvie, who is the deputy chairman of Petro-Canada, and the Hon. John Aird of Petro-Canada. I believe they are people who could make meaningful contributions.

I would like to consider some of the other Crown corporations, for example, Canadian National. I see no reason why Mr. Spicer, who is the executive vice-president of CN, could not make a meaningful contribution as a director on the board of one of the banks. There are many others who could make meaningful contributions. I do not personally know any of the people I have just mentioned. But I certainly know some of the employees of Crown corporations in the province of Saskatchewan personally, and I believe they could make a very valid contribution to the board of directors of any bank.

I think of David Dombowski who was the president of the Saskatchewan Potash Corporation and who was involved with that great corporation from its conception until just a few months ago. He has now taken over the role as the president of Sask. Oil, which is a very important Crown corporation in the province of Saskatchewan.

I think these people have some real expertise and that they might look at the banking industry with a different perspective than the people who are there now, who are strictly profit motivated and who have very little consideration for service to the general public. Many of the Crown corporations fill both of those roles and have those mandates in mind. In some of the Crown corporations they are there to make a profit and, as well, they are there to see that there is some consistency of service provided to the people who have to deal with those Crown corporations. The people on the boards of directors of banks seem to be strictly profit motivated. They have little consideration for the type of service that the people of Canada have to put up with, who are the recipients of that service. I would like to deal with the hardships that many of the people suffer at the hands of the banks. An example of this is the interest rates, which in no real way are tied to the Bank of Canada. The people who serve on the boards of directors of many of the banks have never had to suffer the hardships caused by high interest rates because they are financially secure people. I know there are some people on the boards of directors of banks whom you could consider average, everyday individuals, but certainly the majority of the people who control the banks on the boards of directors are quite elite individuals. They have never had to borrow money from a banking institution, at least during the time that they were on the boards of directors. They have not had to meet the basic necessities of life, such as purchasing a house or buying a car or doing renovations to their homes. They do not really

appreciate the service aspect of a bank, which is to make such things as providing transportation and the purchase of a home attainable for all Canadians. As I have said, consideration of some of these things would put a different perspective on the board of directors of a bank. They could provide a very meaningful contribution.

I see the time is fast approaching when we will be taking a recess, but I would like to say that the Bank Act has been going nowhere. I think the government must make a firm stab at explaining where we are going with the Bank Act. November 30 is rapidly approaching and we are still without the changes which are needed. I think the government and the Parliamentary Secretary to the Minister of Finance had better make some pretty substantive changes to the Bank Act, instead of a few comestic ones. I would like to say that it seems to be going nowhere, in our view. I think they should start listening to some of the things that the members from the opposition parties are putting forward. They should listen to the amendments that have been put forward. They should listen to the amendments that have been put forward by this party and other members in the House of Commons. In particular, they should consider the item which I have talked about today, that is, the deletion of the provision which prevents officers and employees of Crown corporations from holding positions on the boards of directors of banking institutions.

[*Translation*]

Mr. Deputy Speaker: It being one o'clock I do leave the chair until two o'clock p.m.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

NATIONAL ENERGY PROGRAM

CALL FOR DEVELOPMENT OF NEW POLICY—MOTION UNDER S.O. 43

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, I rise under the provisions of Standing Order 43. In its current issue the respected magazine *The Economist* ridicules the government's new energy policy in an article entitled "Wildcat Canada resigns from the world". It is already clear that a number of Canadian-owned firms, the ones which are supposed to benefit from the energy policy, are moving their operations and jobs to the United States where each barrel of oil they find there now brings them four times what they can earn in Canada. I therefore move, seconded by the hon. member for Oxford (Mr. Halliday):

That this House direct the Minister of Energy, Mines and Resources to develop a new energy policy concerned more with creating Canadian jobs and Canadian self-sufficiency and less with his ideology and the development of energy self-sufficiency in the United States of America.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE CONSTITUTION

POSITION OF PROGRESSIVE CONSERVATIVE PARTY—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. Whereas the Progressive Conservative Party has made it abundantly clear several times that we want the constitution patriated based on the Vancouver formula to which ten provinces agreed last September, whereas the Prime Minister (Mr. Trudeau) has stated in this House that the Progressive Conservative Party wanted the constitution patriated without the consent of the provinces, which is a complete fabrication, and whereas the position of the Progressive Conservative Party favouring the patriation of the constitution with the Vancouver formula, including the consent of a majority of the provinces, was made very clear in a debate in this House on October 28, 1980, I move, seconded by the hon. member for Moose Jaw (Mr. Neil):

That this House urge the Prime Minister and the Liberal party to desist from spreading this false information.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

NATIONAL GALLERY

CALL FOR RESTORATION OF OPERATIONS BUDGET—MOTION UNDER S.O. 43

Mr. Simon de Jong (Regina East): Madam Speaker, I also rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. In a period when Canada is concerned about her national identity, one of our major cultural institutions is being eroded by budget cuts, inadequate housing and internal political struggles. The National Gallery's operational budget has been cut by some 30.7 per cent in the last two years. While we learned yesterday from the Acting Secretary of State that the gallery's acquisitions budget

has been restored, this information had not been conveyed to the gallery. The autonomy of the gallery and other national museums has become seriously eroded, leading to the resignation of the director of the National Gallery. I therefore move, seconded by the hon. member for Skeena (Mr. Fulton):

That the government restore the operations budget of the National Gallery at least to its 1978 level, that the government act quickly to find suitable permanent premises for the National Gallery and that the minister institute an immediate inquiry in the deteriorating relationship between the National Museums Board and the National Gallery and other museums.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1405)

METRIC CONVERSION

ASSISTANCE TO FOOD RETAILERS TO CONVERT TO IMPERIAL SYSTEM—MOTION UNDER S.O. 43

Mr. Bill Domm (Peterborough): Madam Speaker, I rise under Standing Order 43 on a matter of urgent and pressing necessity. On-again-off-again metric conversion in the retail food stores in Peterborough, Kamloops and Sherbrooke has caused major financial hardships to merchants in those areas. In light of the present government's flip-flop on this issue, I move, seconded by the hon. member for Esquimalt-Saanich (Mr. Munro):

That some of the estimated $9 million metric conversion annual budget be directed to the retail food merchants to assist them in their needless costs of purchasing metric scales and now converting these same scales back to imperial.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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[*Translation*]

ACCESS TO INFORMATION

REQUEST FOR PUBLICATION OF PUBLIC OPINION POLL RESULTS—MOTION UNDER S.O. 43

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to move a motion of urgent and pressing necessity. Considering that the Minister of Justice (Mr. Chrétien) rejected the request for the publication of the results of the last three polls out of 16 made on behalf of the Canadian Unity Information Centre; considering that before the members of the Joint Committee on the Constitution of Canada, the Minister of Justice confirmed his intention to make them public when he will deemed it advisable; considering that Canadian taxpayers have subsidized those polls and that they are entitled to obtain their results, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the House ask the Minister of Justice to publish immediately the results of those last three polls.

Madam Speaker: The presentation of such a motion under the provisions of Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

EXTERNAL AFFAIRS

EXCHANGES WITH U.S.S.R. PURSUANT TO FRIENDSHIP PROTOCOL—MOTION UNDER S.O. 43

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, I too rise under the provisions of Standing Order 43 and hope to receive the unanimous consent of the House to the following motion. Since the Prime Minister admitted at his press conference on November 7 that he had discontinued the practice of exchanging with the Soviet Union reports on high level bilateral discussions following visits made to other countries, exchanges pursuant to the friendship protocol he signed in 1971 with the Soviet Union which has not yet been repudiated, I move, seconded by the hon. member for York North (Mr. Gamble):

That the Prime Minister provide the House with a detailed report on the nature of the exchanges he used to have with the Soviet ambassador on the "substance" of his various international discussions and "reciprocal intentions" as they applied to Canada and the U.S.S.R. in the field of international diplomacy.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

EMPLOYMENT

PROGRAMS TO CREATE JOBS—MOTION UNDER S.O. 43

Mr. Jim Hawkes (Calgary West): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the fact that the disastrous budget will create an unemployment crisis of over 1,200,000 people in this country, and in view of the fact that direct employment creation programs of this government will create only 7,000 person-years of employment this fiscal

year, I move, seconded by the hon. member for Mississauga South (Mr. Blenkarn):

That this House direct the Minister of Employment and Immigration to reread the June debates of this House and to meet with his ministerial predecessor so he can learn how to create the maximum number of jobs for a minimum dollar amount.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

CALL FOR REVIEW OF UNEMPLOYMENT STATISTICS—MOTION UNDER S.O. 43

Mr. Joe Reid (St. Catharines): Madam Speaker, under the provisions of Standing Order 43, I rise to move a motion of urgent and pressing necessity. Unemployment might be down in the Niagara peninsula according to Statistics Canada, but the social services department of the regional municipality of Niagara does not believe it. The number of persons on welfare in Niagara increased by 28 per cent in September compared to August of this year. The number on welfare in September of this year was up almost 9 per cent over that of the same month a year ago. The number of applicants for assistance so far in November compared to October has increased 42 per cent. I therefore move, seconded by the hon. member for Simcoe South (Mr. Stewart):

That the Minister of Employment and Immigration review with Statistics Canada its method of calculation and determine what the real unemployment rate now is in this country and, instead of taking shelter under the Canadian community development program, he initiate programs of significance which will get the people of Canada working again.

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

ENVIRONMENTAL AFFAIRS

ALICE ARM, B.C.—DUMPING OF TAILINGS BY AMAX—CALL FOR IMPACT ASSESSMENT—MOTION UNDER S.O. 43

Mr. Jim Fulton (Skeena): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. In view of the position taken by the Most Reverend E. W. Scott, Primate of the Anglican Church of Canada, calling for the withdrawal of the special order in council permitting Amax corporation to dump its effluent into Alice Arm and to declare a moratorium upon development of the resources until technology is developed to dispose safely of the tailings, and in view of the support given to this intervention by the Canadian Conference of Catholic Bishops, chaired by the Most Reverend Remi J. De Roo and the refusal of the Prime Minister (Mr. Trudeau) to meet with the Primate regarding this issue, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House call unanimously for a comprehensive environmental impact assessment and public hearings on the Amax project and go on record as supporting the positions of the Anglican and Catholic churches of Canada.

Madam Speaker: Presentation of this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

MULTICULTURALISM

CALL FOR RECOGNITION OF DIVERSITY IN PROPOSED CONSTITUTION—MOTION UNDER S.O. 43

Mr. Bill Yurko (Edmonton East): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. As the B and B Commission report and the Pepin-Robarts commission report recognize the active presence and practice of many world cultures in Canada, and furthermore, as federal governments past and present of different partisan views have appointed ministers of state responsible for multiculturalism, I move, seconded by the hon. member for Rosedale (Mr. Crombie):

That this House officially recognize that Canada is a country in which many world cultures are actively practised and that a general statement to this effect be included in the government resolution on constitutional patriation.

I hope the government will consider seriously the need for such inclusion.

Madam Speaker: Presentation of such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENERGY CONSERVATION

CALL FOR AMALGAMATION OF PROGRAMS—MOTION UNDER S.O. 43

Mr. Don Blenkarn (Mississauga South): Madam Speaker, I rise under the provisions of Standing Order 43. The CHIP-DIPP program has been successful to some extent in conserving energy supplies used for domestic heating. The government announced in the budget the off-oil-on-gas refit programs, otherwise known as the "take gas" program, but the government has yet to figure out how to operate this program, what criteria are expected, and has delcared that it will not have regulations ready until well after the heating season. There-

fore, I move, seconded by the hon. member for Brampton-Georgetown (Mr. McDermid):

That the government amalgamate its CHIP-DIPP program and its "take gas" program into a realistic program to save oil, oil likely to be scarce because of the inability of the government to negotiate with producing provinces; and that the government produce rules and regulations for this program and the necessary legislation before December 1, 1980.

Madam Speaker: Presentation of this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

EMPLOYMENT TAX CREDIT

CALL FOR REINSTATEMENT OF PLAN—MOTION UNDER S.O. 43

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Whereas the Minister of Employment and Immigration (Mr. Axworthy) talks about the number of new jobs created in Canada in answer to the very real concern of youth unemployment; whereas none of these new jobs went to the youth of Canada, since there are 2,000 fewer employed today than a year ago in the 15 to 24 age group; since he said that the Clark government cancelled programs which he reinstated; and since these programs for the young people of Canada do not work, I move, seconded by the hon. member for Mississauga South (Mr. Blenkarn):

That the House direct the Minister of Employment and Immigration to reinstate the enriched employment tax credit plan which would provide three times as many jobs in the private sector for the same price as his make-work projects and to reinstate the national youth service program which would provide meaningful work experience for the youth of Canada.

Madam Speaker: Presentation of such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

● (1415)

ORAL QUESTION PERIOD

[*English*]

EMPLOYMENT

INQUIRY RESPECTING PROGRAMS FOR YOUNG CANADIANS AND DISABLED

Hon. David Crombie (Rosedale): Madam Speaker, I have a question for the Minister of Employment and Immigration. The minister will know that the historical average record of his department in the creation of jobs for young Canadians under the age of 25 years has been approximately 72,000 each year for about the past ten years. The minister will also know that his own record after eight months in office is the creation of between 6,000 to 10,000 jobs, the latter figure is seasonally adjusted. The minister's record amounts to about 20 per cent of the record of his predecessors—an abysmal record. The minister knows as well that, as a consequence of the budget, of the 150,000 new unemployed, many will be Canadians under the age of 25. What new programs can the minister offer young Canadians under the age of 25?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, first of all I question the data which the hon. member is using. He seems to be acquiring the magical quality of some of his colleagues, particularly the hon. member for Calgary West, of simply using figures to fit his argument. Those are not the accurate figures on the nature of youth employment in this country. As I pointed out in the House yesterday, since this time last year the government has created over 233,000 jobs in Canada. During this past decade, while the Liberals have been in office we have had the highest rate of job growth and employment of any country in the industrialized world, and it is a record we intend to keep.

We have also had to face the fact that more young people are coming into the market in Canada than in any other country. We have tried to keep pace with this influx. In particular response to the difficulties faced by young people, we introduced new programs during the spring and summer which provided opportunities in new technology so that graduates from universities and technical colleges would have an opportunity to use their skills in jobs which were applicable to their training.

We also took the basic philosophy that we had to use the resources of the government and focus those resources on areas where unemployment was most severe, areas where there was chronic high unemployment or industries were failing. We devoted our resources to the areas where the need was greatest to ensure that there were employment opportunities. We intend to keep that philosophy because we believe that the government should help those who need help the most.

Mr. Crombie: Madam Speaker, the minister, of course, knows that 10,000 jobs in relation to a record of 72,000 jobs for each of the last ten years is not a record to be proud of, and words alone will not help those people. I would like to talk about the minister's record in relation to an entirely different group of people. During the time this minister has been in office the unemployment rate for handicapped people has been 80 per cent. If the minister refers to the budget of his colleague the Minister of Finance, he will find there is no relief there for those people. What will the minister offer those people in this country who are looking for a way finally to get something from this government with regard to its promises of independent living? There is an 80 per cent unemployment rate for handicapped people in this country.

Mr. Axworthy: Madam Speaker, I would point out that the 80 per cent rate to which the hon. member has referred is the same 80 per cent rate that was in existence when he was

minister of national health and welfare and had direct responsibility for the disabled and handicapped.

Mr. McDermid: What are you going to do?

Mr. Axworthy: Before criticizing, I suggest that the hon. member look at his own record during his tenure in office and he will see the absolute failure of any action being taken on his part or on the part of his government.

The government indicated in the announcement of the job-creation programs that it would be putting forward a special employment program for the handicapped and disadvantaged. I will be making announcements to that effect in a few weeks.

Mr. Crombie: Madam Speaker, people will become very weary of constant excuses which say, "Blame the other person". I suggest the minister might turn to *Hansard* for December 13, 1979. At page 2342 the record sets out the intentions of the former government with respect to handicapped people.

• (1420)

I have a final question, Madam Speaker. The budget introduced by the Minister of Finance for which the Minister of Employment and Immigration was partly responsible has been condemned by almost every social planning council in this country. That includes the National Welfare Council and the Canadian Council on Social Development. The great concern of all the social planning councils of this country is this. As unemployment increases—the 150,000 that this minister has already accepted from the Minister of Finance—will the minister impress upon the Minister of Finance and the Minister of National Health and Welfare that social programs should not diminish? We cannot have it that way. Unemployment, for which the minister is responsible, should not go up while social programs go down. Will he speak to the Minister of Finance and the Minister of National Health and Welfare and see if he can press his views upon them?

Mr. Axworthy: Madam Speaker, I have had a number of very useful and interesting conversations with the Minister of Finance. I think the budget that was introduced by him two weeks ago indicated his commitment to ensuring that proper attention is paid to the problems of employment in Canada. I would remind the hon. member, to begin with, that the Minister of Finance did not fall into the trap proposed by the Minister of Finance of the former government, which was to restrain and cut back on government expenditure so severely that unemployment would have been increased to well over 1,100,000 at that time. In the election campaign and in the budget we deliberately said we would not break the deficit on the backs of the unemployed.

Beyond that, the minister announced in the budget that the major emphasis of this government was in the area of economic development—to provide for permanent, long-term jobs throughout Canada, and that the major area of investment in public expenditures would be in the area of developing major projects, not short-term projects, for the unemployed.

INQUIRY RESPECTING ACTION TO STIMULATE CONSTRUCTION INDUSTRY

Mr. Jim Hawkes (Calgary West): Madam Speaker, my question is also for the Minister of Employment and Immigration. The minister responsible for housing programs in this country yesterday did him in and increased the unemployment rate once again. According to the October labour force survey there were 45,000 fewer jobs in construction than one year ago. The construction industry has sent him a letter expressing real fear about the cutbacks in the near future.

Hidden in all that is the issue that I want him to address. The construction industry requires on-the-job training to meet our long-term need for skilled workers. They are the first to be laid off, and our training programs disappear. I would ask the minister to tell us what he intends to do to stimulate the construction industry so that we can provide this country with the trained labour force it is going to need in the 1980s?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I would first point out to the hon. member that while there has been a downturn in residential construction, primarily as a consequence of the changing formation of population in this country, meaning fewer families and people in the housing market, there has been an upturn in non-residential construction. Greater investment is going into the capital goods, non-residential area. We are very sensitive to the need to ensure that there is training for the longer-term prospects in those areas.

As the hon. member will probably know, since he is a member of the parliamentary task force that is looking into the question of skill shortages, this department spends close to $800 million per year on a wide variety of training programs, many of which are operated and managed through provincial institutions. We are continuing with those programs and in fact have added money to ensure that disadvantaged groups, such as native people, will have greater opportunities in the non-residential construction area. In that way they will be able to take advantage of the major boom going on in western Canada. In those cases we are attempting to respond to the question.

As I said yesterday, we are awaiting with some degree of interest the proposals of the parliamentary task force, so that—

Some hon. Members: Order, order!

Madam Speaker: Order, please. I must say the questions are rather long as well, and I therefore sometimes feel I have to allow for longer answers; but I should like questions to be shorter.

Mr. Hawkes: Thank you, Madam Speaker, I shall attempt to oblige. The training program that the minister spoke about for natives provides three months of training but these people do not have the basic education to allow them to take advantage of the program. What does the minister intend to do specifically to restore the budgetary cuts for basic skill training for the hundreds of thousands of Canadians who cannot

read or write adequately, as has been testified to before our committee? What does the minister intend to do about the mobility grants for trained people so they can move to where the jobs are? Two categories of people have testified that his programs do not work. We need programs that work. What will he do?

● (1425)

Mr. Axworthy: Madam Speaker, the hon. member has often reminded this House that he has a number of advanced degrees, and as he knows the responsibility for basic education comes under provincial jurisdiction. If there is a failure, it is in the basic provincial educational systems which do not ensure people have the skills of basic reading and writing.

I believe, Madam Speaker, the responsibility of this government is to provide for industrial and institutional training, but the provinces must recognize their responsibility as well.

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MUNICIPAL AFFAIRS

TERMINATION OF COMMUNITY SERVICES CONTRIBUTION PROGRAM

Mr. Cyril Keeper (Winnipeg-St. James): Madam Speaker, my question is for the minister responsible for CMHC. Yesterday he informed this House, by a means which prohibited full debate, that the government was terminating the community services contribution program. On October 24 the minister assured the House that he recognized the need for this program, which generates $1.5 billion in construction each year and assists municipalities to provide essential services and rehabilitate older neighbourhoods all across Canada. In light of the minister's assurance, will he explain to this House why the government is ending a program for which there is an obvious and acknowledged need?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, as I indicated yesterday, the decision to terminate the program when it runs out of funding in March, 1982, is a difficult one. It is one which involved a number of hard choices. For example, what is the appropriate responsibility of this level of government? What is the appropriate level of responsibility of the provincial or municipal governments? Should the federal government be funding the construction of municipal buildings? We have to ask ourselves, does that make sense in this day and age?

In response to requests from members opposite for additional funding for such good programs as native and rural housing—

Mr. Paproski: Answer the question.

Mr. Cosgrove: —rehabilitation programs, spurring of the industry through the MURBs provision of the budget; we have to ask ourselves whether there are other programs to which the government should respond that have a higher priority. Those are some of the reasons, Madam Speaker.

Mr. Keeper: Madam Speaker, the communities will certainly feel the effects of that decision. My supplementary question is for the same minister. The federal budget reduced the government's commitment to social services, threatening health care, post-secondary education and assistance to disabled persons. It also increased costs to workers and employers under the unemployment insurance plan. Yesterday the community services contribution program was cut. Will the minister tell this House if this comprehensive assault on essential programs is part of a government strategy to relinquish its responsibility for the federal deficit and place that burden on local and provincial governments?

Mr. Cosgrove: Madam Speaker, the hon. gentleman is wrong on two counts in his preamble. First, there was no reduction in the budget assigned to social policies or programs of this government. That is incorrect.

Mr. Clark: There was.

Mr. Cosgrove: Second, as I indicated, the program was not cut; it was a shift in priorities. If indeed we are to respond to other expressed and urgent needs, we have to transfer funds into another area. So on both counts there was no cut.

Mr. Keeper: Madam Speaker, my final supplementary question is directed to the same minister. Given the Liberal government's demonstrated mastery over the years of giving with one hand and taking away with the other, and in the light of the disappointing record of Liberal governments' long-term commitments to people, what newly discovered social priorities will he be announcing shortly to utilize the dollars he is now expropriating by breaking his commitments to local communities throughout Canada?

Mr. Cosgrove: Madam Speaker, I do not apologize at all as a minister of this government for having taken the initiative in response to social needs by increasing 5,000 social units this year early in the life of this government. Nor do I apologize for addressing the rehabilitation program which is important to the housing industry and to the generation of jobs in that industry. Nor do I apologize for having assisted the industry in getting started with the MURBs provision which was incorporated in the budget. All of these are important considerations. All of these are important areas, such as native and rural demands for increased assistance, that I will take into account as we review the budget and look at other priorities.

* * *

● (1430)

HOUSING

INQUIRY AS TO ACTION TO SUPPLY RENTAL ACCOMMODATION

Mr. Don Blenkarn (Mississauga South): Madam Speaker, we have heard from the minister of housing; we know there is 10 per cent unemployment among skilled labour in the construction industry. My question is for the Minister of Employ-

ment and Immigration. The minister knows that his colleague, the minister of housing, cannot do very much with Canada Mortgage and Housing Corporation because the corporation is broke. He had to use the money from the program he cancelled the other day, the community services contribution program, to bail himself out. What will the minister do to put to work those people who are highly skilled in the construction industry to supply the need for rental housing? The minister knows the concern—a 1 per cent vacancy rate in Toronto and two-tenths of 1 per cent in Vancouver. What is he going to do to put these people to work so he will not have to pay them unemployment insurance?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I want to resist repeating exactly what my colleague the minister of housing has already stated. He has indicated very clearly to this House that the budget introduced several measures which will stimulate housing construction. Perhaps most important is the reintroduction of the MURBs program which will provide a major incentive for the redevelopment of rental housing. Further, as the minister indicated, the proposal to cut the community services program was not to pay off other programs but to reallocate the money in a way more effective and productive than the community services program has to date. That is the responsibility of the government—to use money wisely and well.

Mr. Blenkarn: Madam Speaker, the minister and the minister of housing talk about the MURBs program. That is a program to build high rise pads for the rich.

Some hon. Members: Hear, hear!

Mr. Blenkarn: In any event, that program is only a $15 million stimulus to the economy. What program is the minister going to introduce, other than the fool MURBs program, to put these people to work and build the housing which Canada Mortgage and Housing Corporation in their report to the minister of housing says is necessary?

Mr. Axworthy: Again, Madam Speaker, this is a question that might more accurately be placed with the minister of housing. I remind the hon. member that while he seems to be quite exercised about MURBs, several of his colleagues from the Vancouver area campaigned on the very platform of reintroducing the MURBs program. Their caucus should get their act straight and understand what they are trying to do. They cannot divide on the same issue. Either they want them or they do not want them. If one part of the hon. member's caucus wants them and the other does not, then we as a government are at least prepared to make a decision, which obviously they are incapable of doing.

NATIONAL ENERGY PROGRAM

CHANGES IN ENERGY POLICY TO PROMOTE INVESTMENT IN CANADA

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is to the Minister of Energy, Mines and Resources. I draw to his attention the fact that not everybody is being critical of the energy policy he just brought out. I have an article entitled "Thank you, Canada" which states "Trudeau may inadvertently have done more for U.S. energy production than all the regulations and all the bureaucrats in the U.S. department of energy".

In view of the distinctly changed environment in the United States as a result of the election of Governor Reagan and the distinct contrast between the environment there and the environment in Canada, will the minister advise what changes in the energy policy he is proposing to make to bring the economies of our two countries closer together and encourage Canadian companies and Canadians to spend their money in Canada and help the energy supply in Canada?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, policies in Canada are determined by the government and Parliament of Canada. I submit an election in the United States should not be the criterion in determining what is in the interests of Canada.

Mr. Wilson: Madam Speaker, surely the minister understands that we have a free flow of capital between this country and the United States. When you have a substantially better environment in one country than another, capital and people move. How is the minister proposing to stop the exodus of drilling rigs, production and exploration companies from moving their money south of the border where it will help security of supply in the United States and hurt the security position in Canada?

Mr. Lalonde: Madam Speaker, I want to reassure the hon. member that the government is not considering any step to stop the free flow of capital or goods. As far as the policy announced by the government is concerned, we are convinced that that policy is in the interests of Canada, and that the measures that have been announced will contribute significantly to increasing ownership and control of that industry by Canadians. We are convinced it is high time that Canada should move in that direction.

* * *

[*Translation*]

SMALL LOANS ACT

BILL C-44—EFFECT OF PROVISIONS ON SMALL BORROWERS

Mr. Henri Tousignant (Témiscamingue): Madam Speaker, my question is directed to the Minister of State for Finance. In a newspaper article it is alleged that, under Bill C-44 to amend the Small Loans Act, small borrowers will be swallowed whole.

Could the minister tell the House whether the aim of this bill is indeed to slaughter small borrowers or simply to enable them to continue to borrow according to their needs, and in peace?

Hon. Pierre Bussières (Minister of State, Finance): Madam Speaker, hon. members will recall that they voted unanimously to repeal the so-called Small Loans Act. If the government, after consultations between several ministers, namely the minister of education and the Minister of Finance, was prompted to propose to the House to repeal the Small Loans Act, it was at the request of financial institutions which are above all concerned with and interested in consumer protection, namely the caisses populaires on one side and the credit unions on the other side. Because of the representations of those institutions which saw their financial activities jeopardized by that outdated, obsolete piece of legislation, the government proposed to repeal the Small Loans Act. Far from harming consumers, this will precisely enable institutions such as caisses populaires and credit unions to adapt their consumer loan services.

* * *

[*English*]

PUBLIC SERVICE

EQUALITY OF OPPORTUNITY FOR WOMEN

Mr. Rod Murphy (Churchill): Madam Speaker, this week the Canadian Advisory Council on the Status of Women released a report called "Women in the Public Service: Overlooked and Undervalued". My question is to the President of the Treasury Board. Since it is a fact that women constitute 60 per cent of the clerical and support staff in the public service, while only a few of them have senior management positions, and since the advisory council estimates it will take over 66 years to achieve equality in the public service at the present rate, what action is the government willing to take now to indicate that it has any commitment at all to equality in the public service?

● (1440)

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, the hon. member may have forgotten that the affirmative action program has been instituted in at least three departments, namely, Employment and Immigration, Secretary of State and Treasury Board. I am very pleased to advise the House that substantial progress has been made. The three ministers, including myself, met earlier this week to review progress to date and we are still in stage one; the hon. member will remember there are three stages to the program. We hope that the findings which we make in terms of these departments will be useful in providing similar affirmative action programs across the public service. So I am very optimistic. I might also add that I met with Mrs. Anderson yesterday and advised her of the various steps we are taking to improve the representation of women in the public service.

Mr. Murphy: Madam Speaker, I expected the minister to respond in that manner. In 1972 there was a cabinet directive encouraging managers to promote women. Nothing has really happened since then. That was eight years ago. We know that there is an affirmative action study in three departments out of 100 different departments and agencies in the federal government.

With that in mind, considering the fact that there are five outstanding complaints before the Human Rights Commission right now with regard to the public service and that at the present time there is no commitment from the government to do anything other than make a study among three departments—and only three departments—when and how will the government undertake a comparative wage study to make sure that women receive the right salaries for the work they are doing, rather than having the government drag it to the human rights tribunal in order to get action?

Mr. Johnston: Madam Speaker, the hon. member said he expected me to respond in the way I did. I thought my response was very positive indeed. I think we have taken very major initiatives in this regard, and to denigrate the affirmative action program which we are instituting in these three departments is really doing a disservice to the government and the efforts that have been made in this connection.

An hon. Member: Have you met Gordon Fairweather?

Mr. Johnston: Yes, I have met with Mr. Fairweather. The hon. member will also be interested to know that in Treasury Board we are taking initiatives to seek out, through our own means, where there are infringements of the rule of equal pay for work of equal value. There are complaints. There are five complaints, as the hon. member suggests, before the Human Rights Commission. Steps have been taken between my department and the commission to settle those complaints. Those negotiations are proceeding. We are taking initiatives, I suggest, on all fronts; and I am sure that it will not be 66 years before we see very major breakthroughs in terms of representation of women in the public service.

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INDUSTRY

INQUIRY RESPECTING DEVELOPMENT PLAN

Hon. George Hees (Northumberland): Madam Speaker, my question is for the Minister of Industry, Trade and Commerce. The Minister of Finance stated in his budget that the government would be spending $350 million during the next four years, divided equally between the economic development envelope and the social security envelope. This means that $44 million a year will be spent on economic development. Would the minister tell the House what happened to his "new industrial policy", which he outlined in great detail to the Toronto *Star* and which appeared in a very big spread on September 28? In this article the minister said the government would be spending $2.75 billion over the next four years, which means

that it would be spending $687 million a year on industrial development.

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, the hon. member is mistaken. I gave no interview to the *Toronto Star* in which I said there would be that level of expenditure.

Mr. Hees: It is all in here in great detail.

Mr. Gray: I think the hon. member should read the paper more carefully. It is a speculative story. I should tell the House that if the hon. member would read the budget more carefully he would find instead of $44 million a year, totalling $350 million over the next four years, the budget provides some $6.5 billion, which is a 22 per cent increase in the economic development envelope. That is quite apart from the $8.5 billion in the energy initiatives program. It is a far cry from what the hon. member is saying. It is an expenditure that will involve tens of thousands of jobs and strong industrial development right across this country, unlike the decline which would have come about if his government had stayed in office.

Some hon. Members: Hear, hear!

Mr. Hees: Obviously, Madam Speaker, the Minister of Industry, Trade and Commerce has not talked to the Minister of Finance and has not learned the very sad news that all he is going to get to spend on economic development this year is $44 million—no matter what he is trying to dream up. I ask him which of the many programs he outlined in great detail—and the *Star* says the minister said he would do this, this and this; it is all down in black and white, in positive terms—is he going to spend his $44 million on? Does he not think that in future it would be a good idea to sit down and talk to the Minister of Finance ahead of time before he outlines his grandiose dream schemes, so that big brother can tell him just exactly what he is going to allow him to do and what he is not going to allow him to do?

Mr. Gray: I again ask the hon. member to read the article. It is a speculative story. All the same, I think he will find that what is said in the budget indicates that I have, in fact, talked to the Minister of Finance.

Some hon. Members: Hear, hear!

Mr. Gray: He has agreed with me that instead of the paltry amount which would have been provided for industrial development if this House had approved the Crosbie budget, he has put aside some $6.5 billion in the economic development envelope alone. This does not take into account the other $8.5 billion in the energy initiatives program. This means a very substantial increase—billions of dollars—in funds for industrial development. I want to emphasize that means tens of thousands of jobs across this country, with very substantial industrial development. This is something that would not have happened had the hon. member's government stayed in office.

EXTERNAL AID

JAMAICA—INQUIRY WHETHER GOVERNMENT WILL OFFER FINANCIAL ASSISTANCE

Mr. Ron Stewart (Simcoe South): Madam Speaker, my question is for the Right Hon. Prime Minister. On the day of the election in Jamaica, the Leader of the New Democratic Party sent a message to the left-wing, pro-Castro prime minister Manley of Jamaica extending to him "all best wishes for today" and he signed it "Ed". In view of the Prime Minister's close friendship and personal relationship with Prime Minister Manley at the time, who through his policies has pounded the Jamaican economy into bankruptcy, in view of the fact that Canada sent Jamaica some $100 million prior to Manley's 1976 election and, since 1968, millions of dollars, in an abortive attempt to socialize that country, is the Prime Minister planning to send the same amount of aid to the new moderate prime minister of Jamaica, Mr. Seaga?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, if the prime minister of Jamaica wishes to address any request to this government, I am sure he will have more dignity than to address it through the mouth of a backbencher who spreads such falsehoods.

Mr. Stewart: Madam Speaker, I expected that same type of arrogant reply which the hon. gentleman has been giving for 12 years. As the Prime Minister and Mr. Manley were both with Mr. Laski at the London School of Economics, did the Prime Minister send a message of good luck to the now deposed Mr. Manley, or was it included by proxy with the message sent by the Leader of the NDP?

* * *

GRAIN

INQUIRY AS TO ANNOUNCEMENT OF INITIAL PRICES

Hon. Don Mazankowski (Vegreville): Madam Speaker, my question is for the Minister of Transport in his capacity as minister responsible for the Canadian Wheat Board. Given the fact that current prices for export Canadian red spring wheat are in the vicinity of $7 and $8 and the export price for durum is in the vicinity of $8 and $9, and given the fact that the current initial price which has been prescribed by the Canadian Wheat Board is between $4.25 and $5 per bushel respectively, I would like to ask the Minister of Transport when we can expect this government to announce an adjustment in initial prices, and will it also be accompanied by an interim payment?

• (1450)

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, it is generally considered that it is wiser first to see if a trend will last before drawing conclusions from it. Second, it is also agreed that it takes time before the money comes into the Canadian Wheat Board account. That is why the minister in charge of the Wheat Board prefers to wait before readjust-

ing initial prices to see if the trend will last and, second, to let the money come in before he starts distributing it among farmers. That is the position.

Mr. Mazankowski: Madam Speaker, given the fact that this trend has continued since the last adjustment which was made in July, would the Minister of Transport prevail upon the minister in charge of the Wheat Board or do something to jolt him into action? Because the farmers are needing this money very desperately—and it is their money.

Mr. Pepin: Madam Speaker, again I have to repeat that should the Wheat Board do that now, it would have to borrow the money from the banks. The logical thing to do is to wait for the money to come in before he starts passing it around.

* * *

HOUSING

SPECULATION ON FLOATING MORTGAGE INTEREST RATE

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, my question is directed to the Minister of Finance and it concerns mortgage interest rates. The minister has said on a number of occasions that he regards the high interest rates from which Canadians have been suffering—Canadians now have to pay over 15 per cent on first mortgages and 17 per cent and 18 per cent on second mortgages—to be a temporary phenomenon and that he does not anticipate having to make any changes in public policy to take account of this problem.

In light of the speculation in financial circles that in order to be able to provide five-year mortgages they will have to move to a floating mortgage system, does the minister contemplate any changes in the Interest Act which would make this possible, and is he still seriously putting forward the proposition that high mortgage rates are in fact simply a temporary phenomenon?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I do not recall having made a blanket statement that the current levels of interest rates are temporary. What I have said and repeat today is that as far as interest rates are concerned we have been on a roller coaster for the past several months. We had very high rates which dropped considerably, and they have risen again. Today, for example, the auction of treasury bills showed a slight decrease in the bank rate, and maybe that trend will continue in the future; but I do not think the situation is firm enough at the present time on which to base a long-term policy. It is quite uncertain, and I think that uncertainty has been reflected over the past six months. Certainly over the period I have been Minister of Finance no one has been able to predict with any accuracy the performance in the future of interest rates. If hon. members in the New Democratic Party have a better crystal ball than others, I will be glad to use it.

ASSISTANCE TO LOW AND MIDDLE-INCOME CANADIANS

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, I think we on this side of the House all agree that it has been extremely difficult to predict many things since the Minister of Finance has taken over as Minister of Finance. There are no crystal balls on this side.

My supplementary question is directed to the minister responsible for CMHC. The minister will know that housing starts are down to the lowest level since the mid-1960s. The minister will also know that there is no certainty at all in the interest rate picture, and we can foresee rates of 15 per cent, 16 per cent and 18 per cent over the next number of months and, indeed, years. The minister has announced a cut in a program from $400 million to $250 million and now to zero. The city of Toronto housing department has just issued a report saying it cannot—

Madam Speaker: Order, please. The hon. member is asking a supplementary question, and I urge him to be more brief.

Mr. Rae: Is the minister in a position, since he is saying he is simply changing priorities, to announce any housing policy which will provide any guarantee to low and middle-income Canadians that they will in fact be able to renew their mortgages and to buy first homes over the next three or four years?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, first of all the public should be aware—and so should the hon. member if he is not—that the trend in housing starts is up. The trend for October was back to starts of 187,000. The trend since June has been upwards. The Minister of Finance has indicated, on the other hand, that the trend today for interest rates is down. We have indicated that we are watching that. We indicated in the Speech from the Throne that we are concerned that people renewing mortgages would be faced with challenges and that we would be prepared in hardship cases to take a look at them on an individual basis.

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NATIONAL ENERGY PROGRAM

NATURAL GAS EXPORT TAX—INSTITUTION OF LEGAL ACTION BY GOVERNMENT OF ALBERTA

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, my question is to the Prime Minister, and it follows a question I asked him on October 31 with respect to possible court action to test the validity of the natural gas tax. I note from the press that the province of Alberta has instituted proceedings in the court. According to the answer given to me by the Prime Minister, there was to have been contact between the Government of Canada and the government of Alberta with respect to the institution of action. Was there contact between the government of the right hon. gentleman and the government of Alberta prior to the institution of any legal action by the government of Alberta?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I had the opportunity to talk to the minister of energy of Alberta a few days ago. I tried to reach him, without success, last week, but I reached him yesterday morning. He told me at the time that the government of Alberta was considering what legal action should be taken, but that that was under the responsibility of the attorney general and minister of justice. I indicated to him that the Minister of Justice of Canada would certainly be very interested in exchanging views with his colleague from Alberta. I also indicated to him our previous declaration to the effect that we were ready to co-operate with the province of Alberta in expediting this case.

In the papers today I noted that the government of Alberta has indeed decided to refer the matter to the court of appeal, and it asked two specific questions. To my knowledge, however, there has been no consultation whatever with the Government of Canada as to the wording of those questions nor to which courts they should go.

Mr. Baker (Nepean-Carleton): Madam Speaker, since the Minister of Energy, Mines and Resources is answering this question, and in the absence of the Minister of Justice, would the minister consider communicating with his colleague to see whether it might be appropriate for there to be some early consultation with respect not only to the questions but also to where the action may be brought? I have in mind a reference to the Supreme Court of Canada, where the Alberta action would ultimately go in any event so that the question could be settled expeditiously and the matter could be out of the way in terms of the discussions which are supposed to take place between the Government of Canada and the government of Alberta.

Mr. Lalonde: Madam Speaker, I will certainly act upon the representation of the hon. member. We indicated that we were ready to expedite this process, but it appears that the government of Alberta had decided on its own to go to the court of appeal with the questions which have been indicated. But if the government of Alberta would be willing to go directly to the Supreme Court, I am sure we would be quite accommodating, and I will raise the matter with the Minister of Justice.

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ROYAL CANADIAN MOUNTED POLICE

REPORTED LAW BREAKING BY FORCE

Mr. Jim Schroder (Guelph): Madam Speaker, I have a question for the Solicitor General, I would like to refer to a report in this morning's *The Globe and Mail* concerning statements attributed to that minister. On what basis did the minister make the statement that former solicitors general were never informed that the RCMP had been breaking the law since the 1960s?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I have, of course, seen that article and I am glad to have the opportunity to indicate that it does not accurately reflect my views. These questions are before the McDonald commission now. Evidence is available to the McDonald commission on which it will be basing its conclusions; and the government and in particular I are awaiting the report of the McDonald commission on this and other matters.

* * *

• (1500)

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baker (Nepean-Carleton): Madam Speaker, I rise on a point of order. I would be grateful if the government House leader would indicate the business of the House. I am particularly interested today in having him establish for us his priorities among the freedom of information bill, the bill respecting judges' salaries and the postal corporation bill. Could he give us some indication of what is the order of his priorities with respect to those pieces of legislation?

[*Translation*]

Mr. Pinard: Madam Speaker, as the hon. member is aware, beginning next Friday, November 21, we shall have either one or two debates on the proclamations tabled yesterday by the hon. Minister of Energy, Mines and Resources (Mr. Lalonde). For this purpose, as I mentioned last week, we have set aside the last six sitting days in November, which means that we can plan only for the period beginning today and ending next Friday, November 21.

If we complete consideration of the bank bill in time, that is before next Friday—and I have every reason to believe, following the consultations that I have had with the House leaders of both parties, that we can expect to get third reading of this bill probably next Monday or Tuesday—we shall have two days to complete the second reading debate on the Post Office bill, begin the second reading debate on the bill concerning the salary of judges, and to try to refer to a committee the freedom of information bill. When we have debated the proclamations, we of course plan on holding the last opposition day, and we shall then sit in committee of the whole for six consecutive days, but on this matter, my colleagues opposite know that we plan on holding these sittings in the first week of December. I shall be able to confirm this within the next few days.

[*English*]

Mr. Knowles: Madam Speaker, the only comment I wish to make is that I did not understand that that was the order of priority for the three bills coming between the Bank Act and the debate on the proclamations. My understanding of those three bills was that the first one was to be the Post Office Corporation Act and the second one was to be the Freedom of Information Act, leaving the judges' salaries bill at the bottom of that list. I am a little surprised to hear the government House leader put the judges' salaries measure ahead of the

freedom of information bill. I hope that the understanding I have is correct, that of those three bills the order will be the post office bill and the freedom of information bill, followed by the judges' salaries bill if there is any time left for it.

[*Translation*]

Mr. Pinard: Madam Speaker, I have taken it for granted that, following the request of the New Democratic Party, there will be no second reading debate on the freedom of information bill as I thought they were in a hurry to have this bill referred to committee. I must repeat that this bill is still a priority for us and that if members opposite insist on debating it, we shall do so immediately after the debate on the Post Office bill, provided this can be done before November 21. However, I must repeat what I told the hon. member yesterday, that we also place great importance on the bill concerning the salary of judges and that, if we cannot come to an agreement with his party, we intend to call this bill within the next few days.

[*English*]

Mr. Beatty: Madam Speaker, I rise on a point of order relating to the House business. This time last week I asked the government House leader whether, in order to facilitate discussion in this House on second reading of Bill C-42, the postal crown corporation bill, the minister would be prepared to send clauses giving regulatory power to the Crown corporation to the Standing Joint Committee on Regulations and Other Statutory Instruments, as requested in the report of that committee which was tabled in the House in July. As reported at page 4521 of *Hansard*, the government House leader responded to my question by saying:

> Madam Speaker, I will consult with the Postmaster General (Mr. Ouellet) as soon as possible. But in any case we would much prefer the bill to be sent to committee right away, if possible.

Has the minister spoken to his colleague, the Postmaster General (Mr. Ouellet), and is the government agreeable to following the request of the Standing Joint Committee on Regulations and Other Statutory Instruments, namely, that the regulation-making authority be sent to that committee on second reading at the same time as the miscellaneous estimates committee looks at the substance of the crown corporation bill?

* * *

[*Translation*]

POINT OF ORDER

MR. BUSSIÈRES—CORRECTION OF ANSWER DURING QUESTION PERIOD

Hon. Pierre Bussières (Minister of State, Finance): Madam Speaker, I rise on a point of order to correct an unfortunate slip of the tongue that I made in replying to the question asked by the hon. member for Témiscamingue (Mr. Tousignant). I stated that in the discussions I have held I had consulted the minister of education, and I want it clearly understood that I meant that I had consulted our excellent colleague, the Minister of Consumer and Corporate Affairs (Mr. Ouellet), in preparing the bill to repeal the Small Loans Act.

Hon. Yvon Pinard (President of the Privy Council): I had no opportunity to obtain confirmation from the Postmaster General (Mr. Ouellet) for the simple reason that I did not explain to him the whole problem, because I was busy planning the business of the House. My colleague knows that there has been no sitting during four days, and as soon as I came back I attempted to reach an understanding with opposition parties concerning the televising of proceedings in committee, which required all my time.

I now intend to contact the Postmaster General today about this and hope to be able to come back to my hon. colleague with an answer later today or tomorrow.

ROUTINE PROCEEDINGS

[*Translation*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

CHANGE IN NAME OF CONSTITUENCY FROM MISSISQUOI TO BROME-MISSISQUOI

Mr. André Bachand (Missisquoi) moved for leave to introduce Bill C-620, to change the name of the electoral district of Missisquoi.

Some hon. Members: Explain.

Mr. Bachand: Madam Speaker, the reason for this bill is that my constituency's name does not correspond to reality. Formerly it was Brome-Missisquoi, it was changed to Missisquoi yet all my constituents still call it Brome-Missisquoi.

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

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[*English*]

THE CONSTITUTION

SPECIAL JOINT COMMITTEE—MOTION RESPECTING BROADCASTING OF PROCEEDINGS

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, after having had consultations with my colleagues, the House leaders on the other side, I am glad to report that we have come to an agreement with regard to the broadcasting of the proceedings of the Special Joint Committee on the Constitution. I think there is now unanimous consent to allow me to move a motion which, in accordance

with our understanding, will be approved without debate. Therefore I move, seconded by the hon. member for Nepean-Carleton (Mr. Baker):

That, further to the resolution of this House of January 25, 1977, as subsequently implemented, this House approves the television and radio broadcasting of the proceedings of the Special Joint Committee on the Constitution on the basis of the same principles and practice, *mutatis mutandis*, governing the broadcasting of the proceedings of the House of Commons, including the concept of "electronic Hansard", provided that any subcommittee of the said committee, shall not be broadcast by television, but shall be broadcast by radio, except the subcommittee on agenda, which shall not be broadcast;

That it be an instruction to the committee that it undertake the aforementioned action as soon as physically possible without disturbing the proceedings of the committee now undertaken or planned;

That it be an instruction to the committee that all decisions concerning the implementation of this order shall be taken only by the committee's subcommittee on agenda; and

That a message be sent to the Senate asking their honours to unite with this House in the aforementioned actions.

Some hon. Members: Hear, hear!

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

Some hon. Members: Agreed.

Motion agreed to.

* * *

● (1510)

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 403, 1,211, 1,420 and 1,554.

I ask, Madam Speaker, that the remaining questions be allowed to stand.

[*Text*]

CROWN CORPORATIONS—NUMBER OF EMPLOYEES

Question No. 403—**Mr. Herbert:**

How many employees were engaged by Crown corporations on March 31 (a) 1977 (b) 1978 (c) 1979 (d) 1980?

Mr. D. M. Collenette (Parliamentary Secretary to President of the Privy Council):

"Crown Corporations" means the corporations named in schedules B, C and D of the FAA

	(a)	(b)	(c)	(d)
Agriculture Canada				
Agricultural Stabilization and Agricultural Products Board	65	66	64	53
Canadian Dairy Commission	52	63	57	58
Canadian Livestock Feed Board	20	21	21	20
Farm Credit Corporation	638	624	626	615
Communications Canada				
Canadian Broadcasting Corporation	11,342	11,931	11,972	12,032
Canadian Film Development Corporation	19	19	22	19
National Museums of Canada	994	1,007	1,055	955
Social Sciences and Humanities Research Council	—	—	105	105
NOTE: Established on April 1, 1978				
Teleglobe Canada	1,121	1,218	1,238	1,293
Energy, Mines and Resources				
Atomic Energy Control Board	123	147	180	184
Atomic Energy of Canada Limited	5,834	5,999	6,563	7,066
Eldorado Aviation Limited	49	49	54	42
Eldorado Nuclear Limited	1,095	1,308	1,572	1,647
Petro-Canada	479	667	2,068	2,408
Uranium Canada Limited	—	—	—	—
NOTE: UCAN is managed by seven directors, six of whom are senior public servants. All administrative services are provided to UCAN without charge by EMR's employees.				
Environment Canada				
National Battlefields Commission	23	23	23	21
Finance Canada				
Canada Deposit Insurance Corporation	4	4	4	4
Fisheries and Oceans				
Canadian Saltfish Corporation	30	32	31	33
Fisheries Prices Support Board	—	—	—	—
NOTE: Functions under the Act are administrated by employees of the Department of Fisheries and Oceans.				
Freshwater Fish Marketing Corporation	239	290	287	343
NOTE: Increased number of employees (d) is a result of extremely successful winter fishing.				
Health and Welfare Canada				
Medical Research Council	38	37	39	36
NOTE: These include inderterminate and term employees.				
Indian and Northern Affairs Canada				
Northern Canada Power Commission	359	310	304	298
Industry, Trade and Commerce				
Canadian Commercial Corporation	—	—	28	24
NOTE: CCC separated from DSS in October 1978. For years 1977 and 1978 functions under the Act were assumed by employees of DSS.				

Canadian Patents and Development Limited	26	23	25	24
NOTE: (a), (b) and (c) employees seconded from the staff of NRC.				
Export Development Corporation	272	322	380	436
Federal Business Development Bank	1,855	2,062	2,207	2,464
National Defence				
Defence Construction (1951) Ltd.	217	249	249	213
Prime Minister and Privy Council Offices				
Economic Council of Canada	132	138	204	150
Public Works Canada				
Canada Mortgage and Housing Corporation	3,816	3,960	3,848	3,805
NOTE: Contract employees are included.				
National Capital Commission	1,050	1,162	877	874
Regional Economic Expansion				
Cape Breton Development Corporation	4,044	4,365	4,488	4,474
Science and Technology Canada				
National Research Council	2,987(1)	3,039(1)	2,983(2)	2,976
NOTE 1: Includes employees subsequently transferred to NSERC and CPDL.				
NOTE 2: Includes employees subsequently transferred to CPDL.				
Natural Science and Engineering Research Council	—	—	51	55
NOTE: NSERC was established on May 1, 1978.				
Science Council of Canada	59	59	59	60
Supply and Services Canada				
Canadian Arsenals Limited	413	405	341	411
Crown Assets Disposal Corporation	67	67	69	78
Royal Canadian Mint	574	611	671	638
Transport Canada				
Air Canada	20,511	20,314	21,527	23,000
Canadian National Railways	76,412	75,330	74,035	71,326
National Harbours Board	2,116	1,956	1,776	1,718
Northern Transportation Company Ltd.	184	168	131	137
Pilotage Authorities				
Atlantic	106	93	91	90
Laurentian	84	83	78	81
Great Lakes	128	132	135	157
Pacific	54	54	55	60
St. Lawrence Seaway Authority	1,269	1,249	1,206	1,205
The Seaway International Bridge Corporation	20	20	21	21
Via Rail Canada Inc.	2	109	3,498	3,574
NOTE: Became a Crown Corporation on April 1, 1978.				

Order Paper Questions

STATISTICS CANADA—SURVEY INTERVIEWERS

Question No. 1,211—**Mr. MacKay:**

For the current year, how many of the survey interviewers employed by Statistics Canada, under subsection 5(1) of the Statistics Act, were selected through the process commonly referred to as the political or ministerial referral system in the constituency of (a) York South-Weston (b) St. Boniface (c) La Salle (d) York-Scarborough (e) Louis-Hébert (f) Duvernay (g) Montmorency (h) Lambton-Middlesex (i) Winnipeg-Fort Garry (j) Charlesbourg (k) Saint-Maurice (l) Essex-Kent (m) Matapedia-Matane (n) Laprairie (o) Chambly?

Hon. J.-J. Blais (Minister of Supply and Services): Statistics Canada reports: (a) None; (b) None; (c) None; (d) None; (e) None; (f) None; (g) None; (h) None; (i) None; (j) None; (k) None; (l) None; (m) None; (n) None; (o) None.

EXTERNAL AFFAIRS—SECURITY SERVICE

Question No. 1,420—**Mr. Cossitt:**

1. In each of the past five years, what was the total number of persons working, directly or indirectly, for the security service of the Department of External Affairs?

2. What is the anticipated number for the (a) current (b) following year?

3. How many such persons are stationed (a) in Canada (b) abroad?

Hon. Mark MacGuigan (Secretary of State for External Affairs): 1. 1975—185; 1976—188; 1977—198; 1978—189; 1979—194.

2. (a) 156; (b) 156.

3. (a) 55; (b) 101.

SUPPLY AND SERVICES—OPINION POLLS

Question No. 1,554—**Mr. Howie:**

1. Since April 1, 1980, were contracts awarded by the Department of Supply and Services for the conducting of opinion polls and, if so, to whom and in what amount?

2. Were public tenders called and advertised and, if not, for what reason?

Hon. J.-J. Blais (Minister of Supply and Services): 1. Yes. During the period April 1, 1980, to October 10, 1980, the following contracts were awarded by the Department of Supply and Services for the conducting of opinion polls.

Name of Contractor	No. of Contracts	Total Value
Sorecom Inc.	3	$ 34,390
Goldfarb Consultants	3	306,200
Crop Inc.	2	116,700
Inci Inc.	1	12,000
Cdn. Gallup Poll Ltd.	2	23,105
Complan Research Assoc.	1	12,335
The Canadian Public Affairs Consulting Group	1	35,000
Traveldata International	1	85,600

2. No. In all cases, the firms were selected by the user departments based on the various firms' expertise and a record of excellent past performance on previous opinion and market survey programs.

[*Translation*]

Madam Speaker: The questions enumerated by the hon. parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BANKS AND BANKING LAW REVISION ACT, 1980

MEASURE RESPECTING BANKING INSTITUTIONS

The House resumed consideration of Bill C-6, to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs, and motion No. 7 (Mr. Rae), motion No. 8 (Mr. Rae) and motion No. 9 (Mr. Rae).

Madam Speaker: When the debate was interrupted at one o'clock, motions Nos. 7, 8 and 9 were under consideration and the hon. member for The Battlefords-Meadow Lake (Mr. Anguish) had the floor.

Mr. Doug Anguish (The Battlefords-Meadow Lake): Madam Speaker, I was speaking about the amendments to the Bank Act before the noon break. I referred to my support for the amendment to delete the section restricting employees of Crown corporations from being placed on the boards of directors of banking institutions. I tried to express that these people could offer a great deal to the banking institutions of the country because of their expertise in running corporations, in some instances large ones. Not only would they be profitable enterprises, but at the same time they would have some degree of service to the public.

It made me think back to the time when I first had to acquire a mortgage for myself and my wife to take over a home. At the time of the purchase, the cost of the home was approximately $38,000 and the interest rate was locked in at 12.75 per cent over a 25-year amortization period. Over that 25 years the cost of owning that home would be well in excess of $100,000. Certainly most of the cost is eaten up by the interest rates of the banks, and they have very little concern for the service they are actually providing.

I should like to go back further than that time, to a time when I was involved in adult education in the province of Alberta. At that time under some of the life skill programs we looked at budgeting for individuals and families and tried to get people involved in adult education to learn more about basic education and ways of living. When we talked to them about budgeting, we were talking about it over the lifetime of a person, that an average Canadian could expect to have an earning power of somewhere in the area of $200,000 to $250,000.

Since that time and over the last ten years, this has changed quite extraordinarily. For example, if one wants to buy a home today in the area of $60,000 to $80,000, by the time it is actually paid for it would amount, at today's interest rates and the way banks handle mortgages, to more than the expected earning power of individuals in 1970-71. Certainly it does not provide a very good picture for Canadian families who are looking at buying first homes, something which should be a very basic necessity of the people in our country.

It is time to make the banks more responsive to the needs of individuals and families. Not only should they be oriented toward maximizing their profits on the money of people who have savings accounts within their banks, but they should be able to attain some level of service similar to that provided to the Canadian public by the boards of directors and employees of Crown corporations. Also I mentioned the names of individuals who could work very effectively on the boards of directors of some banking institutions.

I think other sections should be deleted, and I support the amendment to the section which indicates that public employees cannot hold positions on the boards of directors of banks. There are some very good public employees who could provide meaningful input on the boards of directors of banks. These people have dealt with the banks and can look at them in a somewhat different perspective from the view of the usual corporate elite who control banking institutions.

Although some of the people involved on boards of directors could be considered common, average individuals, certainly the overpowering balance is not with that group. It is with a group which has not had to deal with banks in the same manner as average Canadian citizens have to deal with banking institutions. Public employees could have a meaningful input because of their training as public employees and the expertise they have acquired in working for the Government of Canada, in this instance, or for various provincial governments across the country. They could provide a scope of experience which very few people have in the private sector and in banking institutions. Their perspective is more from the point of view of the private sector; certainly that is dominant. Some input or training from the standpoint of public employees of Crown corporations could be very beneficial to the understanding of how governments operate and how organizations are structured to serve the public. This would be beneficial to our banking institutions and their boards of directors. I would not

want to see the government discriminate against these people by not allowing them to have that meaningful input.

Before my time expires, I should like to reiterate what I told government members prior to the noon break. We want to see some substantial changes in the Bank Act. We have talked about a few of those changes today and others have been talked about by members of the opposition. I think they are very necessary and the government will have to pull together some of these recommendations, changes and amendments to form an effective Canadian banking community to serve the people of this country in the manner to which they are entitled. The deadline is coming very close. November 30 is not that far off; we are only a few weeks away. The government must incorporate some of these very substantive changes, not just the cosmetic ones it has proposed, in order for my party and perhaps other members of the opposition to support the Bank Act as it now stands. Before we as members of Parliament can support the Bank Act, we want to feel that Canadians are receiving what is justly due them from banking institutions and be satisfied as to the level of service they should be receiving. Unless those changes are made to the Bank Act, I think November 30 will come more rapidly than even members of the government expect.

We will propose other changes and amendments—and I imagine members of the Conservative party will propose some as well—to make the Bank Act the responsive document it should be. It should serve Canadians so that they are not dealt with harshly. The people who control the banks should be average Canadian citizens who are not interested in maximizing profits alone, so that the people who are required to deal with banks can attain the necessary level of funding they require to buy homes and purchase automobiles or other forms of transportation which are so necessary to our Canadian way of life.

• (1520)

With those comments, I would ask the government to give very careful consideration within the next couple of weeks to some of the amendments proposed by my party to the Bank Act so that we may in good conscience consider supporting the government on this act, the reform of which we have talked about in this House for many years.

[*Translation*]

Hon. Pierre Bussières (Minister of State, Finance): Mr. Speaker, I shall be very brief. I just want to point out to the previous speaker that the changes made at the committee stage were not only "cosmetic", to use his expression, but substantial changes which happened to have been suggested to us by colleagues in his party, namely the hon. member for Broadview-Greenwood (Mr. Rae) and the hon. member for Comox-Powell River (Mr. Skelly), and by the hon. member for Edmonton West (Mr. Lambert) as well as by the Liberal members sitting on the committee.

In-depth changes have really been made in the present legislation. Indeed, the committee made the corrections needed to have an act that could best serve the common good; it proposed those amendments some of which had elements of substance. I am convinced that if the hon. member went to the trouble of reading the other motions to be put before us, he would see that the government as well is proposing amendments which are much more than mere cosmetic additions, again to use his expression, mere applications of make-up on pale cheeks or lipstick on pink lips.

[*English*]

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I am puzzled why the government is so hesitant to support this very simple amendment, which provides that officers or officials of Crown corporations be permitted to sit on the boards of directors of banks. There are many Crown corporations in this country. Many of them were established years ago by both Liberal and Conservative governments and they are now large, successful organizations. To name a few, there is Ontario Hydro, which was established more than 50 years ago by a Conservative government and which is one of the largest, most successful organizations in this country. Then there are the telephone systems of the provinces of Manitoba, Saskatchewan and Alberta. In Manitoba the publicly-owned telephone system was established by a Conservative government headed by Sir Rodmond Roblin, I believe, back in 1908. These are very efficient organizations and their senior officials are doing as effective a job for their companies and the people they serve as any private corporation.

Under the legislation as it exists today, the president of CNR, for example, could not be a director of a bank, but the president of CPR is, in fact, a director of a bank as well as a host of other companies. Mr. Sinclair, the president of CPR, is also the head of Canadian Pacific Investments, CP Air, Cominco, Canadian Marconi, MacMillan-Bloedel, Seagram Company, Sun Life, and I could go on and on. I see no reason why senior officials of Crown corporations which are playing an increasingly useful and vital role in the life of the provinces and the country as a whole should be discriminated against in a way in which the directors and senior officials of private corporations are not.

The only reason I can find is the one which we in this party know so well, that the disposition of both the Liberal party and the Conservative party is that anything which is done in the private sector is good and most things done in the public sector are bad. If the minister wishes to make the banking system work more effectively, I suggest he encourage the heads of some of the Crown corporations which I have mentioned, and many more which I have not mentioned, to participate in the activities of the banks which play such a major role in our country.

I know I speak for the members of my party when I say we have a good deal more faith in the objectivity, the unbiased approach, the goodwill and good thinking of officers of Crown corporations than we have in the officers of the privately-owned corporations who, quite properly, are more interested in protecting their interests and the interests of their shareholders. I urge the minister and the government to give serious and

favourable consideration to permitting this amendment to be added to the bill.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I had not intended to speak on these three amendments. The amendment contained in section 35(1)(n) on page 33 of the act refers to ministers of the Crown "in right of Canada or in right of any province". Clearly, the mover of the motion should agree that it would be a conflict of interest if a minister of the Crown were to sit on the board of directors of a private bank.

As I pointed out earlier, this statute directs the control of private banks. If there is to be any effective conflict of interest legislation at all, a minister of the Crown must be prohibited from being a director of a private bank. Indeed, any sense in conflict on interest guidelines for ministers of the Crown would make that subsection unnecessary. On the other hand, if it were taken out it would indicate that the government is allowing ministers of the Crown to be directors of a private corporation, and I am sure that my friend in the New Democratic Party would not want that to be the case.

Clause 35(1)(m) deals with an agent or an employee of Her Majesty the Queen in right of Canada or a province. In this case I have some sense of agreement with the NDP. But surely an employee of the Crown directly would be or could well be in conflict of interest if he or she were to take a position on the board of directors of a private bank. After all, it is the duty and obligation of government to regulate these private corporations referred to as chartered banks. It strikes me that it would be improper for a person who is an employee of the government, particularly of Her Majesty, to be also an employee of a bank. Surely, Her Majesty would require that employees who are likely to be appointed directors of banks work exclusively for Her Majesty. In all probability the type of people who are likely to be appointed directors of banks would not be junior employees. They are people who qualify, in accordance with bank charters, shares and so on in a bank, to be a director, people who would lend expertise to the directorship of the bank. Therefore, they are likely to be people in a senior position in government. It would strike me as improper that they should be directors. With respect to these two amendments, Mr. Speaker, I cannot support them as I think they are improper.

● (1530)

I should like to deal now with Crown corporations about which a great many sensible things have been said already. There are some major Crown corporations where the government has deliberately tried to divorce itself from the control of policy. It may be to the advantage of those Crown corporations to be represented on the board of directors of a bank much the same as any other independent business corporation might be represented.

There is a very large oil company in this country called Petro-Canada. Can we say that a senior officer of Petro-Canada may not be a director of a bank, whereas a senior officer of Imperial Oil or some competing company may? That certainly would give more rights and privileges to private companies than to Petro-Canada. As members of the New Democratic Party know, I do not greatly favour the massive development of Crown corporations but it has been the policy of this and preceding governments to impose certain large obligations on Crown corporations, some of which compete directly with the private sector. Air Canada is a corporation that the government claims it is not trying to direct. If that is so, then perhaps an officer or employee of Air Canada could be a director of a bank. That is particularly so when some Crown corporations like Air Canada or Canadian National Railways go to the marketplace to borrow fairly large sums of money. It could be to the advantage of those corporations to have representation on the board of directors of a bank and, of course, it could be to the advantage of a bank to have on its board of directors representation from a Crown corporation which may be one of its major customers. It may be advantageous to the government if it were to rethink the question of Crown corporations and this amendment, rather than just vote it out completely.

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

Some hon. Members: Question.

The Acting Speaker (Mr. Ethier): The question is on motion No. 7 in the name of the hon. member for Broadview-Greenwood (Mr. Rae). All those in favour of the motion please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Ethier): All those opposed, please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Ethier): In my opinion, the nays have it.

Mr. Knowles: On division.

The Acting Speaker (Mr. Ethier): I declare the motion negatived on division.

Motion No. 7 (Mr. Rae) negatived on division.

The Acting Speaker (Mr. Ethier): The question is now on motion No. 8. All those in favour please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Ethier): All those opposed, please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Ethier): In my opinion, the nays have it.

Mr. Knowles: On division.

The Acting Speaker (Mr. Ethier): I declare the motion negatived on division.

Motion No. 8 (Mr. Rae) negatived on division.

The Acting Speaker (Mr. Ethier): The question is now on motion No. 9. All those in favour please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Ethier): All those opposed, please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Ethier): In my opinion, the nays have it.

Mr. Knowles: On division.

The Acting Speaker (Mr. Ethier): I declare the motion negatived on division.

Motion No. 9 (Mr. Rae) negatived on division.

Mr. Bob Rae (Broadview-Greenwood) moved:

Motion No. 10

That Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in clause 2 by striking out lines 22 to 24 at page 34 and substituting the following therefor:

"director of the bank."

Mr. Bob Rae (Broadview-Greenwood) moved:

Motion No. 11

That Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in clause 2 by striking out lines 41 and 42 at page 56 and substituting the following therefor:

"corporation."

The Acting Speaker (Mr. Ethier): Perhaps I should indicate to the House that these two motions are grouped for debate but will be voted on separately.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, this is a very important amendment, in our view, because we recognize the crucial importance of the banks in the economic life of our country. The big five banks have between them assets of over $200 billion which they themselves control or control in association with other major corporations in this country.

If we look at the corporate structure of this country and consult the *Financial Post* Who's Who of directors, we see how the interlocking directorships operate, how virtually all the large corporations are tied in with one or more banks and how senior officers of those corporations are also directors of the largest banks. They can use their position and influence with the banks to get the kind of financing they need to increase corporate concentration in this country.

As an illustration of this, Mr. Speaker, I would point to the Thompson interests which have expanded in recent years. It has taken over one of the oldest companies in the country, the Hudson's Bay Company and has taken over many newspapers, including the Toronto *The Globe and Mail* and others in the FP chain. It was able to shut down the Winnipeg *Free Press*, a newspaper in my city which was just about as old as the city itself. It is no coincidence that Kenneth Thompson is a director of the Toronto-Dominion Bank. If he needed financing to help him in these acquisitions—which I suggest is not necessarily, to put it mildly, in the interests of the people of Canada—it would be to his advantage to be a director of the Toronto-Dominion Bank.

What we have seen in recent years because of the kind of business and financial system we have in the country and because so many of the larger corporations work together, having directors on each other's boards, is a continual increase in the acquisition of smaller Canadian-owned companies by larger companies and multinational corporations. That has not been good for the country, Mr. Speaker. We have witnessed the worsening of regional disparities, accompanied by increasingly high unemployment. In fact, at the present time we probably have the highest rate of unemployment of any of the western industrialized countries.

In his budget the Minister of Finance (Mr. MacEachen) told us that things are going to be worse, that there will be another 1 per cent unemployment in 1981. That means another 100,000 people unemployed, Mr. Speaker. It means that the real number of unemployed people in this country will be over one million in 1981.

We have seen the percentage of the work force in Canada that is engaged in manufacturing—and there is no industrial country whose economic welfare is not very largely determined by the strength of the manufacturing sector—consistently decline year by year. In 1970, 26 per cent of the work force in Canada was engaged in manufacturing. By 1979 that figure had dropped to 19 per cent. In 1970, 21 per cent of our exports were manufactured goods; today it is just 10 per cent. In 1970, Canada had a $3 billion deficit in manufactured goods and last year that deficit was $11.5 billion.

• (1540)

It is not surprising why the makers and shapers of our economic life are busy gobbling up one company after another, not because it adds anything to the productivity of this country but because it gives them more power and clout. So why would they be concerned about manufacturing? I ask the minister what benefits did the people of Canada get because the Thompson interests bought the Hudson's Bay Co.? What benefits did the people of Canada get because the Bronfman interests bought Brascan? Not one per cent more in the way of increased productivity was produced by any of these acquisitions. Part of the reason for this kind of thing is because the system we have encourages top officers of Canada's largest corporations to be directors of other corporations. It particularly encourages them to be directors of banks. I have evidence here.

I know some members will just push aside my argument by saying it is just another socialist argument. But I want members to think about what I have been saying today. Even in such a prestigious newspaper as *The New York Times*, there was an article commenting on the recent merger activities in Canada. Regarding Canada's banks and their interlocking directorships, the article reads as follows:

> The concentration of banks is so great and the alliances of companies with specific banks so strong that a single bank can find itself financing both the suitor and the sought. Such was the case last fall for the Bank of Commerce when Brascan went after Woolworth's.
>
> The banks with their corps of 60 or 70 directors each and their circling clans of corporations also provide the detailed intelligency system so vital in the fraternity that is Canada's business establishment. This, and a system of interlocking directorates, provide the tips, the data, the shared experiences and, above all, the connections that smooth Canada's merger movement.
>
> It is no coincidence, for instance, that Consumers Gas and Hiram Walker both use Toronto-Dominion, where Hiram's chairman, H. Clifford Hatch, is a director. Many in this network grew up at the same elite schools together, such as Upper Canada College. They join the same clubs, such as the Toronto, Ontario or Albany Clubs. Their children marry within the network.

It did not take a great deal of work to look into some of the people involved in these kinds of interlocking directorships. What we see is the close connection between the banks and some of the largest corporations in this country. Some members in this House may have had an opportunity a couple of weeks ago to see a segment of the television program called "The Canadian Establishment", produced by the CBC. In *Saturday Night* one of the producers wrote an article in which he complained about the difficulties he had in getting people to agree to be televised. I thought as I watched the program that these people should have paid the CBC for showing them in such a favourable light.

A whole hour was spent on Ian Sinclair, chief executive officer of CPR. He is also a director of the Royal Bank. Let us take a look at some of the other corporations of which he is a director. They are as follows: Canadian Pacific Investments Ltd; Canadian Pacific Air Lines; Midland Simcoe Elevator Co; Cominco Ltd; Canadian Marconi; MacMillan Bloedel Limited; Marathon Realty Co; Sun Life Assurance Co; Union Carbide Canada; and the Chase Manhattan Corp. This latter one shows the connection with the international banking community.

Let us look at some of the other members of the board of directors of the Royal Bank of Canada. The chairman is W. Earle McLaughlin. I am not going to take more than the time I have to put the entire record in *Hansard*, but I will read just a few of the corporations of which Mr. McLaughlin is a director. They are as follows: Sun Alliance Insurance Company; the Algoma Steel Corporation; Allied Chemical Canada; Canadian Pacific—of course, along with his friend Mr. Sinclair—General Motors Corporation; Power Corporation; Standard Brands.

The vice-chairman of the Royal Bank, Mr. Jock Finlayson, is a director of the Royal Bank of Canada Trust Corporation; PanCanadian Petroleum Ltd; Royal Insurance Company, and Sun Life Assurance Company.

Let us look at the Canadian Imperial Bank of Commerce whose chairman and chief executive officer is Mr. Russell Harrison. He is a director also of Canada Life Assurance Co; Dominion Realty Co; Falconbridge Nickel Mines Limited and Royal Insurance Company.

Mr. Blenkarn: These are all good companies.

Mr. Orlikow: They are all good companies; that is just the point. But I would hate, Mr. Speaker, to be the head of a small company trying to compete with one of these large companies. These are the people who my friends in the Conservative party are supposed to represent, namely, the small businessmen. But what are they doing? The Tories are mocking me because I am saying that these big corporations are using their connections with the bank and taking unfair advantage of the small companies.

Mr. Blenkarn: What evidence do you have of that?

Mr. Orlikow: The hon. member for Mississauga South (Mr. Blenkarn) asks what evidence do I have.

Mr. Blenkarn: You do not have a tittle of evidence.

Mr. Orlikow: Instead of his constant asinine braying, if the hon. member would keep quiet for about 30 seconds I can tell him to look in any newspaper in Canada where he will find articles about bankruptcies. Bankruptcies are at an all-time high rate in Canada. Part of the reason why small companies are going bankrupt is because they cannot compete with the giants. The giants have the support of the banks, and that is who the member for Mississauga wants to represent instead of his constituents.

Mr. Kempling: That is all socialist rhetoric.

Mr. Orlikow: Let us take a look now at the Canadian Imperial Bank of Commerce. Let us see how its directors interlock with most of the giant corporations in Canada. As I said, Russell Harrison is the chairman and chief executive officer of that bank. He is also a director of Canada Life Assurance Co; Falconbridge Nickel; Royal Insurance Company. Mr. Lawrence Greenwood, the executive vice-president, is a director of Kinross Mortgage Corp, Imperial Life Assurance, and of Liberty Mutual Insurance Co. Mr. J. D. Leitch is a director of Upper Lakes Shipping Ltd; American Airlines Inc; Dominion Foundries and Steel; Massey-Ferguson. I am not objecting to Massey-Ferguson getting the financing it needs to stay in operation—

Mr. Blenkarn: I hope not.

Mr. Orlikow: The hon. member says he hopes not. But I wonder how objective Mr. Leitch will be as a director of the Canadian Imperial Bank of Commerce if he is asked to advance money in the form of a loan to Massey-Ferguson when he is also a director of that company. I wonder which hat he wears. I wonder how he can protect the interests of the

depositors in the bank and see that their money is not advanced for a bad loan.

• (1550)

Then we have W. F. McLean, a director of Canada Packers Limited, Canadian General Electric Company, the Steel Company of Canada. From my own city, we have George Richardson of James Richardson and Sons, the Hudson's Bay Company, Green Valley Fertilizer, Marine Pipeline, Hudson's Bay Oil and Gas, and Inco Limited. Those are just a few of the directors of the Canadian Imperial Bank of Commerce.

Mr. Paproski: Did they donate to your campaign fund?

Mr. Orlikow: I am sure they donated more to the hon. member's than to mine. I have not seen any of that money, nor do I want to.

We now come to the Bank of Nova Scotia. Cedric Ritchie is a director of Empire Realty, Canada Life Assurance, the United International Bank and Olympic Trust. The deputy chairman, George Hitchman, is a director of Algoma Central Railway, Empire Realty and Jannock Corporation.

I do not know whether the next one has resigned or not, but the new Lieutenant Governor of Ontario, that great Liberal fund raiser, the Hon. John Aird, was a director of the Bank of Nova Scotia and also the director of Algoma Central Railway, Consolidated-Bathurst, Domglas Incorporated, the Molson companies, National Life Assurance Company and Petro-Canada. Somebody slipped. I do not know how he can be a director of Petro-Canada and a director of a bank under the provision which states that a senior officer of a Crown corporation cannot be a director of a bank.

We now go to another of the big five, the Toronto-Dominion Bank. The chairman and chief executive officer, Richard Thomson, is also a director of Cadillac Fairview, one of the largest real estate corporations, Prudential Insurance Company, Eaton's of Canada, and Texas Gulf. J. Allan Boyle is a director of Aetna Casualty, Excelsior Life and Jannock Limited.

Looking at the Bank of Montreal, we see that the chairman and chief executive officer, Fred McNeil, is a director of Canadian Canners, the Dominion Life Assurance Company, and the Seagram Company. Among his directors is Charles Bronfman who, as we all know, has tremendous interests in a whole range of corporations.

Mr. Paproski: He has a friend over on that side.

Mr. Orlikow: I am sure he has friends in most parts of this Parliament.

Mr. Paproski: Didn't he take somebody for an aeroplane ride, or was it just for a ride?

Mr. Orlikow: Let us summarize this. We see on the board of directors for Canadian Pacific the following directors of banks. From the Royal Bank we see Mr. McLaughlin, as well as Mr. Paré and Mr. Pratte. From the Bank of Nova Scotia, we see T. G. Rust, F. H. Sherman, R. D. Wolfe—

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

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, I wish to thank the hon. member for Winnipeg North (Mr. Orlikow) for putting on the record the simple fact that we live in a highly concentrated economic world where fewer and fewer actors control the capital markets. Over the past few years we have seen the phenomenon of far greater merger and corporate concentration activity than before.

The hon. member for Winnipeg North mentioned the relationship between Massey-Ferguson and the Canadian Imperial Bank of Commerce. It is no secret. In fact any information I have is what has been made available to us through the newspapers, to the effect that the Canadian Imperial Bank of Commerce has loaned hundreds of millions of dollars to Massey-Ferguson. It is no secret that when this kind of thing happens, it creates a relationship between a lending institution such as a bank and a company like Massey-Ferguson. It is an intensely close and almost dependent relationship.

It is because of our concern regarding what happens to the financial system when there are these close interlocking directorates close links, and the large loans that are involved, as well as the size of the transactions and the companies, that we have put forward these two amendments. It is not possible for us to go on in this way. The government just accepted the principle contained in motion No. 11. There was an argument from the government side two parliaments ago. They were prepared to accept the principle that bank employees should not be directors of companies incorporated under the laws of provinces and the laws of Canada. They accepted that principle.

They never dealt with the problem that directors of corporations are the directors of banks and that the presidents and chief executive officers of our largest companies are also the directing influence of our chartered banks. As the hon. member for Winnipeg North pointed out, there have been countless studies ranging from the one mentioned in the New York *Times* back to the studies of Professor Porter in the sixties, to Professor Wallace Clement in this decade. They document beyond a shred of a doubt the fact that we in Canada live in an economic system where there are a relatively few important actors who have tremendous economic power and the ability to control the system in a way that simply cannot be disputed any longer.

My friend mentioned the size of the chartered banks. The banks have assets of over $200 billion. The five chartered banks control almost 95 per cent of business and industry. That is what we are talking about. We are talking about companies making loans for hundreds of millions of dollars. We are talking about decisions affecting the investment future of our country which are made by a relatively small group of people, in fact far fewer in number than those who make up the House of Commons of Canada.

In that context we should not continue with the Liberal-Tory illusion. The Parliamentary Secretary to the Minister of Finance (Mr. Evans), in regurgitating Milton Freidman, said earlier today that government should not be directly involved, that we should not be meddling in the banking industry, and civil servants do not know anything. He said they should not be involved and bureaucrats should not be involved. That is a remarkable statement by someone whose constituency consists of the Public Service of Canada. It is astonishing that he should make that kind of attack on the public servants of Canada. That is what we heard. It is on the record. He said we do not want to have the bureaucrats and the public servants of Canada involved in these kinds of decisions. That is the view which is contained in this bill.

● (1600)

The view is that there will be no control over the ability of chartered banks to place their top officers on the boards of directors of the top Canadian companies, which are the largest companies. These are companies which get larger and larger. Just as pike get larger from eating minnows so, too, our largest companies get larger and larger by eating smaller companies. They do not get larger by creating new jobs but simply by taking over other companies. That is the state of economic activity in Canada today. There are no controls on this phenomenon. We had the government Royal Commission on Corporate Concentration.

Mr. Orlikow: That was a hoax.

Mr. Rae: As the member for Winnipeg North says, that was something of a hoax. Nevertheless, it is interesting to note that even that Royal commission pointed to the problems created by having as concentrated a banking system as we have, and by having the very peculiar situation in which we find ourselves in Canada. We find the level of concentration, the degree of power and the degree of control, are so great.

I think it is remarkable that the government would choose to maintain the mythology that there is a competitive system out there and that the interests of smaller businesses are served just as well as the interests of large businesses by this system. They say there is no competitive advantage to be given to large companies, and the member from Mississauga asked us to give an example. I will give him an example. The very fact of life is that those companies which get the lowest rates of interest are the biggest companies in Canada. This is something he knows, as well as everybody else in this chamber knows.

What companies are paying the prime rate, Mr. Speaker? It is not the small companies. It is not the companies which provide for the employment of most Canadians which get prime rate or prime rate plus one. Let us not fool around. Those companies which get prime rate or prime rate plus one, or which manage to take advantage of the government's open door policy on income debentures, which existed before 1978, were the largest companies in Canada. They are the companies that are getting the advantage of close to prime rate, and not the small business communities. There is nothing in this Bank Act which protects the interests of small business to see that they have equal access and equal representation on the boards of directors.

When you talk to members from the small business communities and those groups which made representations to this finance committee, they will point out the difficulties they face because of the fact their views and their representations are not being taken seriously and their bona fides are not accepted with as much currency as those of the largest companies of Canada.

I am aware that the government has changed its mind with respect to motion No. 11. I know there were very strong representations made to it by the banking, financial and the large business communities, who said that they want to have these people on their boards. Well, if one had confidence, what would happen would be those large corporations would diversify. Those large banks would diversify their directors and they would be genuinely participating in the life of the whole community rather than simply confining themselves to the economic interests of the few and the large companies that they really serve. Then, if that were to happen, I would say it would be fine. But all the evidence which has accumulated in the last ten years points to the fact that the old boy network has replaced the consumer as king of the marketplace. That hard fact has not been recognized by the government.

I am disappointed that they moved away from the principles contained in motion 11. I am very disappointed that they are not prepared to accept motions Nos. 5 and 10. They should be prepared to put in some countermeasures to ensure that the interests of the consumer and the small businessman are protected so that we can unlock the tyranny which is caused by these interlocking directorates. Thus we can get at the problem of competition. It will not be solved by simply waiting. We have been waiting for a long time for the kind of competition legislation which has been promised. It is promised on an almost regular basis every six months by the Minister of Consumer and Corporate Affairs in order to fend off the questions which inevitably follow the corporate mergers that take place at regular intervals. The problem will not simply be solved by doing that. The Bank Act has a role to play in regulating competition and in ensuring that this corporate concentration is stopped.

If the government is not prepared to accept these amendments then one would have thought that they would be prepared to put in others. But they are not prepared yet to take on the chartered banks and the kind of corporate power which they possess. I think that fact should be exposed and it should be seen for what it is.

[*Translation*]

Hon. Pierre Bussières (Minister of State, Finance): Mr. Speaker, I would like to explain very briefly why we shall oppose the two motions introduced by the hon. member for Broadview-Greenwood (Mr. Rae). If we examine these motions, we see that one of them would prevent members of the boards of major financial institutions from becoming mem-

bers of the boards of banks. The other amendment has the opposite effect in so far as it states that a member of the board of directors of a bank could not become a member of the board of a Canadian business firm.

Members of the NDP have talked at length about the possibility of conflicts of interest. They have given the example of a bank linked with a well known business company. However, I should like to remind the House that when the director of a Canadian company is a member of the board of directors of a bank which is asked to consider a loan to this company, the provisions of clause 52 of the bill state clearly that this director shall abstain from attending the meetings concerning this application for a loan.

This is a provision which removes—

[*English*]

Mr. Orlikow: I would like to ask the minister a question. I wonder if the minister is aware of the fact that, according to an editorial which appeared a few weeks ago in *The Globe and Mail*, four directors of Massey-Ferguson were also directors of the Canadian Imperial Bank of Commerce, which loaned to Massey-Ferguson something in the neighbourhood of $400 million. Does the minister think that they played no part in the decision of the bank to loan that money to Massey-Ferguson? Does he think that even if they went through the charade of not voting on that loan, they did not have some influence on the other directors of the bank?

[*Translation*]

Mr. Bussières: Mr. Speaker, the best reply to this question is clause 52 of the bill which states the following:

A director of a bank shall not be present or vote at a meeting of the board or any committee thereof during the time at the meeting when a loan or advance to himself or a firm of which he is a member or a corporation of which he is a director is under consideration—

The law regulates application of the Bank Act and the operations of the boards of banks in our country. Without evidence to the contrary and without confirmed charge that this is not the case, I must conclude that the laws of our country have been followed until now. I believe this is the protection we have given the public in the Bank Act. There has been a lot of talk about concentration in the Canadian banking system. Each time this argument is raised, Mr. Speaker, a great number of financial institutions are forgotten even though they are available to Canadians and even though they are very important in view of the amount they hold on deposit and invest. I need not remind hon. members of the existence of caisses populaires and credit unions. Through their various investment instruments, they participate financially in several companies and play an extremely important and leading role in our society. In my opinion, the type of caricatures that was drawn of administrators and bankers in no way reflects the realities of our society.

Increasingly, Canadians who are developing an interest in finance are people like us who have special expertise in the field of finance and banking affairs, and their work is excellent. Our purpose as MPs, in studying a bill such as this one, is first of all, to give those people the best possible tool with which to work for the common good of our society, and second, to give them clear guidelines to spare them, in the performance of their work, being faced with conflicts of interest or such situations as might harm the common interest. The hon. member for Broadview-Greenwood did point out that at one time the government did consider going ahead with a proposal similar to the one he is putting forward. However, at the pressing request of Canadian business—I believe the matter was brought up in committee, the hon. member for Edmonton West (Mr. Lambert) can correct me if I am wrong—in light of those requests the government came back and said: Well, listen: it would be detrimental both to Canadian businesses to deprive them of the possibility of benefiting from the expertise of bank directors, and to the development of our Canadian financial institutions to prevent Canadian business directors becoming members of the boards of directors of banks, and so enable the business community to exchange common experiences and enlighten each other. I feel, therefore, that this is in the interest of the development of both our businesses and industries, and finally for the good of our society. We have kept those provisions in the pursuit of that objective and shall therefore have to reject the amendments moved by the hon. member.

● (1610)

[*English*]

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I have been listening with a great deal of interest to the previous comments, and there are a number of things I would like to say about them. I feel very privileged to have this opportunity to speak about this very important piece of legislation. We have waited long for it, and we recognize, as previous speakers have indicated, just how crucial this act is to directing the development of Canada economically. I must say, though, that I am quite dismayed in many respects by the lack of interest with regard to accepting what I feel are very appropriate and necessary amendments to the existing act.

It seems that we are debating an act which does not address seriously the concerns of the financial communities of the 1990s and 1980s. The other day a speaker referred to this as horse collar legislation concerning itself with the financial world of the past, recognizing, perhaps, the financial world of the present, but certainly not providing legislation for the next decade unless some very serious changes are included.

I would like to talk about some of those necessary amendments. We are presently addressing ourselves to motions Nos. 10 and 11, but I think first we should recognize the very privileged position in which our Canadian chartered banks find themselves. Our financial institutions essentially direct the economy in certain directions. They decide what types of projects will go ahead, what types of projects will be encouraged in terms of Canada's economic development, and

the parts of Canada where there will be support, nurturing and development.

Because of that privileged position and because of the extremely important role the banking institutions play in the development of Canada, we in the New Democratic Party feel that there must be steps taken to ensure greater accountability on the part of our banks and to ensure that the banks are operating in the best interests of Canada and Canadians. I do not think the present legislation begins to address that seriously.

Previous speakers from the New Democratic Party have made comments about conflict of interest situations. As politicians we are very sensitive about the concept of conflict of interest. As previous speakers have indicated, we recognize that when there is a conflict of interest which is obvious, the individual involved is not permitted to vote on that particular issue. That is fine. That covers the bases. There is no question about that, but all of us in this House know—we have all been involved in the political process long enough—that one can be extremely influential in decision-making without having to participate directly in the vote. In many, many ways all of us attempt to influence legislation without perhaps even involving ourselves in a very direct way.

As a member of the New Democratic Party I reflect my party's views, and I feel that we need some public participation in the banking business. We see public participation in the banking business in some of the most progressive and dynamic countries in the world in terms of their economies. I am speaking about countries such as West Germany, which is generally held up around the world as a model of a first-class entrepreneurial economy.

We see public participation in banking institutions and so forth in France. We see public participation in banking in the United Kingdom and in the Scandinavian countries. These are not countries in which economic development is hindered or retarded by public participation. Indeed, as I indicated earlier, we are talking here about some of the most progressive and dynamic economies in the western world.

No such accountability exists in Canada. Banking institutions in Canada do not in any way adequately reflect the views of the Canadian public, nor do they satisfy the interests of the Canadian public.

Motion No. 10 is important with respect to eliminating interlocking directorates. Such interlocking directorates include George Weston Limited, Cominco, Dominion Construction, Bell Canada, Inco Limited, Canadian International Paper Company, Kaiser Resources, Mobil Oil, Westinghouse Canada, Shell Canada, and one could go on and on. When one considers and analyses just who these directors are and what they represent, there is one very serious omission. Being progressive now, we see that some of the banks have housewives on their boards. Although this is certainly a token gesture, we can say that it is a small step toward recognizing that half of the Canadian population happens to be women who have very special sets of interests.

However, there is a group which is not represented in the directorships of the banks of Canada.

An hon. Member: The NDP.

Mr. Riis: It is a small group of people who happen to account for about 42 per cent of the employment in Canada, who happen to represent about 930,000 small businesses across the country, who happen to provide the entrepreneurship which is 100 per cent Canadian and who, according to recent reports, have provided some of the most creative programs. They are developing new technologies for this country. They represent the flavour of our Canadian communities because they are part of our Canadian communities. I ask anyone in the chamber to indicate one board which includes a representative of the small business community. Small business is eliminated, and as the previous speaker indicated, one of the points of having these various individuals on boards of directors is to provide their input because they lend a certain expertise.

● (1620)

Has the small business community nothing to add during decision-making times? Once again this government has shown itself to be extremely insensitive to this crucial sector of our country. I know ministers stand up, particularly at luncheons, and tell the small business community that they are the saviours of the small entrepreneur, that they are the people who support the concept of small business in Canada. The Tories have the guts to stand up at these luncheons and make the same kind of comment, that they are the party which supports the small entrepreneur in Canada. I say to them: show me the legislation to prove that. I suggest that if you were to look at the legislation—no matter whether it is legislation of the Tory government or of the Liberal government—you would find that at present there exist 200 programs to assist business in Canada which are sponsored by the federal government. But I would ask people to reflect on how many of those programs are available to the small businessman. Out of the 200 programs, only two are designed specifically for the small entrepreneur.

An hon. Member: Shame!

Mr. Riis: That is 1 per cent of federal government programming. That is the kind of support, encouragement, and leadership that the present Liberal government and the previous Tory government were prepared to give to the small businessman in Canada! It is a sorry state of affairs. If the small business community ever wake up and look carefully at that legislation one day, look carefully at the financial structures across our country, it will become extremely clear to them who their friends really are.

I should like to turn now to the topic of competition. There is an illusion in this country that there exists competition among the banks, that interlocking directorships somehow facilitate competition in Canada. Well, we have all been introduced in the last couple of years to the infamous Canadi-

an establishment, and anyone in this country who thinks for a moment that competition exists in our banking community, that whether you are a small or a large company your access to capital and funding is the same, is completely mistaken.

I would ask members of the House to address small businessmen in their ridings and ask them what interest rates they pay when they go to banks to borrow money. I would ask them then to examine the interest rates that large corporations pay when they borrow from our banks. I say that they would find that the large company or corporation at times borrows at prime rate plus a minute amount, if any, while the small business in this country is paying the prime rate plus 1 per cent, 2 per cent, 3 per cent or 4 per cent. Last week I spoke to a number of businessmen in my riding in central British Columbia who are having to borrow money at the rate of 21 per cent. Can you imagine the kind of productivity and the success that a new business must experience simply to be able to make those kinds of payments? Is that the kind of equality that exists in the financial marketplace? Is that the competition we are talking about?

I think we all know in this chamber that the reason the directors of large corporations are as they are is that certain people have privileged information, certain individuals and certain firms are in a privileged position when they develop. We, as members of parliament, know that in our hearts. The evidence is clear and the analysis is clear. Yet, unless we accept this amendment, we will be perpetuating this inequality.

I would ask members of Parliament when they vote on this crucial amendment to realize fully that it would enable the situation to be turned and to make this country of equal opportunity for both large and small businesses. We are interested in developing and encouraging the entrepreneurial instinct in Canada and in developing Canada as vigorously as we can. The small businessman is not treated equally at all, and all of us in this chamber know that. I would ask members of this House, when the opportunity to vote arises, to think of the small businessman, the man on the corner of your street, the small shop down the road, and to think of what the existing legislation provides for them as against the advantages provided to the large corporations.

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, these two amendments basically strike at the heart of some of the problems we have in our economy and at the way in which the economy of this country develops. My colleagues have outlined our position. I was very surprised to hear the minister intimate that he thinks all is well. The government opposite keeps telling us that basically there is nothing to fear, that there are housewives among the membership of the boards, that there are everyday people with expertise who are members, such as native Indians, people who live in remote areas, and people who have priorities for development and who need capital to make them eligible for some of the programs to create opportunities for their children. It is no wonder that the government opposite was able to have only two members from western Canada elected. I am prepared to put money on the table that they will not get their deposits back the next time. I do not think this is due to maliciousness on the part of government members or to serious opposition to what is going on. Rather, I think they have their heads buried in the sand—

An hon. Member: Insensitive.

Mr. Skelly: —and they are insensitive. I do not want to be provocative. I think we can discuss the merits or otherwise of these amendments, but, speaking seriously, I say that I find it very strange that the minister can stand up and say there is no problem, because many people, including many of the members on the other side, have recognized the seriousness of the problem of corporate concentration in Canada. I have heard, in committee and in this House, the Minister of Consumer and Corporate Affairs (Mr. Ouellet) say that one of his highest priorities is to bring forward legislation to deal with this problem, but then the government turns around and reverses this, as was done by the Minister of State for Finance (Mr. Bussières) in the statement he made this afternoon. I sincerely believe that the minister does not think that, that he recognizes the fact that there are serious problems, that he is locked into this piece of legislation and is scared stiff to make any changes to it that would be appropriate. I would like to take the high road in the analysis of his statement.

At this point I think it might be worthwhile to take a look at Canadian history, since we are talking about the constitution. Many people really think that the BNA Act made Canada and that a 113-year-old document welded together four backward colonies along the St. Lawrence river and in the maritimes. There is a great argument in Canada that this country was welded together by the determination of the Canadian Pacific Railroad, the Bank of Montreal, and what was at that time known as the Liberal-Conservative party, that in fact Sir John A. Macdonald led a party which was known as the Liberal-Conservative party.

It is strange how the wheel of fortune turns, how history moves on and yet things remain the same when we listen to the arguments that both of these groups sitting in the House put forward and we find that they are the same arguments. It is of concern to us. I would suggest that, in fact, when the country was put together the strongest force within the country was the Bank of Montreal and the Canadian Pacific Railroad, and their political arm in the House of Commons, but I would also suggest that this country did not develop in a way which benefited many Canadians.

There has been social hardship and a single-minded concern for making a buck, to take advantage of others, instead of building this country at a pace at which people could benefit. There were some very serious problems then because of corporate concentration, interlocking directorates, and political and economic control of the country by a small group of people referred to as the old boy gang. Frankly, it has been stated before that the old boy gang still runs the country. It is time we did something about it.

• (1630)

Really the history has not changed much. The wheel has turned, but we have the same problem at a different level. The interlocking directorates exist and the annual reports of the Bank of Canada are sitting here. No one has to examine those to see that the most powerful corporations in Canada are represented on the boards of directors and vice versa. But an interesting article appeared in *The Globe and Mail* which indicated that as a result of some of today's problems with Chrysler, Massey-Ferguson, and a variety of other companies which were previously doing well and are now firmly locked on the public trough, the directors of companies should not be permitted to serve as directors of banks from which the companies borrow, nor should the banks be represented on the boards of directors of client companies. That was an editorial statement which appeared in *The Globe and Mail.* When I look at the amendments we propose, I realize those are the things we are proposing.

I do not want to draw this out too long, but the Royal Commission on Corporate Concentration, which I believe is called the Bryce commission, has largely been viewed as an apologist for the government and the corporations in Canada. It has come forward with recommendations which almost defy logic, yet when we look at the recommendations concerning the power of corporate directorships, it is asking for modifications which do not appear in the Bank Act. So, we have *The Globe and Mail* and even the Bryce commission, which bears very little credibility in the real world—even they have the timidity to come forward asking for changes in the manner in which we structure the leaders of our industrial and financial corporations. I urge the minister to review those and to take a look at the problems. Those interlocking directorates exist, the old boys exist, and really Canadian consumers or the people who depend on them suffer for that. It is not just the consumers who suffer.

For example, today we had a very interesting question for the Minister of Consumer and Corporate Affairs, but unfortunately he did not arrive in the House until the last five minutes of oral questions. We had a question about his role in investigating the unacceptable concentration of the print media. Also we have had many questions concerning his role in investigating oil companies. Over the last seven years the ministry, through the minister, has fooled with this question and not brought it to a satisfactory resolution.

We have George Weston and food chains which control the price of food. We have a variety of organizations which control housing and availability of money for housing. We have the banking industry which is the most powerful and influential of all those groups. They fuel the engines. They make concentration tighter and tighter all the way down the line, always in the interests of a buck. Quite often it is in the interests of efficiency, but always in the interests of a buck, not in the interests of the people they serve. As they make the concentration tighter, there are fewer and fewer opportunities to serve the people.

As the hon. member for Kamloops-Shuswap (Mr. Riis) pointed out, small businesses often get chopped in the process, but it is not just the small ones. So, the corporate concentration exists. It seriously affects our lives. It starts with interlocking directorates, and we have looked at the costs of it. There is a lack of competition and even a lack of an ability to compete, which results in high prices. People pay significantly more for the goods and services they require because of that concentration.

The points I made before also deal with the business of development in the country. There are areas of the country which are not developed because the return is not quite as high as it is in other areas. They kiss that group of people good-bye and say hello to the areas with the most profitable return. The tighter the concentration, the more deliberate that development. We have seen that with banks. As I have stated in the House before, in my particular riding there are communities such as Sayward, the Campbell River area, the central coast area, the North Island area and even Victoria where banks have withdrawn services because there is not the kind of return for which they are looking. To put up branches in downtown Vancouver, Ottawa or Montreal gives them a better volume for less investment. Unfortunately the people in rural areas suffer from the effect of strictly corporate concentration because there is no other competition.

We asked for some public input, public presence and public accountability to remedy that, and it did not happen. It was totally rejected by the government. Now we are asking for this simple thing—after making a series of retreats—which is backed by the Bryce commission, *The Globe and Mail* and, in fact, the electorate. There are areas in the country where the present government does not enjoy the confidence of the people, and it continues to erode confidence because of lack of action. At any rate, the costs of corporate concentration are very evident and they are growing.

No one would deny that corporate concentration movements are fueled by the banks, the Big Five. We have heard the minister say, "Yes, but the caisse populaire and credit union movements are competing with them". But it is at a much lower level. When we look at the billions in assets which they control, we are not really talking about the same thing. When we look at the concentration of control of those assets, we are not even talking in the same ball park. It is very unrealistic to say that the credit union movement is out there competing at the same level as the banks. That is just not so. Certainly I would appreciate the minister coming forward and saying, "We will unshackle the hands of the credit union movement and allow them to compete in some of the other areas". At any rate, the costs of corporate concentration are very high.

I should like to spend just a moment reflecting on what has been the government's attitude to this. Unfortunately the Department of Consumer and Corporate Affairs is the bulwark upon which we depend to protect us from the less desirable, the evil aspects of corporate concentration. Whether it heads over into an illegal activity or whether it is just contrary to the interests of people, the government moved

away rapidly from an effective competition policy and it became involved in a different process. When we look at the funding of the Department of Consumer and Corporate Affairs over the last few years, it has been cut pretty substantially. Also the department's person-years have been cut substantially, yet we see the banks, the oil companies, the food chains growing tighter and tighter with more and more control. The people we expect to police are having resources taken away and personnel cuts. Frankly it is not a movement of a government which intends to protect people against not only illegal activities but against activities which can be viewed as not in their best interests.

That is only one aspect of where the department is being cut back. Either the minister's priority is so low in cabinet or their priorities with that department are so low that we cannot expect any action. Numerous questions referring to the newspaper situation, the oil company situation and other areas have been addressed to the minister in the House, and he says, "Yes, we are looking into it." Manana, always manana, but unfortunately we do not get any hard answer or any protection.

Either the minister's priority is very low or the whole department is a very low priority. There have been cutbacks in person-years and in the budgeting. I suspect in the final analysis they will break it up into its component parts and stick it into the Department of the Secretary of State, just as they did with the secretary of state for urban affairs. Somehow it just disappeared. I suspect that in the final analysis it will be the end route for the Department of Consumer and Corporate Affairs. Members on this side believe that that is one of the highest government priorities. We look to energy, finance and a variety of other areas, but members on this side are the only members who stand for their protection. We do not receive any information from the government, and what we get is a department which has been cut back.

● (1640)

Mr. Evans: Tell me where you got most of your amendments.

An hon. Member: Don't be so modest.

Mr. Skelly: If most of the amendments were accepted, there would be more protection in the act for the consumers. We would like to see the government adopt some of these amendments which will provide protection to the consumer. Consumers cannot expect protection from the government through this legislation. We are sincerely hoping that the government will put controls in this legislation which will restrain the movement toward corporate concentration and prevent interlocking directorships and which will have the effect, in the final analysis, of protecting the people.

Because there is a lack of competition legislation and a lack of will on the part of the government to put protective mechanisms into this legislation, the government is merely hanging the consumers out to dry. If the government rejects our proposed amendments which take the form of protective mechanisms it will literally have the effect of hanging consumers of this country out to dry.

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

Some hon. Members: Question.

The Acting Speaker (Mr. Ethier): The question is on motion No. 10. All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Ethier): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Ethier): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Ethier): Pursuant to Section 11 of Standing Order 75, the recorded division on the proposed motion stands deferred.

We are now on Motion No. 11. All those in favour will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Ethier): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Ethier): In my opinion, the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Ethier): Again, pursuant to Section 11 of Standing Order 75, the recorded division on the proposed motion stands deferred.

Motions Nos. 14, 15 and 18 will be grouped for debate and voted upon separately.

Mr. Bob Rae (Broadview-Greenwood) moved:

Motion No. 14

That Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in clause 2 by substituting the word "five" for the words "twenty-five" in lines 7, 14 and 19 at page 98.

Mr. Bob Rae (Broadview-Greenwood) moved:

Motion No. 15

That Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in clause 2 by substituting the word "two" for the word "ten" in lines 34, 44 and 50 at page 98.

Mr. Bob Rae (Broadview-Greenwood) moved:

Motion No. 18

Bank Act

That Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in clause 2 by striking out line 36 at page 101 and substituting the following therefor:

"exceeds two per cent of the issued and".

He said: Mr. Speaker, the purpose of motions Nos. 14, 15 and 18 follows from the amendments which have already been put forward. They require a wider degree of dispersal of the shares of our banking institutions. The first motion deals with the peculiar position occupied by the Mercantile Bank of Canada. The other motions provide for a wider dispersal of shares so that no one relatively small group of people, whether they be individuals or companies, can exercise control over one of our chartered banks.

The first motion deals with section 110 of the Bank Act which currently provides a limit on shares held by non-residents, which reads:

A bank shall refuse to register in the securities register of the bank a transfer of any share of a class of shares of the bank to a non-resident

(a) if, when the total number of shares of that class of shares held by non-residents exceeds 25 per cent of the total number of issued and outstanding shares of that class, the transfer would increase the percentage of such shares held by non-residents;

That section is designed to give a particular advantage to one bank in Canada. Our concern in this regard has been on record ever since the deal was sanctified by a previous Liberal government. It deals with the fact that Citicorp Bank of the United States is in a position where in effect it is allowed under the Bank Act basically to control at least two banks. It will continue to control the Mercantile Bank by virtue of this section, and by virtue of the section on foreign subsidiaries it would be allowed to create yet another bank which it will also directly control.

I will not go into debate on foreign banks at the present time because this topic will be discussed when the appropriate amendments are before us. However, I think it is worth pointing out something which has not really been considered by the government, that it is possible, according to most analysts of corporate affairs, for a relatively small concentration of people effectively to control the corporate activities of a company, be it a financial institution or another corporation.

It is worthwhile reiterating the fact, while the Canadian public and the Canadian government are mesmerized by this concept of ownership, that the question of ownership, as it is generally recognized by most people who are attempting to understand our economy, is much less important than the question of control. Ever since economists, social critics and others began analysing the nature of our corporate system and our corporations, and the power which accrues to people who are at the pinnacle of a corporation, they have recognized that the illusion of the sovereignty of the shareholder is just that, an illusion.

The theory that, for example, in the general provision of the act a shareholder may not hold more than 10 per cent of the shares will limit a group from effectively controlling banks, is in fact not the case. Even with only 10 per cent of the shares, provided they are controlled and provided that control is exercised in a concentrated and direct manner, that can be sufficient to gain control of a corporation, for the very simple reason that so many shareholders are purely passive in their relationship to the company. Those shareholders who chose to take a more active role by virtue of ownership of over 7 per cent or 8 per cent of the shares can and do, in fact, control corporations.

Simply to argue that 10 per cent provides for a sufficient dispersal of shares, in our view does not take sufficient account of the realities of the economic world. It is for that reason that we have argued that the dispersal requirements be changed from 10 per cent to 2 per cent and that in the case of nonresidents the requirement be changed from 25 per cent to 5 per cent. In our view, such a change would provide for a partial recognition at least of the principle that the dispersal of bank shares must be widespread.

● (1650)

We cannot allow small groups of people to exercise unilateral control over these corporations. In the last round of debate, we emphasized the problem caused by the banks exercising their economic control by virtue of their position as lenders. We took the example of Massey-Ferguson—and there are others—where the triumph of financial capital over industrial capital led to the dilemmas facing that particular company. This is something that must be carefully analysed in our attempt to understand the way in which the system works in Canada.

We are now considering another phenomenon and another problem, that is, the relative ease with which a small group of people can exercise control over our banks. The Mercantile Bank is in the privileged position of being allowed to own not just one bank in Canada, but two. In our view it is not in the interests of this country to have one of the largest foreign banks in the world in a sense occupying a special and peculiar place in our banking system.

To sum up, Mr. Speaker, in the last debate we considered the problems caused by the ability of the banks to control the people to whom they lend and how they can do this to benefit the larger companies which happen to satisfy their criteria for loans. In the particular instance we are dealing with, the reverse is the problem in a sense but it is just as serious, that is, concentration of ownership which in turn leads to concentration of control and the fact that the government has to recognize this problem by calling for a widening of the dispersal of shares.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I do not have much to say on this motion. I do not find anything particularly objectionable in having a continuation of clause 110, set out on page 98 of the bill, arising out of the whole rationalization of the situation as it was at the time of the Mercantile Bank affair.

If hon. members are not aware of the case, originally this was an entirely foreign company, established by Dutch inter-

ests immediately after the war. It was then sold, first of all partly to the National Citibank and then wholly to the National Citibank. The result was the introduction of a grandfather clause which reduced the shares that Citibank owns in the Mercantile Bank to 25 per cent because its capitalization is otherwise artificially held down.

Considering that the shares in Canadian banks are so widely dispersed, I do not honestly think there can be a particular concentration of power in any one person holding 10 per cent in total, in so far as outside interests are concerned, of 25 per cent. This causes some difficulties in a limited sense, in that the bank might not register the shares in excess of these amounts and the person owning the shares unfortunately has them taken away. It is not that just one or two apples in the barrel are bad; the whole barrel is deemed to be bad. In other words, if I own 10.2 per cent of the shares in a bank, I cannot vote my entire 10.2 per cent. The bank cannot register the .2 per cent and I am unable to exercise my 10 per cent, so the strictures placed on the situation by the hon. member for Broadview-Greenwood (Mr. Rae) have no application. They are straw men that he has erected so that he may tilt at them.

I am quite satisfied with the present situation, Mr. Speaker, and I would therefore ask the House to vote against these two amendments.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I should like to point out to the House what the hon. member for Broadview-Greenwood (Mr. Rae) would have us do. With respect to clause 110(1)(*a*) and (*b*), he would insist that the number of shares in a bank held by non-residents should at no time exceed five per cent. I suspect that large corporations generally have a difficult time determining the place of residence of every one of their shareholders. This is particularly so in the case of large chartered banks. To reduce the limit to five per cent so that they can certify at all times that no more than five per cent of shareholders are non-resident would put such a burden on the officers and transfer agents of the banks that the whole thing would be totally unrealistic.

Just recently the Minister of Energy, Mines and Resources (Mr. Lalonde) announced that he would award specific and high grants to companies with more than 75 per cent Canadian ownership. This is the same type of clause here, Mr. Speaker. But at no time did the Minister of Energy, Mines and Resources suggest that a company had to be composed 100 per cent of Canadian resident shareholders.

Shareholders could be Canadian citizens who for reasons of retirement or whatever, leave this cold climate to live in the south. Would the hon. member for Broadview-Greenwood suggest that they should lose their shares because they retire and because their shares happen to put the bank over the five per cent provision? The hon. member does not know what it is about or how the system works, Mr. Speaker. Neither does the New Democratic Party. That is why they propose this amendment which does not make any business sense.

The second amendment, which also applies to page 98, Mr. Speaker, proposes to reduce the number of shares that individuals or an association of individuals could hold, from 10 per cent to 2 per cent. The minister already has a problem with the Montreal and District Savings Bank and he has filed motions No. 17 and others to deal with this. In that situation, people, in association, came to control up to 43 per cent of a bank and the minister has introduced a provision whereby they will be forced to divest.

It would be very easy for someone to gain more than 2 per cent of the shares in a bank or for an association of people by inadvertence to gain more than 2 per cent. Surely the limitation of 10 per cent is more than enough to make sure that the shareholdings of our banks are broadly distributed. It is true, of course, that holding a large number of bank shares might lead to an opportunity to be elected to the board of that bank.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Ethier): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty)—Freedom of Information—Directives to ministers; the hon. member for Vancouver South (Mr. Fraser)—Water Resources—Skagit River Valley—Reference by B.C. government of U.S. proposal to flood to International Joint Commission; and the hon. member for Cowichan-Malahat-The Islands (Mr. Manly)—The Constitution—Inquiry whether letter received from National Indian Brotherhood requesting discussions.

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

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*English*]

The Acting Speaker (Mr. Ethier): Notice of motion No. 1, the hon. member for Leeds-Grenville (Mr. Cossitt). Shall the item stand? Stand by unanimous consent.

Some hon. Members: Stand.

Power Lines

DISCUSSIONS CONCERNING HIGH TENSION LINES CROSSING OTTAWA AND ST. LAWRENCE RIVERS

Mr. Hal Herbert (Vaudreuil) moved:

That an humble address be presented to His Excellency praying that he will cause to be laid before this House copies of all minutes of meetings, documents, telegrams and letters concerning discussions between officials of the Department of Transport and Hydro-Quebec relating to high tension electrical lines crossing the Ottawa river below Carillon and the St. Lawrence river above Beauharnois.

● (1700)

He said: Mr. Speaker, in response to my request for documents, the Parliamentary Secretary to the President of the Privy Council (Mr. Collenette) told me that the documents in question were so voluminous that it would require an inordinate length of time to prepare them and it would be very costly. He then went on to say "I have, however, sent a copy to the hon. member." He did in fact send me a copy of the documents. Hon. members might ask why I am debating the issue today.

First of all, let me refer to the documents themselves which I have in my hands. It is true they number a dozen or so pages, which might be termed voluminous, but personally I do not think there would be any great problem in producing these documents for the public. However, one thing is abundantly clear. These documents are all in the French language. There is no English translation. You may recall, Mr. Speaker, that some three or four weeks ago while we were talking about western grain rates, when documents were not made available to the public, it was because they were in the English language only. The documents referred specifically to the Crowsnest Pass rates for the movement of grain out west, and I felt they should be more readily available in the French language to the people in the east, particularly to those in the province of Quebec. As I said then, there was a hidden cost to the treasury, to the people of Canada and to the two-thirds of the population who reside in the east of something in excess of one half billion dollars which was going into the pockets of the western farmers. Although I did not disagree with the particular item, I felt it should be more widely publicized.

Today, the same thing applies. We have a set of documents in French only, supposedly voluminous, but I suggest the reason they were not tabled is because they are in one language only.

Electricity is the lifeblood of modern society and without it much of our technology and prosperity would not exist. Electricity is efficient, convenient, clean and easy to transmit and distribute. By the year 2000, we can expect the demand for electricity to be more than five times the rate of the last few years. By the year 2050, about 90 per cent of all Canada's energy needs will be satisfied by electricity.

New York state saves millions of barrels of imported oil by buying 800,000 kilowatts of hydroelectric power each year from Quebec. The 765 kilovolt transmission line is 157 miles long in the United States running from Massena near Cornwall, Ontario to Marcy, which is near Utica, New York state. New York has a 20-year contract with Hydro-Quebec.

Just over a year ago, the Quebec minister of energy announced increased exports of power to New York state. The minister estimated that New York state was saving over one million barrels of oil a month, and added that the state had imported 823 million kilowatt hours of electricity from Quebec in the previous year.

In 1975, in a document sent to me by Hydro-Quebec, it was estimated that the cost to heat a typical single family, by electricity was $500, slightly more by natural gas and about $200 more by oil. One is well aware of the relative change in the cost of these three heating fuels since 1975 and the difference, particularly with respect to oil, is likely to become even more accentuated.

Initial installation costs varied very little. In fact, at that time, an all-electric installation was fractionally less expensive. About a quarter of Quebec's total energy needs are met by electricity and it is hoped to raise that percentage to 40 per cent by 1990.

Five years ago there was considerable concern that persons living in the vicinity of these high voltage electrical lines were acting as guinea pigs and that the electromagnetic fields surrounding the lines affected both the animals and the human beings within those fields. Two doctors working on a research project at the veterans hospital at Syracuse, New York, arrived at such a conclusion. The Canadian minister of the environment, in answer to a question in 1975, suggested that studies were going on with particular reference to caribou. However, since then, nothing further has been heard from this ministry on the subject.

The only other reference was in the same year when a senior official of Hydro-Quebec returned from Russia with the information that a human being should not be exposed for more than three hours in the vicinity of these high tension lines, and for not more than ten minutes close to the conductors. The minister of communications at that time, in answering a question concerning radio and television interference, stated that there should be no significant interference. However, anyone who has operated a radio or TV set in the vicinity of a line knows that there is interference and, in fact, that there is a black-out area. This significant point is a reference to distance and not to extent. The then minister of transport also indicated that there is no change to flight patterns for small aircraft in the vicinity of these lines. However, once again, anyone who has piloted a plane, as I have, will recognize the potential hazard of high tension power lines. It is apparent that the minister of transport was more concerned with the assurance of adequate clearance over federal waterways for ship navigation purposes than with the hazard created for the users of private airfields.

I might say that in the documents given to me, which were in French, about the only item I found of interest was a rather unusual point stating that the clearance over the Ottawa River was to be 80 feet whereas the clearance over the St. Lawrence River was to be 75 feet. Since I am under the impression that most of our navigation takes its course along the St. Lawrence River, I question why there should be that difference. How-

ever, that is quite a minor point. I would say, though, that this was the only point of interest in the documents handed to me, illustrating that the involvement of the federal government in these hydro lines and the potential they afford for the export of electricity is not particularly great.

It is of interest that in 1975 the then minister of energy, mines and resources stated there had been no discussions between his ministry and Hydro-Quebec concerning the export of electricity to the United States and that the only federal involvement would be the regulatory approval by the National Energy Board of the agreement between Hydro-Quebec and the power authority of the state of New York. Thus the ministry of energy, mines and resources took no interest at that time in the amount of electricity to be exported or its impact on the domestic need for energy.

It is also interesting to note that hydro generation in the province of Newfoundland, by virtue of the generation at Churchill Falls, approaches that of the province of Ontario and exceeds that of British Columbia. Approximately 84 per cent of Newfoundland's production is supplied to the province of Quebec. Power from the generating station at Churchill Falls is transmitted at 735 kilovolts to make the journey of more than 700 miles to Montreal and other cities in Quebec. A comparison of Churchill Falls and LG-2, at La Grande in Quebec, indicates a plant capacity of the former of 5,225 megawatts and of the latter, 5,328 megawatts, essentially similar capacity.

• (1710)

As a cheap source of energy, the abundant hydroelectric resources at Churchill Falls, Labrador, should be able to attract both industry and export income to Newfoundland. But at the moment, the province is locked into an agreement allowing Hydro-Quebec to buy most of the electricity generated at Churchill Falls at fixed prices over a very long period of time.

The explosion of world energy prices since the contract was negotiated has given Quebec an unexpected windfall gain on electricity produced in Newfoundland—greater in total than the equalization payments and unemployment insurance benefits Newfoundland receives as a have-not province.

A study carried out by the Economic Council of Canada indicates that profits accruing to Hydro-Quebec from the increase in the price at which electricity is sold and the fixed price paid to Newfoundland for power from Churchill Falls exceeded $600 million last year. The province of Newfoundland estimates that figure at more than $700 million. But it is not just Newfoundland that pays the price. The federal government also loses out because of the amount it must pay to that province from the equalization program, a sum of $334 million last year, and for the other costs of a "have not" province such as increased unemployment insurance payments. These two items together total more than half the total budget of the province.

The president of the Economic Council of Canada estimates that if the price of the electricity transmitted from Churchill Falls to Quebec were calculated on the basis of the word price for oil, its value would exceed $1 billion.

Thus we are faced with a situation where electricity is sold at a low price by one province to another. In turn, that receiving province sells electricity to the United States. Meantime, in the Atlantic provinces much of their electric needs is being generated by using imported oil paid for at world prices.

I thought it important to air this subject today. That is why I requested the document. I feel it would be preferable for the government in matters of interest such as those I discussed in the last few weeks regarding the grain transportation and today concerning hydroelectric lines and the sale of electricity to the United States to make these documents available to the public in both official languages. Because of that omission, I am pleased to have this opportunity to raise this subject in debate this afternoon.

Mr. Howard Crosby (Halifax West): Mr. Speaker, I want to intervene very briefly in this debate to lend some support to the hon. member for Vaudreuil (Mr. Herbert) and support not only the nature of his motion and the fact he has brought this subject to the attention of the House, but the remarks he made on the matter of an adequate and versatile hydro transmission system in eastern Canada.

First, let me speak to the nature of his motion. Something that impresses me in Parliament and elsewhere is that information becomes the lifeblood of social and technical progress. Without information we cannot pursue those aims and objectives that we legitimately should pursue as members of Parliament. When the member comes to this House seeking information and that information is withheld, the administration is striking at the lifeblood of a member of Parliament. The fact the member has taken an interest in this area and has gained knowledge of the ramifications and the problems involved in a hydro transmission system indicates the extensive nature of his investigations and his knowledgeable background of these matters. With great intellectual honesty he comes with this request.

What is at the heart of all these requests for information is the basic principle of freedom of information in government. It ought to be the right of not only members of Parliament, but other people interested in public affairs to request and obtain information which they need to pursue matters they think are important. This is typical of the kind of problem which arises when, because of restrictions on the free flow of information, one is hampered in pursuing a lawful inquiry. A great many of the problems in this area could and should be resolved by proper freedom of information legislation. We all look forward to consideration of the bill now before the House respecting freedom of information.

With regard to the substance of the matter which the hon. member raised, that of a hydroelectric transmission system in eastern Canada, the hon. member honestly points out the advantages the province of Quebec has gained from a transaction with the province of Newfoundland related specifically to the transmission of hydroelectric power. These are the sorts of

things that make confederation and continued co-operation among the provinces difficult. I know that when Mr. Stanfield was the Premier of Nova Scotia, steps were taken by the maritime provinces to develop an integrated grid system for the transmission of electric power. Unfortunately, this system stopped at the Quebec border. Nova Scotia and the other maritime provinces were unable to gain access to vast supplies of electric power available through the Quebec transmission system and the hydroelectric system of the province of Newfoundland.

This has great and important ramifications for the future of energy in the eastern part of Canada. While we think of the great problems raised by the cost of importing oil used to generate electricity, further down the road, as we are able to overcome the problem of electrical generation with oil, we will be looking at developments like tidal power which will be totally dependent for their effective implementation on a hydroelectric grid system.

The importanee of this on development of the energy future of the maritimes cannot be underestimated. Without the kind of information which the federal government has at its disposal being circulated, and those interested being allowed to examine the kinds of information, tests and studies that have been carried out in the past, we will not be able to move in this direction. Even today it is argued in Nova Scotia and New Brunswick that the development of Fundy tidal power will be hamstrung by failure to have in place an electric grid system to carry the power which would be generated by this tremendous project.

The hon. member brought a very important matter to the attention of the House when he spoke not only of the failure to bring to public attention the information at the disposal of and in the hands of the officers of the federal government, especially when it relates to electrical transmission, resolution of the electric transmission problem being at the heart of the energy dilemma from which we suffer so much in eastern Canada. I congratulate the hon. member and support him in his endeavours. I hope all members of the House will support him as well.

● (1720)

Mr. Maurice Foster (Algoma): Mr. Speaker, I would like to say a few words on the motion by the hon. member for Vaudreuil (Mr. Herbert) because it relates to the export of electricity, a commodity which Canada has in some surplus in some of the provinces. I think the question of exports of electricity was of some special significance a few weeks ago before the budget was brought because at that time there was concern, especially by the western provinces, that a tax would be imposed on exports of natural gas. The argument went that if there was a tax imposed on the exports of natural gas from western Canada, chiefly from Alberta and British Columbia, a tax should likewise be imposed on electricity produced across the country, but especially in the provinces of Ontario and Quebec, which consume a very large portion of the natural gas produced. I must say that there seemed to be some logic to this argument. But in the end the Minister of Finance (Mr. MacEachen) in his wisdom decided not to impose a natural gas export tax and so there was no tax imposed on electricity.

He did impose a tax on all consumers of natural gas, whether in Canada or in the United States. Of course, it was a much lower tax than it would have been had it just been on the exports. It is interesting to note with respect to the tax applied to natural gas that some 44 per cent of the revenues raised come from the consumers in the province of Ontario.

Regardless of which method was used for raising these taxes, whether on electricity or on the export of natural gas, it was clear that the provincial governments were opposed to it in any event. Certainly the provinces vary in the amount of electricity that they produce and export to the United States.

It would be interesting to consider for a moment the amount of electricity which is exported to the United States. Total production in Canada in 1979 was some 335 billion kilowatt hours of electricity. Exports amounted to some 30.4 billion kilowatt hours of electricity, or 8.6 per cent of the total production. It is argued that if this export of electricity did not take place that the cost of electricity to consumers would have been higher because, in essence, it is sold at a profit and it is often consumed in the United States at a time when the demand in our domestic market is not as great.

If we look across the country at the various provinces which produce and export electricity we find that the total value of the exports to the United States in 1979 amounted to some $738 million. In New Brunswick it was $128 million, in Quebec it was $110 million, in Ontario it was $356 million, in Manitoba it was $64 million and in British Columbia $80 million of electricity was exported to the United States. The question of imposing an export tax on this, as in the years from 1925 to 1963, is a complicated one because in some provinces, like New Brunswick where the electricity is generated from oil-fired thermal plants, profitability is not nearly as high, given the increase in the price of oil, as it is in Manitoba or British Columbia where electricity is generated from hydro sources.

The hon. member for Vaudreuil makes a very important point when he suggests we should be considering using electricity more for domestic home heating. Clearly, that is what is implied in the national energy policy program, which was put before the House a few weeks ago by the minister of energy. In that paper we see that if a person switches to electricity—the initial cost of heating a home shows only a very modest increase as between 1980 and 1984, making allowance for increased conservation. For instance, in 1980 the cost of heating a home with oil in a typical Canadian city—we will take Winnipeg as an example—is estimated to be $680 per year. Based on the projected world price of oil, by 1984 the cost of heating that same home will escalate to $1,930 per year.

You will recall, Mr. Speaker, that in the budget presented by the previous government on December 11, 1979, they were proposing to move the Canadian price to 85 per cent of the world price by 1984. If we take 85 per cent of that figure we

will see the cost of the average home heating bill. But if we look at what it would cost four years hence to heat with electricity—and this is the argument that the hon. member for Vaudreuil was making—we find the cost moves from $680 today, with oil, to $965 four years from now. If the person improves the insulation in the home and achieves a 25 per cent reduction in the amount of energy required to heat the home, the cost comes to $725, which is very little over the cost of heating with oil today. The important thing is that the national energy program is designed to convert a significant number of homes across the country from heating oil to electricity and, especially, natural gas.

Even staying with heating oil, the price under the national energy program is $1,280 compared to $1,930 at the world price. If the CHIP program is employed and there is a reduction in the amount of energy used then we come out under the national energy program with $960 for heating for the average home. The program was designed to switch to natural gas and to increase the supply available to homes across the country, such as those in many parts of northern Ontario which do not presently have natural gas available. The program will provide incentives to furnish that supply to many communities which are not presently served. Under the natural gas heating regime four years hence the heating costs will be some $710 for a typical home. If increased insulation is applied the cost will be $525, less, in fact, than the cost of heating a home using an oil-fired furnace. So, I think that the argument that the hon. member for Vaudreuil is making, which is that we should be considering using more electricity for space heating, is important, certainly in provinces like Ontario where we have a surplus of electricity and in the province of Quebec where vast supplies are being brought on stream and where there is such an excellent opportunity to use electric heat.

In the period from 1925 to 1963 a tax was imposed on exports of electricity. I understand it was in the realm of .03 cents per kilowatt hour of electricity. Of course, the volume was quite low then compared with what it is now, and the revenues realized were not very great, but today, as I indicated in presenting the figures earlier, some $738 million are realized by domestic utilities which, of course, has a very good effect on the cost of the electricity used in the country.

● (1730)

If we look at the actual production of electricity across the country and the number of exports, it is interesting to note we exported some 30 billion kilowatts of power in 1979, whereas during the same period of time we imported some 1.792 billion kilowatts of power. I understand that in the first seven months of 1980 imports rose to 2.2 billion kilowatts of power. So the question of the export of electricity is a very important matter. It seems to me that as we move to greater use of electricity, natural gas, biomass and waste from forest products for domestic heating, we will probably be exporting less electricity and using more domestically, avoiding these exports.

Such exports could in fact be displacing heating oil along with natural gas and other domestically produced fuel sources because one of the objectives of the national energy program is to reduce the amount of oil used across the country by conversion to electricity, natural gas and other sources, and renewable resources as well, to the extent that heating oil would account for some 10 per cent of the use of energy in domestic heating and commercial and industrial uses. Thus we would save some 375,000 barrels of oil a year if we were able to effect that kind of conversion and the replacement of heating oil by products like electricity and natural gas during this decade. I think that is a very important target. It is one which I hope we can meet because along with conservation it can have a very dramatic effect in moving us away from the use of oil and toward other more plentiful sources such as electricity.

So, I hope the hon. member for Vaudreuil will be given these documents which relate directly to exports of electricity from the province of Quebec to the United States, in particular to the state of New York.

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of State, Small Businesses): Mr. Speaker, the motion before us today relating to high tension electrical lines crossing the Ottawa and St. Lawrence Rivers deals with a relatively technical subject which involves an element of government regulation. I am very familiar with such crossings, because in the county of Lambton, which is my home county, a similar high tension line crosses the St. Clair River into the state of Michigan, feeding into the Detroit-Edison grid network from the Lambton generating plant, which is a coal-fired generating plant in Ontario.

I am pleased to note that in this particular instance the government regulation seems to work. The two projects in question required approval by the federal government, and that approval was obtained by Hydro-Quebec in a short time with a minimum of bureaucratic effort.

The legislation which requires approval for the two power lines is consolidated in the Navigable Waters Protection Act. The NWPA, as the act is known, is administered by the federal Minister of Transport (Mr. Pepin) and is designed to protect the public right of navigation.

The act prohibits the construction or placing of any work in, upon, over, under, through or across any navigable water unless the work and the site and plans have been approved by the minister upon such terms and conditions as the minister sees fit. Volume III of the Revised Statutes of Canada, 1927 first interpreted the word "work" to include telegraph or power cables or wire. Such structures from that point in time required the approval of the minister—at that time the minister of public works—where placement of same was contemplated over any navigable waterway in Canada.

In this case, Hydro-Quebec submitted two separate applications to the then minister of transport for approval of a 735 kv transmission line at two separate locations. These applications are described as follows:

Power Lines

(1) An application by Hydro-Quebec for NWPA approval of a 735 kv overhead power line, crossing the Ottawa River in front of Lot 11, Parish of St. Andrews in Argenteuil and in front of Lot 1 of the Village of Pointe-Fortune, in Vaudreuil.

(2) An application by Hydro-Quebec for NWPA approval of a 735 kv overhead power line crossing the Beauharnois Canal between Lots 83 and 84 subdivided and Lots 13, 14, and 15 subdivided, of the Parish of St.-Louis-de-Gonzague, in the County of Beauharnois.

I will attempt to summarize each case separately. In each synopsis, relevant dates and procedures pertaining to the discussions between the two parties will be listed in order to show the chain of events that led up to the Transport Canada issuance of an NWPA document, approving the Hydro-Quebec works.

In the first case, the Ottawa River crossing on January 9, 1978, Hydro-Quebec submitted an application requesting NWPA approval for the subject overhead power line.

The application was directed to the regional director, Canadian Coast Guard, Laurentian region, who had been delegated signing authority by the minister to approve overhead power lines. In keeping with the usual procedures for administration of this act, the site of the work was inspected by the NWPA investigation officer from the coastguard base at Montreal. A site investigation report dated February 21, 1978, was forwarded from the Montreal base office to the regional office. The report stated the vertical clearance between the lowest point of sag of the line and the high water line to be 92.7 feet.

Recommendations for construction of the crossing were as follows: first, that Hydro-Quebec would advise the Montreal coastguard office of the start of construction, together with a schedule of the work, two weeks in advance of construction to permit the issuance of a notice to mariners; and second, that Hydro-Quebec would be required to paint the towers red and white in accordance with the Department of Transport standards for air traffic obstructions. The requirements for marking of the towers was transmitted to Hydro-Quebec in a letter dated February 27, 1978, from the regional superintendent of airways, Department of Transport. On March 2, 1978, only seven weeks after the application, approval under the Navigable Waters Protection Act was granted by the regional director, Laurentian area, acting on behalf of the then minister of transport. The approval document issued was in the form of a declaration of exemption, which is granted under section 5(2) of the Navigable Waters Protection Act.

Section 5(2) of the act was utilized because, upon investigation of the site and plans, the proposed vertical clearance more than adequately provided sufficient clearance for the type of marine navigation currently utilizing the area. Consequently, the proposed work did not present a substantial interference to the public right of navigation at the site, and a declaration of exemption document was issued.

In the covering registered letter dated March 2, 1978, dispatched with the section 5(2) document, the requirement to advise the coastguard of the construction schedule was brought to the attention of the applicant.

On October 6, 1978, a report from the Laurentian region advised that a construction schedule had been established: construction of foundations for the towers, December, 1978; erection of the towers, March, 1979; and installation of the power line conductors, May, 1979. The construction schedule was later revised on October 26, 1978, to indicate that the lines would be put in place between March 15, 1979, and August 15, 1979.

● (1740)

A notice to shipping which reads as follows was issued in August, 1979:

A report dated October 17, 1979, from Laurentian Region confirmed that the overhead line has been completed as per schedule and conformed to the plans approved under the Navigable Waters Protection Act. Subsequently, on November 29, 1979, the Canadian Hydrographic Service was provided with two copies of the work plans for charting action.

In the other canal crossing, on April 15, 1977, Hydro-Quebec submitted an application requesting NWPA approval for the overhead power line. The application was directed to the district manager, Canadian coastguard base, Montreal.

According to the usual practice, the site of the work was inspected by the NWPA investigation officer at the Montreal base office. A site investigation report dated April, 1977, was forwarded from the Montreal base office to the regional director, Laurentian region, to whom signing authority had been delegated by the minister to approve overhead power lines. The minimum vertical clearance of the overhead power line crossing the St. Lawrence seaway is 160 feet. Recommendations for construction of the crossing were as follows: First, that Hydro-Quebec would advise the Montreal coastguard office of the start of construction two weeks in advance of construction to permit the issuance of a notice to mariners; second, that Hydro-Quebec would mark each tower pylon situated in the water by fixed white lights; and third, that Hydro-Quebec would ensure that construction material or temporary structures used in construction of the line were removed from the waterway upon completion.

In this case, approval was obtained even faster. On May 2, 1977 approval under the Navigable Waters Protection Act was granted by the regional director, Laurentian region, acting on behalf of the then minister of transport. The approval document issued was in the form of a "declaration of exemption", which is granted under section 5(2) of the Navigable Waters Protection Act. As in the case of the Ottawa river crossing, section 5(2) of the act was utilized because the vertical clearance of 160 feet was greater than the standard seaway clearance requirement of 130 feet, which is also the standard minimum vertical clearance for all commercial shipping channels or waterways in Canada. Consequently, the proposed work did not present a substantial interference to the public right of navigation at the site, and a declaration of exemption document was issued. As in the Ottawa river case, all additional requirements were covered in a separate letter to Hydro-Quebec.

On October 26, 1978, a report was received from the Laurentian region indicating that the overhead power line

would be placed in position between November 1, 1978, and January 31, 1979. Subsequently, on July 17, 1979, the Laurentian region reported that the work had been completed in accordance with the plans approved under the Navigable Waters Protection Act. In a letter dated August 7, 1979, the Canadian Hydrographic Service was provided with two copies of the work plans for charting action.

In summary, in the case of the Ottawa and St. Lawrence river power line crossings to which the hon. member has referred, the application of the Navigable Waters Protection Act was carried out with relatively little dialogue necessary between Hydro-Quebec and the Department of Transport. The applicant, Hydro-Quebec, adhered to the stipulations of the requirements of the Navigable Waters Protection Act in a complete and prompt manner. This compliance was quickly followed by government approval.

I hope I have been able to clarify matters surrounding the hon. member's motion and I trust he will agree that the related events were simple and the procedures adopted were straightforward.

I might add in closing that copies of the documentation concerning these two NWPA approval cases are available from the official Transport Canada files upon request from interested parties.

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, may I speak in conclusion?

The Acting Speaker (Mr. Ethier): The hon. member for Vaudreuil (Mr. Herbert) will close the debate.

Mr. Herbert: Mr. Speaker, my reason initially for proposing this motion was the interest which was aroused some six or seven years ago as a result of the expressed intention of Hydro-Quebec to export electricity to the United States. At that time it became apparent that these high tension lines were to cross the constituency of Vaudreuil which I represent. I received at that time many representations from interested persons, in the constituency and outside, on a variety of aspects which I have touched upon in my previous remarks, not only concerning whether or not we should be exporting electricity but also concerning environmental questions, and matters respecting the fact that in the constituency of Vaudreuil there are small airports and therefore these power lines could have some effect on the pilots of small planes. Concern was also expressed about the effect on navigation, and so on.

I put many questions on the order paper some five years ago and I received a variety of answers. Perhaps my greatest disappointment was when I heard that the then minister of energy, mines and resources had not expressed any great interest in the subject of the export of electricity to the United States. I made a request for these documents to be produced in the hope that they would contain further clarification of the position of the various government departments concerned.

When the parliamentary secretary advised us that the documents were voluminous and as a result, as he said, could be produced only at an inordinate cost and would take an inordinate length of time to prepare, I requested that the subject be transferred for debate, my reason at that time being that unless I did exactly that, I would not have the additional opportunity, as I have had today, to talk about the contents of the documents in question.

Of course, the initial reason for requesting that the documents be tabled was that these papers might be available to the public.

As I said earlier, it has become apparent in this instance, as in the previous instance, that the essential problem was one of translation, not one of the size of the documents. However, having said that, I have received the documents in question in the French language only and I have reviewed them. It has given us the opportunity this afternoon to talk a little about what we are doing in this country on a province by province basis in the field of electricity and about the problem of the province of Newfoundland which is selling 84 per cent of its electrical production to the province of Quebec at what is by today's criteria a very low price indeed, while the province of Quebec is, in turn, exporting electricity to the United States, Hydro-Quebec making in the process a fairly substantial profit. I feel that if we are to maintain a federal state an increased interest in this activity must be shown by the Department of Energy, Mines and Resources.

Having said that, there is obviously no point in pursuing this matter any further at this time. My colleagues and I have had the opportunity to air the subject, and I therefore request the consent of the House to withdraw the motion.

The Acting Speaker (Mr. Ethier): Hon. members have heard the request of the hon. member for Vaudreuil. Is there agreement to allowing the hon. member to withdraw the motion?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Ethier): It is ordered that motion No. 7 be withdrawn.

Mr. Knowles: Six o'clock!

The Acting Speaker (Mr. Ethier): Is it agreed that we call it six o'clock?

Some hon. Members: Agreed.

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

At 5.50 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

BANKS AND BANKING LAW REVISION ACT, 1980

MEASURE RESPECTING BANKING INSTITUTIONS

The House resumed consideration of Bill C-6, to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs, motion No. 14 (Mr. Rae), motion No. 15 (Mr. Rae) and motion No. 18 (Mr. Rae).

The Acting Speaker (Mr. Blaker): Order, please. When the debate on motions Nos. 14, 15 and 18 was interrupted at five o'clock this afternoon, the hon. member for Mississauga South (Mr. Blenkarn) had the floor.

Before recognizing the hon. member, may I take a moment to indicate that a further grouping of the remaining motions has been made—those listed on the order paper at report stage of Bill C-6, to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof. The motions seem to be procedurally acceptable and it is the intention of the Speaker to group them as follows. Motions Nos. 22, 23, 25, 27, 28, 30, 38, 39, 40, 41, 42, 43, 44, 46, 47, 48, 49, 50, 51, 53, and 58 will be debated and voted on separately.

[*Translation*]

Motions Nos. 24 and 26 can be grouped for debate and a negative vote on motion No. 24 would dispose of motion No. 26. An affirmative vote on motion No. 24 will make it necessary to put motion No. 26. Motions Nos. 29, 31 and 32 will be grouped for debate, and the vote on motion No. 32 will dispose of motions Nos. 29 and 31. Motions Nos. 33, 34 and 35 will be grouped for debate and they will be voted on separately.

[*English*]

Motions Nos. 36 and 37 should be grouped for debate and a vote on motion No. 37 will dispose of motion No. 36.

Motions Nos. 45 and 54 will be grouped for debate and, if required, a vote on motion No. 45 will dispose of motion No. 54. Likewise, motions Nos. 56 and 57 will be grouped for debate and a vote on motion No. 56 will dispose of motion No. 57.

I am sure all hon. members are perfectly clear on the procedure at this moment.

Everything being perfectly clear, the Chair recognizes the hon. member for Mississauga South.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I am not too sure it is all clear, but I thank the Table for giving me a copy of your remarks in advance.

Prior to private members' hour, I was discussing section 110(3) found on page 98 of the bill. In that section the act provides that any group of shareholders, associated shareholders or a shareholder who holds 10 per cent is all right. But a bank will refuse to register securities where a shareholder holds more than 10 per cent of a class of shares.

The motion of the hon. member for Broadview-Greenwood (Mr. Rae) clearly indicates that he, as the finance critic of the New Democratic Party, fails to understand how banks and large institutions, indeed, large commercial organizations, operate. He suggests that the figure of 10 per cent should be reduced to 2 per cent. Obviously we will get ourselves into enormous problems if that happens. If one is to organize a new bank, it would be necessary for the principal promoters to hold a fair block of stock, and a reasonable block of stock would have to be at least 10 per cent. To suggest that a new institution could be organized with no shareholder or associated group of shareholders holding more than 2 per cent of the stock means that it would be virtually impossible to organize such a corporation. In other words, the New Democratic Party clearly favours the creation of no further banks, no further financial institutions and no further competition in the banking industry.

Earlier today they talked about greater competition. We never could understand where that party stood with respect to financial institutions. The truth is that when it comes to a financial institution they oppose it because it is a financial institution. They do not oppose it for any reason or rationale. They oppose it because it happens to deal with money, because it happens to deal with business, because it happens to deal with some sense.

The 10 per cent is an effective limitation. Indeed it might even be increased to 15 per cent or 20 per cent, but the government has proposed 10 per cent. We are prepared to accept 10 per cent because it ensures that even in the worst situation there would have to be a minimum of ten shareholders holding 10 per cent each. In a public company like a bank that would be an impossibility. But it also ensures that no shareholder shall hold more than 10 per cent.

Turning to section 111(2) we find it deals with the registration of shares. It is found on page 101 of the bill. That section deals with the registration and the voting of shares.

• (2010)

The New Democratic Party amendment says that if a person has more than 2 per cent of the stock of a company the shares would be registered, but that shareholder could not vote even with the shares which he held. This suggestion indicates clearly to all members of this House how little the New Democratic Party understands the business of business, the business of banking, the business of financial institutions or, indeed, the workings of the total corporate organization of this country.

The suggestions made in the amendments put forward by the hon. member for Broadview-Greenwood indicate his total lack of understanding of this act and of the banking industry in general. I suggest that the amendments be defeated forthwith.

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I just had to get up and respond in some way to the very uncharitable remarks made by the hon. member who has just spoken and who, I know, can on occasion be charitable. I take exception to some of the things he said, particularly the statement that the New Democratic Party does not understand the affairs of business.

Mr. Blenkarn: You don't.

Mr. Skelly: As the hon. member was making his comments I was gleaning from this rather scanty article more information than from his presentation. I would like to refer to it in the context of amendment No. 15. What we are asking for in this amendment is a change in the control of large corporations. We would like to see some accountability. We have stated that representatives of the public are accountable and that there should be representation from Crown corporations, but these ideas were no good because the government cannot become involved.

Now we are recommending a provision which would broaden the shareholding base. Banks are so important that the shares should be held by Canadian citizens. There should be a broader holding of the shares of those corporations. With this amendment we are trying to place an obstacle in the way of a situation which is all too common in this country today, one in which a small group of minority shareholders can control large and powerful corporations. We would like to broaden the base of the shares and insist on ownership by Canadian citizens.

These amendments are simple requests to establish Canadian control over the chartered banks by broadening the shareholder base. So far today we have spent most of the time debating fairly important points relating to corporate concentration in the banking industry. All the resolutions introduced today deal with the question of who controls the banks, how broadly they control them and how well they serve the interests of the Canadian people.

The Minister of State for Finance (Mr. Bussières) has said many times today that the banks have lots of competition. For example, he has told us that the credit union movement in Canada is in a very strong position to compete with the banks and that, in fact, it is taking business away from the banks. Credit unions are broadly co-operative organizations. Every member owns a share and can attend an annual meeting to elect a board of directors.

The credit union in my community is a very broadly-based organization which represents the feelings of the community. When I compare the board of directors of that credit union with the board of directors of the Canadian Imperial Bank of Commerce I come up with some very enlightening facts. This article says that in 1979 Conrad Black was on the board. He was not representing a broad base of shareholders, he was representing Argus Corporation. I am learning from the hon. member for Mississauga South (Mr. Blenkarn) who it is that controls the financial power in this country, and I have been working very hard to learn.

Mr. Blenkarn: You will have to work a lot harder.

Mr. Skelly: Who controls the financial power and thrust in this country? Another director on the board of the Imperial Bank of Commerce is Albert Fairley Jr. who is director of the Sun Life Assurance Company of Canada. It says that Mr. Fairley lives in Birmingham, Alabama. He is providing input from one major corporation to another while he lives in Birmingham, Alabama. J. P. Gallagher, another of the movers and shakers in the big corporations in Canada, is also mentioned. When I look at the board of the Courtney Savings Credit Union, I do not see a J. P. Gallagher, who represents Dome Petroleum or an A. D. Hamilton who represents Domtar or a Sydney Hermant, who represents Imperial Optical. Imperial Optical is a great little company. It is too bad that the Minister of Consumer and Corporate Affairs (Mr. Ouellet) is not here tonight because we could have a most interesting discussion about that company on the side.

What we are trying to get at in this amendment and in the whole series of amendments we have proposed today is who controls these banks. Obviously, these banks are controlled by a very exclusive group who represent very few people, and who thus wind up with interests which are not necessarily parallel with the interests of the people of Canada. The hon. member for Bow River (Mr. Taylor) talked about the situation in his province which is similar to the situation in my province, stressing the need for a broader base and more sensivity to the needs of the people of the western region.

The Canadian Imperial Bank of Commerce also has on its board a representative from LaFarge, a company based in Paris, France. I did not select the Bank of Commerce particularly; I merely wanted to make some remarks to illustrate the problem in front of us. Other members on the board include Albert Powis of Noranda Mines and Gailen Weston from the George Weston group. And here are two more, one from the Sun Life Assurance Company and one from Massey-Ferguson.

When we look at this board of directors we see that it is very exclusive and very powerful. The assets of the Canadian Imperial Bank of Commerce amounted to $50 billion in 1979, and the company recorded an 18 per cent increase in its assets since 1978. That company is doing very well. But we are not looking at $50 billion operating in the Canadian economy, we are looking at the interrelationship between the assets of all those other corporations and the Imperial Bank of Commerce. There are even international ties.

I just do not believe that the interests of Canada necessarily dovetail with those of the Imperial Bank of Commerce. I do not believe the minister when he says that the credit union movement is competing successfully with the Imperial Bank of Commerce because they are not in the same ball game. We are talking about a group of institutions which have a budget which is greater than the budget of the Government of Canada.

I am very skeptical when the minister says that the banks are facing real competition. The Toronto-Dominion Bank has total assets of $28 billion. Again the board of directors includes representatives of the Sun Life Assurance Company. So these companies are not merely associated with one bank,

they have their fingers in a couple of banks. That looks like interlocking directorships.

● (2020)

I am glad the hon. member for Mississauga South (Mr. Blenkarn) drew attention to my lack of understanding of business. But I have some questions, Mr. Speaker. Maybe it is time we all acquired a profound understanding of business and how it affects us. One of my colleagues says that Brother Bennett in British Columbia has been teaching us lessons. He subscribes to the same school of thought as the hon. member for Mississauga South.

We are looking at this particular organization with its paltry $28 million, which is a nice increase over last year, and also at the tremendous assets of the corporations around them. I find that CPR and one of its major subsidiaries is represented, as is Imperial Oil. I have forgotten which of these corporate citizens of Canada is concerned in this, but when we are learning the lesson of business that the hon. member for Mississauga South mentions, we notice that one of the advertisements on the program "Hockey Night in Canada" shows a big globe turning around. A man walks out on stage with a brace and bit. He stops the globe, then gets up on a ladder and puts the brace and bit against Canada and screws a big hole in it. That has just got to be Imperial Oil, Mr. Speaker. He screws a big hole in the globe and says, "We are basically working for Canada." I think that is some of the most honest advertising that has ever appeared on television. I cannot really tell which is screwing Canada the worst. Imperial Oil is doing us, so is the CPR. They are in a very exclusive club with the banks.

When I look at the Canadian Imperial Bank of Commerce I see Conrad Black of Argus Corporation and J. P. Gallagher of Dome Petroleum. They control $50 billion in assets and have interlocking arrangements through the Sun Life Assurance Company. I have to ask myself who controls the banks, Mr. Speaker. Is there a widespread representation of Canadian citizens or is it entirely Canadian citizens who influence the direction of the banks? To my own question I have to answer no, it is not.

The amendments we have introduced would ensure that Canadians control those banks, that Canadian representation on the boards of directors was much broader and that the sensitivity to Canadian issues was much increased.

I should like to pursue this avenue, Mr. Speaker. We have J. Edgar Kaiser whose daddy, down to the south, was Kaiser Steel and was also involved in oil companies. J. Edgar Kaiser was teaching British Columbia a lesson about business—along with his buddy, Bill Bennett. At one time the people of British Columbia, through their government, owned a large number of forest companies and other corporations that private enterprise had abandoned—along with the jobs and benefits to the community. The government of British Columbia picked up those companies and began to make a tremendous amount of money. The companies were extremely profitable. There were forest companies in northern British Columbia and the Kootenays; there was Westcoast Transmission and all those other beauties. When Bill Bennett was elected he decided to teach the people of British Columbia about business—just as the hon. member for Mississauga South suggests. He said, "We are going to take all those corporations that are making money and put them together in a big company called B.C. Resources Investment Corporation. Some of us had another, more affectionate, name for it, Mr. Speaker. He was going to put all the profitable companies together and sell them back to British Columbia. That was our first lesson in business. He was going to give everyone a couple of shares and let them buy the rest. People bought them up at $6 per share. The B.C. Resources Investment Corporation wound up with one of the largest piles of money there is anywhere. However, they procrastinated about what they would do with the money while the people of British Columbia waited for the value of the shares to increase, just like the bank shares.

Eventually, the corporation decided to buy the shares of young J. Edgar Kaiser's business and put in a bid at $44 for a share. It was not good enough and the bid was withdrawn. But several months later they made another bid at $55 per share. In the meantime, Mr. Speaker, even the president of the B.C. Resources Investment Corporation thought it would be a good idea to buy some of the shares and he did. J. Edgar Kaiser also bought some. At $55 per share he decided it was time to let BRIC take over the shares for a tidy sum, not only for the president of that company but for himself and many of the directors of his company. They all made a tidy profit on that deal at the expense of the people of British Columbia who were being taught how the marketplace works by a fellow traveller of the hon. member for Mississauga South. Now they have a big chunk of J. Edgar's business. It was a very expensive lesson indeed.

There is more to that story, Mr. Speaker. Benefits were negotiated by Kaiser. He was allowed to buy back assets at cost; he has been given a 15-year agreement on coal, and he has a commission to sell coal that has already been sold. As a matter of fact, the people of British Columbia were taken to the cleaners by Bill Bennett and J. Edgar Kaiser, Junior.

I am frightened, Mr. Speaker, that the lessons given by companies like Imperial Oil, CPR, and J. Edgar Kaiser's coal operations in southeastern British Columbia are not the lessons the people of Canada want to learn. I suggest that the lesson of Chrysler, Massey-Ferguson and many other corporations are not the kind we need to learn either. In fact, if there was greater public accountability, a broader holding of shares involving more Canadians, there would not be some of these very sharp business deals that fill the pockets of a small number of Canadians—the old boy group that has been mentioned.

I defy the hon. member to say that it is not so; that people have not been hurt. They have been skinned, Mr. Speaker. There are many honest businesses in this country but there are some that need more direction. Some people in positions of power have harmed Canadians and we would like to see an end to that. If we were to broaden the base of shareholding, it would be a step in the right direction.

Some time earlier I mentioned what I saw as a sort of historical prospective of Canada. I mentioned the CPR link to the Bank of Montreal and the link to the Liberal-Conservative party as it was called at that time—again skinning the people of Canada. The bank was there, funding the skinning, directing the efforts. They built the CPR and certainly that benefitted the country. When we look at the political relationships between these companies, however, I think it should be on record that in most of those corporations, and in the people who sat on the boards of the banks we see a cross-referencing of individuals. Those corporations donate to the Liberal party, to the Conservative party. So they have an interest. Also, the banks donate to the Liberal party and the Conservative party. The old alliance still exists.

I hear some people across the way coming to life, Mr. Speaker. That is good. There are new questions.

An hon. Member: Don't wake them up.

Mr. Skelly: I think they have to be woken up. This is a very serious thing, Mr. Speaker. We cannot deny history. The people were skinned by a bank. There is a strong corporate connection and a political alliance. History requires some depth of thought.

The backbenchers across the way tend to drift off, Mr. Speaker, because they have no role to play. That tie does exist today. It has existed in the past and it exists today in the mind of the hon. member for Mississauga South. One of my colleagues has brought over the Hudson's Bay motto which is "Skin 'em alive!"

• (2030)

An hon. Member: That is the Liberal party motto.

Mr. Skelly: I am afraid my Latin is not quite up to scratch these days, but he was kind enough to translate the motto for me.

If we go back to Donald Smith, who was at one time a mover and shaker in the Hudson's Bay Company, we find him propped up over there in the Liberal-Conservative party when they ruled the country. We also find him listed on the board of the Bank of Montreal and the CPR. I think he was one of the people pounding the spikes.

Mr. Blenkarn: He built the country.

Mr. Skelly: He built it all right, skinning them alive.

Mr. Blenkarn: Who did he skin?

Mr. Skelly: He was busy like the member for Mississauga South (Mr. Blenkarn) teaching them a lesson. Thank you for your indulgence, Mr. Speaker. I hope we will all learn some lessons from that.

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

Some hon. Members: Question.

The Acting Speaker (Mr. Blaker): The question is on motion No. 14 in the name of the hon. member for Broadview-Greenwood (Mr. Rae).

Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Blaker): All those in favour of the said motion will please say yea?

Some hon. Members: Yea!

The Acting Speaker (Mr. Blaker): All those opposed will please say nay.

Some hon. Members: Nay!

The Acting Speaker (Mr. Blaker): In my opinion, the nays have it.

And more than five members having risen:

Pursuant to Standing Order 75(11) the recorded division on the proposed motion stands deferred.

Mr. Bob Rae (Broadview-Greenwood) moved:

Motion No. 15

That Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in clause 2 by susbstituting the word "two" for the word "ten" in lines 34, 44, and 50 at page 98.

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

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Blaker): All those in favour of the said motion will please say yea.

Some hon. Members: Yea!

The Acting Speaker (Mr. Blaker): All those opposed will please say nay.

Some hon. Members: Nay!

The Acting Speaker (Mr. Blaker): In my opinion, the nays have it.

Mr. Knowles: On division.

The Acting Speaker (Mr. Blaker): I declare the motion negatived on division.

Motion No. 15 (Mr. Rae) negatived.

Mr. Bob Rae (Broadview-Greenwood) moved:

Motion No. 18

That Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments

Association and to amend other acts in consequence thereof, be amended in clause 2 by striking out line 36 at page 101 and substituting the following therefor:

"exceeds two per cent of the issued and"

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

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Blaker): All those in favour of the said motion will please say yea.

Some hon. Members: Yea!

The Acting Speaker (Mr. Blaker): All those opposed will please say nay.

Some hon. Members: Nay!

The Acting Speaker (Mr. Blaker): In my opinion, the nays have it.

Mr. Knowles: On division.

The Acting Speaker (Mr. Blaker): I declare the motion negatived on division.

Motion No. 18 (Mr. Rae) negatived.

The Acting Speaker (Mr. Blaker): The House will now proceed to motions numbered 17, 52, 55 and 59, all in the name of the Minister of State for Finance (Mr. Bussières) which can be grouped for debate but voted on separately.

[*Translation*]

Hon. Pierre Bussières (Minister of State, Finance) moved:

Motion No. 17

That Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in clause 2 by adding immediately after line 9 at page 101 the following:

"110.1(1) Subject to this section, no person shall

(*a*) hold or beneficially own shares of a class of shares of a bank if the total number of shares of that class held or beneficially owned by such person and by other persons associated with him, if any, is more than ten per cent of the total number of the issued and outstanding shares of that class; or

(*b*) purchase or otherwise acquire shares of a class of shares of a bank if the total number of such shares together with the total number of shares of that class held or beneficially owned by such person and by other persons associated with him, if any, would exceed ten per cent of the total number of the issued and outstanding shares of that class.

(2) A person who, on the day this section comes into force, holds or beneficially owns shares that, but for this subsection, would be held or beneficially owned in contravention of paragraph (1)(*a*), may continue to do so for a period of five years after the coming into force of this section.

(3) Subsection (1) does not apply in respect of any shares of a foreign bank subsidiary that are held, beneficially owned, purchased or acquired by a foreign bank.

(4) Subsection (1) does not apply in respect of any shares of a bank, other than a foreign bank subsidiary, purchased or acquired by a person pursuant to section 114 or held or beneficially owned by such person as a result of any such purchase or acquisition until the date that is ten years after the day of such purchase or acquisition.

(5) The Inspector may from time to time, in writing, direct a bank to obtain from any person in whose name a share of the bank is held or beneficially owned a declaration containing information

(*a*) concerning the ownership or beneficial ownership of such share,

(*b*) whether such share is held or beneficially owned by a person who is associated with any other person and the name of that other person where applicable, and

(*c*) concerning such other related matters as are specified by the Inspector, and as soon as possible after the receipt of a direction from the Inspector under this subsection, the directors of the bank shall comply therewith and every person who is requested by the bank to provide a declaration containing information referred to in this subsection shall forthwith comply with the request.

(6) Where, in the opinion of the minister, a person holds or beneficially owns shares of a bank in contravention of subsection (1), the minister may, by order, require the person or other persons associated with him, or both, to divest himself or themselves of such number of those shares as is specified in the order within such time not exceeding two years from the date of the order as is specified in the order and in such proportion if any, as, between the person and those other persons, is specified in the order and the person and those other persons shall comply with such order.

(7) For the purposes of this section, a person is deemed to be associated with another person if there exists between those persons any relationship referred to in subsection 109(2) that, if both such persons were shareholders, would cause those shareholders to be deemed to be associated pursuant to that subsection."

Hon. Pierre Bussières (Minister of State, Finance) moved:

Motion No. 52

That Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in clause 2 by striking out line 1 at page 315 and substituting the following therefor:

"(2) Notwithstanding subsection 1101(1) and paragraph (1)(*a*) of this section,".

Hon. Pierre Bussières (Minister of State, Finance) moved:

Motion No. 55

That Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in clause 18 by adding immediately after line 15 at page 373 the following:

"(6) Section 46 of the said act is further amended by adding thereto the following subsections:

"(8) Subject to this section, no person shall

(*a*) hold or beneficially own shares of a class of shares of the bank if the total number of shares of that class held or beneficially owned by such person and by other persons associated with him if any, is more than ten per cent of the total number of the issued and outstanding shares of that class; or

(*b*) purchase or otherwise acquire shares of a class of shares of the bank if the total number of such shares together with the total number of shares of that class held or beneficially owned by such person and by other persons associated with him, if any, would exceed ten per cent of the total number of the issued and outstanding shares of that class.

(9) A person who, on the day this subsection comes into force, holds or beneficially owns shares that, but for this subsection, would be held or beneficially owned in contravention of paragraph (8)(*a*), may continue to do so for a period of five years after the coming into force of this subsection.

(10) Notwithstanding subsection 47(2), a person who, on the day this subsection comes into force, holds or beneficially owns shares of a class of

shares of the bank that, but for subsection (9), would be held or beneficially owned in contravention of paragraph (8)(*a*), may exercise the voting rights pertaining to any of those shares if the number of such shares being voted at any time by that person and by other persons associated with him, if any, does not exceed ten per cent of the issued and outstanding shares of that class.

(11) The Inspector may from time to time, in writing, direct the bank to obtain from any person in whose name a share of the bank is held or beneficially owned a declaration containing information

(*a*) concerning the ownership or beneficial ownership of such share,

(*b*) whether such share is held or beneficially owned by a person who is associated with any other person and the name of that other person where applicable, and

(*c*) concerning such other related matters as are specified by the Inspector,

and as soon as possible after the receipt of a direction from the Inspector under this subsection, the directors of the bank shall comply therewith and every person who is requested by the bank to provide a declaration containing information referred to in this subsection shall forthwith comply with the request.

(12) Where, in the opinion of the minister, a person holds or beneficially owns shares of the bank in contravention of subsection (8), the minister may, by order, require the person or other persons associated with him, or both, to divest himself or themselves of such number of those shares as is specified in the order within such time not exceeding two years from the date of the order as is specified in the order and in such proportion, if any, as, between the person and those other persons, is specified, in the order and the person and those other persons shall comply with such order.

(13) For the purposes of this section,

(*a*) "beneficially own" includes own through a trustee, legal representative, agent or other intermediary; and

(*b*) a person is deemed to be associated with another person if there exists between those persons any relationship referred to in subsection 45(2) that, if both such persons were shareholders, would cause those shareholders to be deemed to be associated pursuant to that subsection.

(14) Everyone who, without reasonable cause, contravenes subsection (8), (11) or (12) is guilty of an offence and liable on summary conviction to a fine not exceeding five thousand dollars or to imprisonment for a term not exceeding six months or to both." "

Hon. Pierre Bussières (Minister of State, Finance) moved:

Motion No. 59

That Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in clause 91 by striking out line 31 at page 446 and substituting the following therefor:

"tion.

(2.1) Subject to subsection (2.2), section 110.1 of the Bank Act applies to IAC Limited and in respect of the shares of IAC Limited.

(2.2) A person who immediately prior to the amalgamation under subsection (1) of this section was permitted by section 110.1 of the Bank Act to continue to hold or beneficially own shares of IAC Limited that but for subsection (2) of that section would be held or beneficially owned in contravention of paragraph (1)(*a*) of that section, may hold or beneficially own the shares issued to him under subsection (2) of this section after the amalgamation during the same period of time as he would have been permitted by subsection 110.1(2) of the Bank Act to continue to hold or beneficially own shares of IAC Limited had the amalgamation not occurred."

He said: Mr. Speaker, as you clearly indicated, the House is now called upon to proceed to the consideration of motions Nos. 17, 52, 55 and 59, which we shall consider together and which will be voted on later. I am convinced that, as we consider those motions, we shall recognize many concerns which were expressed this afternoon and this evening on the so-called excessive control over bank shares by particular groups or by a limited number of individuals.

We must remember, Mr. Speaker, and I wish to remind hon. members of this, that these amendments come from a situation described to the committee by the Inspector General of Banks following questions asked to the Inspector General and myself by members who sit on the committee. These questions clearly showed that the principle that an individual or a group must not hold more than 10 per cent of the shares of a bank could easily be evaded since the penalty attached to this provision was that these shares could not be registered and would therefore not carry a vote. We could therefore have a situation where a group or even an individual would hold 25 per cent, 30 per cent or 40 per cent of the shares of a bank.

Of course, the shares over 10 per cent were not registered and did not carry a vote. Therefore, they did not go against the letter of the law, even though they obviously exceeded the spirit of the law. Hon. members who were present at these proceedings, which were held before the House was recalled, in late September or early October as I recall, will remember that the comittee unanimously took the position that some means must be found to strengthen the provisions of the legislation so that not only the letter of the law, but also its spirit could be respected and to specify that there is truly a limit of 10 per cent placed on the shares that an individual or group can hold, and the amendments contained in these four motions meet this requirement.

The first amendment, which is contained in motion No. 17, states that it would be illegal for a person and his associates to hold or to beneficially own more then 10 per cent of the shares of a bank. Moreover, with this amendment, the Inspector General of Banks would have the power to obtain any information necessary to determine who are the true owners of the shares of a bank. This new clause provides a mechanism to require someone to divest himself of those shares exceeding the 10 per cent limit. To protect temporarily the persons or groups of persons who hold more then 10 per cent of the shares of recently established banks, subclause 110.1 of this bill would allow these people to continue to hold their shares for a period of five years, and subclause 110.1(6) would include the possibility of granting an additional period of two years to divest themselves of these shares.

● (2040)

To avoid any misunderstanding, if at the time the legislation now before us comes into force, a person or group hold more than 10 per cent of the capital stock, they would have an initial five-year period to conform to the 10 per cent limit. If after that five-year period that person or group experienced difficul-

ties that could be reasonably explained and understood, an additional two-year exemption could be granted.

Such an approach is compatible with the special acts that were passed earlier for the incorporation of banks. Moreover, motions Nos. 52 and 56, that will come up later, protect the persons holding more than 10 per cent of the capital stock of Mercantile Bank and Continental Bank. Certainly, every member here understands that we could not enact legislation that would be unfair to institutions established under agreements that were negotiated under specific circumstances and according to specific understandings. Those understandings the government is determined to respect. The government therefore propose to amend the legislation to insert paragraph 110(1) I just referred to.

I would now like to turn briefly to motion No. 52. It is also linked to motion No. 17 limiting to 10 per cent the percentage amount of a bank's capital stock that may be held by any one person. The proposed amendment concerns paragraph 305(2) of the legislation and would allow Citicorp to detain more than 10 per cent of the capital stock of Mercantile Bank, as I referred to earlier. That provision, it will be remembered, was introduced in 1967 under the last Bank Act revision, and we have no intention of amending it. Citicorp now holds less than 25 per cent of the capital stock of Mercantile Bank, and that percentage could be possibly reduced to 10 per cent to the extent that Mercantile would issue new shares to increase their capital. And I would like to call upon hon. members to view this in light of the historical context I just explained, when the Citicorp-Mercantile understandings were negotiated.

Now, Mr. Speaker, I should like to deal briefly with the other amendment affecting the Quebec Savings Banks which has reached a point where one of the shareholders holds more than the 10 per cent limit of total shares, and this amendment is similar to the general amendment we are seeking to the Bank Act. There is a first period of five years which is granted to dispose of all shares in excess of the 10 per cent limit; wherever special circumstances warrant, a two-year extension could be allowed to avoid causing unduly serious prejudice to the institution.

Mr. Speaker, motion No. 59 is also consequential on the general amendment and concerns the legislation incorporating the Continental Bank of Canada. Its purpose is to make sure that the government's policy to strengthen the provisions concerning the effective holding or owning of more than 10 per cent of total shares of an individual bank are not unfair to the shareholders of IAC Limited following its amalgamation with the Continental Bank. The proposed amendment will provide IAC shareholders with the same rights to own shares and the same duties to dispose of their excess shares as those which are provided to the bank's shareholders under motion No. 17.

The government proposes to amend accordingly the act incorporating the Continental Bank of Canada. Mr. Speaker, I have attempted to reconstruct the context in which we discussed in committee, the obvious difficulty of respecting in every detail the 10 per cent ownership of bank shares, in compliance with the spirit of the law. We have seen, upon examination, what consequences that amendment can have on existing institutions.

The government is proposing an amendment that is intended to be fair in that, on the one hand, it will allow financial institutions to adjust and adapt to the spirit and the letter of the law while, on the other hand, allowing those institutions which were granted a special regime on incorporation, as a result of negotiations leading up to that incorporation, to be treated fairly and reasonably without suffering undue damages. I could have added that penalties have been provided for in the bill. Suffice to say, on concluding, that the provision is strengthened which stipulates that no one person or group of persons shall hold more than 10 per cent of the shares of any given bank; this, I believe, will meet the wishes and the will of the standing committee as well as the spirit of the act as it now stands. Mr. Speaker, I urge all hon. members to support the four motions I have just dealt with.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, first of all I should like to congratulate you for agreeing to chair our sitting this evening. Since the minister spoke in French, I shall make my few remarks on his proposals in English.

[*English*]

These rather long amendments, particularly motion No. 17, were actually prompted as a result of questioning that I started one morning. It took us about two to two and a half hours to get the information. I do not know what the reluctance was. Perhaps it was a lack of knowledge.

It seemed when I started questioning to try and get information about the Montreal and District Savings Bank that there was some sort of either—

Mr. Blenkarn: Cover-up.

Mr. Lambert: I would not say cover-up. There was some sort of embarrassment or reticence about giving the information.

Mr. Blenkarn: Cover-up.

[*Translation*]

Mr. Bussières: Mr. Speaker, I rise on a question of privilege. I have heard totally unacceptable expressions used about the way both the Inspector General and I behaved as witnesses in committee.

In no way can the Inspector General of Banks or myself be accused as witnesses of not answering the questions of the committee members as fully as possible. Mr. Speaker, I reserve the right to raise the question of privilege about the words used.

Mr. Lambert: Mr. Speaker, it is not I who accuses. I talked about a certain reticence and I explained. Perhaps the facts

were not too clear and it took a little while to show the government and the Inspector General of Banks that we were aware of what had happened. Also, I think that what we felt at that moment was a certain embarrassment, as a result of a particular situation and that, under the act as it existed, the Inspector General of Banks and the minister were powerless and it seemed in fact that the act was rather like a paper tiger. After all, we all know that when a bank shareholder has more shares than the maximum allowed, the only penalty he suffers is that he cannot vote to the full extent of his shares.

But on the other hand neither the minister nor the Inspector General of Banks could penalize the shareholder because the act simply stated that the bank did not register the transfer of such and such a share since the shareholder had already registered more than 10 per cent of the shares. That is why we say they are powerless. After all, that was the situation and it was well known that the Laurentian group held some 43 or 47 per cent of the shares, which was considerably more than the maximum allowed. So maybe they were a bit embarrassed to admit this but eventually, as the information was made public, I think that even government members of the committee expressed some reservations. So it was not only opposition members who openly criticized the situation. I am therefore very happy that the minister came up with this amendment. I was wondering if this was going to be put off indefinitely with an arrangement, with negotiations with the Laurentian group. After all, they did come to see us the day after we criticized the situation to explain their position and to say that they needed time. So I am happy that they did not choose two years, as was originally stipulated, but that they added in fact another five years.

● (2050)

[*English*]

However, having said that, I do wish that this amendment and its companion amendment in the Quebec Savings Banks Act had gone further. This amendment envisages that at the end of five years, if it is found that a shareholder holds in excess of the permitted number of shares, the minister may make an order that the shareholder divest himself. It is to be a direct order from the minister. That is going one step further. First of all he is given a period of grace. Then there is a ministerial order that he shall divest himself. And that is all. I would have preferred to see the minister, after having issued an order under the act, be able to sanction a penalty if that order had been frustrated or disobeyed. We give him the power to do that under the act. At the present time the only penalty is the shareholder cannot vote the shares. There are provisions in the act for an offence under the act but there is nothing in this amendment, with the greatest of respect, saying that if the minister's order is disobeyed such action shall be deemed to be an offence under the act. Therefore, the penalty is still the same.

I would have thought that in the normal progression of things the five-years' grace would allow the shareholder to hold the shares he has in excess though he could not vote. Well, that is a disability but, apparently, it is not a very serious one. Then the minister gives the offending shareholder two years to divest himself—and it is a direct order. Unfortunately, the amendment says nothing about that. It leaves the minister toothless. In effect, he is a toothless tiger. There is no way that the minister can then act further to do anything to that offending shareholder. Unless I am a poor interpreter of statutes, no offence has been created. I would have thought that just the additional phrase that the disregard of such a ministerial order after the period of two years should be an offence within the act, would bring the penalty sections into play. Perhaps that would provide the necessary whip to get an offending shareholder back in line. Unfortunately, that is something we cannot change.

Perhaps, though, there is a way to make this happen. I suggest to the minister that there is still time to bring an appropriate amendment before the other House. The other House could then accept that amendment and there could be negotiation and acceptance by this House.

I see the minister is getting awfully interested in a note which was just passed to him. Unfortunately, he cannot speak again. Perhaps one of his colleagues or the parliamentary secretary could give us the information.

If I am wrong—and I am not insisting that I am right—on first blush that is my reaction to the clause. There is no such thing as an offence *simpliciter*. There cannot be just a general offence under the act because in no other place are there ministerial orders.

It is an interesting point to raise at this time. I would prefer to see it cleared up as soon as possible, so I will keep talking until the minister can come back and can indicate whether the parliamentary secretary has the answer. I do not want a light opinion given by two non-lawyers that the act covers this situation. It seems to me this matter could be handled very easily through the process of the hearings in the other place, after which it could be brought back here. I trust that would provide sufficient time to have the bill go to the other place and then, if there must be conferences to negotiate any differences, that would be the way to proceed.

The last amendment, which is No. 59, deals with the IAC, as the minister indicated. But there again we have the same IAC and the Continental Bank. That in itself suffers from the same disability because all these amendments refer back to the contents of motion No. 17 which lays out the procedure with regard to an excess of shares. I certainly urge the House to accept this amendment, but perhaps my colleagues on this side would wait for the parliamentary secretary, if he is ready—or if he is not, I see that one of my colleagues is quite anxious to take over—and we can get the answer. In any event I think that this is a salutary group of amendments which show the wisdom of some co-operation in examining a complicated text.

● (2100)

Mr. John Evans (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I know that this intervention precludes

me from speaking again on this particular motion, but I think the hon. member has a question which is worthy of a serious comment. The motion we are dealing with here deals with the Quebec Savings Banks Act and, as we found in the last section, No. 14, sets out an offence with regard to the Quebec Savings Banks Act. My information is that the same provision applies in the Bank Act at page 324 section 314, specifically paragraph (2) which reads as follows:

Everyone who, without reasonable cause, contravenes a provision of this act or the regulations for the contravention of which no punishment is otherwise provided by this act is guilty of an offence and liable on summary conviction to a fine not exceeding five thousand dollars or to imprisonment for a term not exceeding six months or to both.

Mr. Lambert: All right.

Mr. Evans: Thank you very much, Mr. Speaker.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, a few minutes ago the minister rose and was rather upset when I may have shouted across the floor, "There is a bit of a cover-up here". Let us talk about that for a moment.

In May of this year before this bill left the House at second reading the Inspector General of Banks became aware that the Laurentian group in Quebec had obtained 43 per cent of the shares of the Quebec Savings Bank. Later in the year the minister and the Inspector General of Banks clearly had discussions, and letters were written in the month of July to that group advising that it was in default under the act, telling the group that it could not vote its shares and, generally speaking, calling the group's attention to the matter.

What bothers me, and what bothered many members of the finance committee, is that when section 110 came before the committee for discussion, no mention of the Laurentian problem and the Quebec Savings problem was brought to the attention of that committee in July. It was not until the hon. member for Edmonton West raised the matter in September—

[*Translation*]

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

The Acting Speaker (Mr. Blaker): The Minister of State for Finance on a point of order.

Mr. Bussières: Mr. Speaker, on this point of order I would like to point out to the hon. member that the provisions of the bill provided that an excess of 10 per cent of shares should not be registered by the institution and the shareholders should not have the right to vote. Those two facts were a violation of the law and this is what his colleague said a while ago and what we said before a standing committee. So no matter how many ribbons they may be wrapped in those allegations are still untruths.

[*English*]

Mr. Blenkarn: Mr. Speaker, the minister has confirmed that section 110 does provide that shares may not be registered, but when the minister and the Inspector General of Banks had before them a situation, unknown to members of the committee, in which a group in fact controlled 43 per cent of the shares which was known to the minister, the minister, through the Inspector General of Banks, advised the members of that group that they could not vote their shares, and the minister did not reveal this to the committee in July when the section was before the committee. The question was not asked. It was not asked until September when the hon. member for Edmonton West (Mr. Lambert) brought it to the attention of the committee, and then the whole thing opened up. Then all of a sudden we learned from the Inspector General of Banks what in fact was happening. It became apparent that Monsieur Garneau is going to be elected—or has now been re-elected—chief executive officer of the Quebec Savings Bank. Somewhere along the line, even though the Laurentian group cannot vote any of its shares, its nominee as chief executive officer will be elected.

It became quite apparent that whether you were able to register your shares or not, you could still perhaps have some effective control over a bank. It is only as a result of that committee hearing and the intense questioning on that day that these amendments are before the House. I say to the minister very sincerely that he should have advised the committee in July of the problem he was having. The inspector general, on the minister's instructions, should have advised the committee at that time, and the inspector general and the minister should have introduced these amendments in the committee when they knew the problems were there. It was only as a result of the questioning of the hon. member for Edmonton West that this matter came to the attention of the committee. The minister shakes his head, but it might well be said that the minister would not be introducing these amendments were it not for that questioning. The minister again shakes his head. I say to the minister that he has to come clean. In the committee the opposition brought forward a certain matter. That matter is now before the House, and these are reasonable amendments. Let us look at them. What the amendment does, particularly with the Quebec Savings Banks, is say, "You have five years in which to divest your shares." If it does not do so in five years, it probably has another two years. Then what does it say? I read motion No. 55, I suppose it is. Subsection (14) says:

Everyone who, without reasonable cause, contravenes subsection (8), (11) or (12) is guilty of an offence—

Is it reasonable cause if you cannot get a decent market price for your shares? It does not say, "Any one who contravenes regardless of cause is guilty of an offence". It says "without reasonable cause". Has the minister in this amendment said to the Laurentian group that the worst that can happen if it does not get rid of its shares is that it will pay a $5,000 fine and that if it has any reasonable cause perhaps it will not pay any fine at all? Under the subsection you can only be convicted once. It is not a continuing offence. It is a one-offence situation. The maximum fine is $5,000 once, and if there is reasonable cause for not obeying the minister's order you do not pay at all; nothing happens to you. You do not lose your shares. You still keep them. The minister cannot make

another order and cannot give you another two years or five years. He is finished.

If you show a provincial judge or a superior court judge that you have reasonable cause for not getting rid of your shares, nothing can happen to you. Perhaps you cannot vote the shares, but you could not anyway. However, that does not matter because you certainly could elect your chief executive officer in the way you want without voting.

● (2110)

This is the section in which the minister proposes to correct that situation. The minister does not come across on the matter. Perhaps he should be given an opportunity to rise and speak again on the issue, but in this particular matter the minister did not explain his problem when section 110 first came before the committee. It was only in the last stages of the committee's hearings in September, as a result of the questioning by the hon. member for Edmonton West, that this matter came before the committee. That is the only reason these amendments are here. They are proper amendments. They are not tough enough and they are not clear enough, but they are proper amendments. I strongly suggest to the minister that he take a look at subclause (14) in motion 55 with respect to Quebec Savings Banks and at the penalties with respect to other chartered banks as well as the other part of the bill in motion No. 17 to make sure that those who attempt to skate around the provisions limiting shareholding by saying, "I don't care whether or not I vote the shares" are in fact committing an offence under the act. I suggest that the penalty attached to the offence be the forfeiture of the shares, because unless you are prepared to put a serious penalty into the act, everyone will find good reason not to dispose of their stock. After all, it may upset the marketplace, or they may not get what they paid for their shares, or they may lose money. This would be terrible! When a person literally flouts a statute of this country, there should be legislation with teeth in it to deal with such a case. This particular statute says that if you flout the statute, you will get five years grace and then another two years, following which maybe you will have to pay $5,000 if you do not have reasonable cause. Is the minister really serious about controlling shareholding? Is he really serious about closing the loophole which has developed as a result of the actions of the Laurentian group? I have talked to the Laurentian group, the minister knows that. I understand their problems and I understand how the problem has developed. But what I and other members are concerned about is what happens with respect to other chartered banks. Will a situation arise where somebody is allowed to buy up a majority share of stocks in those other banks, not vote them and not register them? Will an investigation be ordered in five years and then in another two years, following which, unless you can show reasonable cause, you will not even be fined, and if you are fined, you are only fined $5,000 as a licence fee? Is that the kind of penalty the minister wants? Is that what the minister is talking about? Is that how serious he is with respect to the statute?

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

Some hon. Members: Question.

The Acting Speaker (Mr. Blaker): Motions Nos. 17, 52, 55 and 59 in the name of the Minister of State for Finance (Mr. Bussieres) were grouped together for debate but will be voted upon separately. The first question is on motion No. 17 in the name of the Minister of State for Finance. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion No. 17 (Mr. Bussières) agreed to.

The Acting Speaker (Mr. Blaker): The question is on motion No. 52. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion No. 52 (Mr. Bussières) agreed to.

The Acting Speaker (Mr. Blaker): The next question is on motion No. 55. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion No. 55 (Mr. Bussières) agreed to.

The Acting Speaker (Mr. Blaker): The next question is on motion No. 59. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion No. 59 (Mr. Bussières) agreed to.

The Acting Speaker (Mr. Blaker): Pursuant to a notification of which I informed the House earlier today at 8 p.m., there is a substantial series of motions to be debated and voted on separately. The first is motion No. 22 standing in the name of the hon. member for Broadview-Greenwood (Mr. Rae).

Mr. Bob Rae (Broadview-Greenwood) moved:

Motion No. 22

That Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in clause 2 by striking out lines 27 to 32 at page 145 and substituting the following therefor:

"legal representatives, and any individual may examine the records described in subsection 155(1) during usual business hours of the bank and may take extracts therefrom, free of charge."

Mr. Lambert: Mr. Speaker, I rise on a point of order. I should like to examine the groupings which have been made by the Chair to see whether or not I agree with the suggestion that the motions be voted upon separately. Once that is done perhaps we could recommend to the House that an order be made that such should be the procedure to be followed later this evening and tomorrow. I think we do require a House order. It would tidy up the debate. However, I have not

had a chance to check the motions grouped, so perhaps the debate could proceed on motion No. 22, as you have proposed, Mr. Speaker, following which I could tell you whether we are in agreement with this particular proposal from the Chair.

The Acting Speaker (Mr. Blaker): Before I recognize the hon. member for Comox-Powell River (Mr. Skelly), may I interject to say that when the hon. member for Edmonton West started to make his remarks, I was moving paper around and I missed hearing what he said. I will inform myself immediately on the subject. In the meantime, the Chair will recognize the hon. member for Comox-Powell River on motion No. 22.

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I think this particular motion deals with the question of financial disclosure. As we indicated earlier, we considered it very important as far as support for this legislation is concerned. It was raised throughout second reading and throughout the committee stage. We held informal discussions concerning possible amendments, and the government certainly did not seem to object to the concept of financial disclosure. The question of where and how much always arises in this connection. It might be interesting to see whether the government would be prepared to accept this amendment. I think it is very easy to accept in some respects and it is certainly not controversial. It is consistent with the government's theme in terms of freedom of information. We have had some wide ranging discussions on how much people have a right to know and so on. It is important to keep in mind that basically we should be given free and easy access to information which affects our lives. I would like to refer to clause 156 as it presently reads. Basically, section 156(1) states:

● (2120)

Shareholders and holders of bank debentures of a bank, their agents and legal representatives may examine the records described in subsection 155(1) during usual business hours of the bank and may take extracts therefrom, free of charge, and any other person may do so on payment of a reasonable fee.

Our amendment would provide that "any individual . . . may take extracts . . . free." Free and ready access to information is the important aspect. It is consistent with freedom of information, and as I said before, hopefully the government will accept this proposition.

What disturbs us more than anything else about any attempt to limit information available to others is that Canada has somewhat of a history of curtailing the rights of people; their ability to understand what is going on around them is hampered by the close and secretive society in which we live. When we look across the line to our neighbours to the south, we find that basically they have a fairly wide-ranging access to information.

At one time questions were raised about the money made by the president of the CPR in Canada, what he was being paid. While other Canadians had wage and price controls imposed upon them we wondered about the salary of the president of the CPR. The salaries of other corporate executives, directors and a whole range of people were not available to be scrutinized. But this material was freely available in the United States. As a matter of fact corporations disclose the information automatically when applying for access to security markets in the United States. There is no hindrance whatsoever, and they are required to display a whole range of information. Simple access to the information is made readily available. Another organization in the United States has set out guidelines. Bank America has set out voluntary guidelines for disclosure. This business of financial disclosure is very important. The corporation indicated that it was not just shareholders or an exclusive group of people who had a right to knowledge, but that its employees also had the right to know what was going on within the corporation for which they worked. Compared with the situation in our country, this attitude is, indeed, progressive.

Look at some of the things that went on when many bank employees attempted to organize. They needed information and assistance. I guess the banks are one of the last bastions of a medieval attitude toward labour relations. These employees experienced great difficulty in obtaining information. But Bank America indicated that its employees had a right and need to be informed about the corporation, its corporate policies, decisions of its board of directors and a great many other matters. Also, that bank acknowledged that its customers also had a need and right to know, and it outlined substantial areas in which customers could obtain information. Investors or people who buy securities and shares in banks also have a right to know, and Bank America freely acknowledged this. It is generally acknowledged that shareholders have a right to information, but the impressive thing about the guidelines is that they far outstrip any information available to Canadians from Canadian banks. They recognize the basic principle that there is a broad need and right to know what some of the major corporations are doing. Unfortunately we are just dealing with the Bank Act and the opportunity to place this principle in the Bank Act.

There is a need for Canadians to know the activities of many of the major corporations in the country. Depriving them of that information means they do not have the information necessary to make reasonable and intelligent decisions about matters affecting their lives, whether it is voting in any of the democratic processes or whether it is taking positive action to support or oppose ongoing activities. The issue we are dealing with here is a very simple one, but at its root is the business of disclosure. I can see no basic opposition to government support of this motion, and I certainly hope the government adopts this particular concept.

Mr. John Evans (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, listening to the hon. member for Comox-Powell River (Mr. Skelly), I had some difficulty with the issue he raised because it is completely covered by the government provision which is contained right now in Bill C-6.

Section 156(1) reads as follows:

Shareholders and holders of bank debentures of a bank, their agents and legal representatives may examine the records described in subsection 155(1) during usual business hours of the bank and may take extracts therefrom, free of charge, and any other person may do so on payment of a reasonable fee.

By "reasonable fee", we are talking about the cost of making photocopies. In addition to that, this same information is available in the office of the Inspector General of Banks. Again for the payment of a simple photocopy fee, anyone can walk in, ask for that information and make extracts. That is freedom of information.

The freedom of information bill the government is bringing forward requires the payment of a photocopy fee if one wants that information. If one is a shareholder or a holder of bank debentures, then one can say one has some right to this information without charge, but any stranger coming in off the street will have to pay for the photocopy, which is fair and reasonable. The same thing applies in the freedom of information bill. When photocopies are required, why should the taxpayer pay the shot for information required for personal reasons? In that case a photocopy fee will be charged.

Apparently there is no argument by the hon. member for Comox-Powell River regarding section 155(1) which specifies what information will be made available to the public, shareholders and everyone else. Therefore, the question must be on section 156(1) which is what the amendment applies to. Do people have the right to this information and do they have access to it under the law? The answer to both those questions is yes.

I have listened to the hon. member go on about the principle of freedom of information, access to information, and urging that the amendment he is putting forward should be accepted by the government, but I tell him that what he is requesting is already provided for in the law that the amendment is unnecessary.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I am astounded that we have given this much information to the general public in regard to banks. It seems to me that banks, in so far as they are corporate bodies, are no different than any other organizations. When one looks at section 155(1) on page 144 of Bill C-6, one will see that we allow individuals from the street to go in and get minutes of meetings, resolutions of shareholders and copies of all returns and notices required under the Bank Act. But there is a limit. If there is a constructive purpose other than pure snooperism, they can have access to the information. A right to know does not mean an absolute right to know. In many instances, it is absolute snooperism. In many instances it is the question of a competitor.

● (2130)

When one negotiates with another party, one does not have access to the records of that party. One negotiates from one's own strength, not with one's hand in the opponent's pocket. I find that we have gone extraordinarily far in this area. I can remember when the committee changed the law and added, I believe—and I stand to be corrected—in the last paragraph the phrase that "Any other person may do so on payment of a reasonable fee". I rather suspect that the committee *per incuriam* may have kicked open the door rather widely. I have no reservations whatsoever about opposing this particular amendment.

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I would like to make a few remarks about the incredulity of the Parliamentary Secretary of the Minister of Finance (Mr. Evans) with regard to our observations about the generosity of the section as it stands in respect of financial disclosure. I am not an expert on the Bank Act, but I have a hunch that the section as its stands is not the all-encompassing ground for freedom of information which the hon. parliamentary secretary would have us believe. I think we can find evidence of this in the remarks of the hon. member for Edmonton West (Mr. Lambert) who has a feeling of anxiety that somebody might actually know what the banks are doing—that we have actually gone too far.

In so far as the coalition of thought between the Liberal party and the Conservative party can be trusted to be in place, I am confident that somewhere the government has in the course of the Bank Act addressed itself to the insecurities expressed by the hon. member for Edmonton West and that, indeed, the measures for financial disclosure will prove not to be as generous as the hon. parliamentary secretary has tried to lead us to believe this evening.

I would like to say a word about the importance of financial disclosure within the context of freedom of information. Much has been said about freedom of information, but we have yet to see any impetus on the part of this government with regard to freedom of information. We are still trying to determine whether or not the government is genuine in what it has said about freedom of information.

With regard to financial disclosure by the banks, I think this particular amendment is important, whether or not it is the section described by the government or whether or not our amendment is accepted. It is important for the people—employees, investors, shareholders and everyone concerned—to know about the effect of investment on the quality of our life in Canada and how the investment decisions of banks impinge on questions of international justice. It is very important—and I know that this question will be addressed in more detail on Monday by the hon. member for Saskatoon East (Mr. Ogle)—that the public have the ability to know just what kind of investment decisions are being made by Canadian banks in Third World countries, where Canadian banks are operating, how they are operating and whether they are acting in the best interests of the countries with which they are involved or whether they are acting in their own self-interests at the expense of the people in those countries.

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

Some hon. Members: Question.

The Acting Speaker (Mr. Blaker): Order, please. The hon. member for Edmonton West (Mr. Lambert) warned the Chair and other hon. members earlier on that he might want to address himself to the question of certain motions which might or might not be treated in accordance with the proposals made at eight o'clock this evening. I take the point of view that this proceeding will not interfere with the hon. member's right to pursue that matter later, or whenever.

Shall I dispense with reading the motion?

Some hon. Members: Dispense.

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

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Blaker): All those in favour will please say yea.

Some hon. Members: Yea!

The Acting Speaker (Mr. Blaker): All those opposed will please say nay.

Some hon. Members: Nay!

The Acting Speaker (Mr. Blaker): In my opinion the nays have it.

Some hon. Members: On division.

The Acting Speaker (Mr. Blaker): I declare the motion negatived on division.

Motion No. 22 (Mr. Rae) negatived.

Mr. Lambert: Mr. Speaker, on a point of order, before we go to motion No. 23 may I make reference to the document prepared by the officers of the Table on behalf of Madam Speaker respecting the groupings of the motions which are still on the order paper and what would be proposed for the grouping and the voting. I have examined the document and everything seems to be in order. No amendments have been missed. As far as we are concerned we are quite prepared to have this made an order of the House at this time.

I will propose a motion if need be, or it can come from the government side.

Mr. Bussières: Go ahead.

Mr. Lambert: Therefore, I would move, that the document headed "Further Notice on Report Stage of Bill C-6" dated Thursday, November 13, 1980, with regard to motions No. 22 and on as they appear in that document be made an order of this House.

Some hon. Members: Agreed.

The Acting Speaker (Mr. Blaker): It would appear that there is agreement to the motion proposed by the hon. member for Edmonton West to the effect that in the paragraph in the document dated today, to which the hon. member referred, dealing with motions Nos. 22 through 58 and as enumerated within that paragraph shall be debated and voted upon separately and there be an order of the House to pass to that effect—

Some hon. Members: All of it. The entire document.

The Acting Speaker (Mr. Blaker): I would like to correct myself. The hon. member for Edmonton West has indicated that his motion states that all of the remaining notes proposed by the Speaker would be dealt with in the manner described in that document. Is it so agreed?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Blaker): Agreed and so ordered. We will move now to motion No. 23.

Mr. Bill Blaikie (Winnipeg-Birds Hill) for Mr. Rae moved:

Motion No. 23

That Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in clause 2 by striking out lines 26 to 31 at page 171 and substituting the following therefor:

"processing services other than those services directly ancillary to the business of banking."

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, we have two concerns I would like to express. There has been wide-ranging debate on the ability of the banks to become involved in activities which are not traditional banking areas. One example was automobile leasing, and then there was the whole question of data processing. The government in its proposal raises serious questions about what has happened in this area. Serious concerns were expressed by very effective lobby groups which appeared before the committee. These groups had obviously spent a tremendous number of hours and considerable funds working to bring to this committee their concerns about banks expanding to areas which are not traditional to banks. They expressed the concern that the banks, with the financial power and muscle they have behind them, would put their competitors out of business.

● (2140)

I want to use the leasing example, Mr. Speaker—because I think its outcome is positive—to illustrate how important this was. Members of the committee, witnesses who appeared there, the letters that were received, the people who work for auto dealers and the auto dealers themselves, made some very substantial points. They said they could not survive against the banks. They also said that they, collectively, employed more people than all the auto manufacturers in Canada. I do not think too many years will pass before they are the only people employed in the auto industry in Canada, considering the government's present approach to that industry. They did an excellent job of expressing their concerns and I think the

government collapsed before the onslaught. The committee felt strongly about their fears and said, "Keep the banks out of that area. It is reserved for a certain group of business people who have successfully given employment and contributed to the community and who deserve some protection in law against the might and muscle of the banks and the banks' ability to effectively destroy competition and take whatever areas of the market they want for themselves."

Our concern with this particular amendment is that it was pushed in through the backdoor, accidentally. These people arrived late and they did not have a strong lobby. There was some correspondence and concern was expressed that the banks were moving into the data processing area almost as a natural offshoot of banking. In the process, new companies were being formed in a new field, individual groups where innovation could occur in services to small communities. Competitive services could be offered at reasonable rates for developing businesses. This was not a substantial lobby; in fact it was not quite as persuasive as some of the more powerful groups which came before us to say, "Do not let the banks get in." The government's amendment, in clause 174(2), reads as follows:

Except as authorized by or under this act and in accordance with such terms and conditions, if any, as are prescribed by the regulations, a bank shall not, directly or indirectly, (j) engage in Canada in providing data processing services other than such banking related data processing services, within the meaning prescribed by the regulations, as are prescribed by the regulations to be services that a bank may provide in Canada.

First of all, Mr. Speaker, the phrasing is confusing. That particular piece of information written into the legislation, can be changed. The regulations can expand or alter its meaning. I put the question tonight, Mr. Speaker: to what extent in the very loose wording of that clause, will banks move into areas currently handled by the people who are now handling data processing services?

A small businessman in the city of Courtenay has an account with the Canadian Imperial Bank of Commerce which is an old friend in our riding. It suddenly suggested that as long as he was doing his banking there, for a nominal charge it would do his payroll and take care of all that nasty stuff that involves unemployment insurance, Canada pension deductions, income tax deductions, and so on.

I see that the hon. gentleman from Burlington is leaving with his shovel, Mr. Speaker. He has heard this all before. I think the absence of his shovel in this particular place is an improvement.

What we are concerned with is the infringement of banks on areas of small business. The very loose wording of this clause mentions the desire to handle problems but instead of dealing with them firmly in the legislation they are to be dealt with in the regulations—regulations that can be changed later by order in council—regulations that we have not seen—regulations that are not firm at the present time and certainly will not be in the future.

Our concern is that banks are interested in moving into areas traditionally occupied by small businesses throughout the country. There were representations from data processors. The approach was not as sophisticated and the pressure not as heavy as that of other more effective groups. As a result, I am afraid the protection provided in the legislation is not complete. The minister is shaking his head. I know that he, being of clear heart and sound mind and with beneficence of spirit towards his fellow man, is someone we can all trust and love.

On the other hand, his successors may not see the world in the same way and the regulations may change. In fact, we may find that when they appear in final form these regulations are not exactly what we wanted.

We have an obligation to protect the small entrepreneur, Mr. Speaker. Time and time again I have heard my colleague from Kamloops-Shuswap (Mr. Riis) declare that neither of the other parties in the House has done a good job for small business in this country. There are many problems, such as a 19 per cent interest rate for small businessmen in the data processing area. There are many bankruptcies today and large numbers of small businessmen are facing difficulty.

In the final analysis, this is a very loose provision and I suggest it would allow the banks to move into the area. There will certainly be lobbying and pressure from the banks to allow them to do this. They have already attempted to encroach on the conditions laid down for car leasing when we wanted to protect that line of business. Fears have been expressed that in time the bankers' association may be able effectively to erode the protection which was built in for that business.

There is certainly no protection in this particular clause, Mr. Speaker. Had the government felt an obligation to small business and a responsibility to protect it, I think the clause would have been firmer. The clause that we recommend would be firmer.

This concludes my remarks, Mr. Speaker. I would like to hear an explanation from the minister about this very loose and openended statement.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, once again the hon. member for Comox-Powell River (Mr. Skelly) has demonstrated to this House how confused he is about what businesses do. He spoke about payroll services. If he had been around small business for any length of time he would know that it has long been the business of banks to offer to put a payroll together for businesses. At a time when people were paid in the lawful money of Canada, the banks put it in brown envelopes and delivered it to the business for distribution to its employees.

Subsection (2)(j) refers to data processing related to banking services and to other services that a bank may provide. In other words, there are limits on the kind of data processing that a bank can do for a customer, or as part of its business. The business is described in the regulations and probably that, more than anything, ties the bank's hands. It certainly ties the government's hands in terms of proclaiming regulations. I suggest, sir, that the best way we can control the bank's expansion in the data processing field is as described in subsection (j). There was an effort in committee to go over the

regulations. I think it was the hon. member for Comox-Powell River who was taking a look at the regulations proposed at that time, and he could really find no difficulty with them. I suppose he would like to see all of the regulations described at the committee set out in the statute. That might be appropriate in some cases, but business conditions change in this country. I suggest that the way the clause right now is probably the best than can be done by any draftsman with respect to controlling the activities of the banks in this field.

● (2150)

[*Translation*]

Hon. Pierre Bussières (Minister of State, Finance): Mr. Speaker, I should like to take a couple of minutes only to indicate to the House the government's concern to protect small business effectively when drafting that clause of the legislation. But the hon. member for Comox-Powell River (Mr. Skelly) did say that the computer sector was changing extensively, that it was developing with startling rapidity.

In the same way, Mr. Speaker, it must be recognized that with the advent of computer techniques in the financial and banking institutions the modes and operating processes of banking activities will change also. For more protection, we have reintroduced within the regulations the flexibility needed to adjust ourselves to that development in order to maintain the protection we want to give small businesses.

[*English*]

Mr. Bill Kempling (Burlington): Mr. Speaker, I want to say a few words about this matter of the banks and data processing. I recall when the Bank Act was before us several years ago the numerous machinations we went through when this matter came up. A great deal of concern was expressed by members of the committee about the bank putting undue pressure on small business. I believe one of my colleagues has already mentioned this. Perhaps the banks were trying to tie the small businessman's line of credit with the offering and taking of data processing services.

During that period I purchased a computer for my own business. We approached the bank and told the bank what we were going to do. The bank told us they would have that service available and offered it to us. We decided not to take it because we wished to remain flexible. We told the bank that at some time we might want to change from that bank to another bank. There were no hard feelings about that and the bank told us they appreciated our comments.

I think we have gone as far as we should go. I think what is in the act now is proper. While it is all right in this part of the country in large urban centres to talk about small computer companies offering services to small business, we should also bear in mind that there are parts of the country where the services are not available. There may be many small businesses desirous of using that service from banks. It may be to their advantage to do so and we should not preclude them out of hand from that opportunity. I think the provision in the bill as it stands is right and proper. From my own experience, the banks take no exception if you do not wish to use this service. I think that is a very mature way of looking at it.

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

Some hon. Members: Question.

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

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Blaker): All those in favour of the said motion will please say yea.

Some hon. Members: Yea!

The Acting Speaker (Mr. Blaker): All those opposed will please say nay.

Some hon. Members: Nay!

The Acting Speaker (Mr. Blaker): In my opinion the nays have it.

Mr. Knowles: On division.

The Acting Speaker (Mr. Blaker): I declare the motion negatived on division.

Motion No. 23 (Mr. Rae) negatived.

The Acting Speaker (Mr. Blaker): The House will now proceed with motion No. 25 standing in the name of the hon. member for Edmonton West (Mr. Lambert).

Hon. Marcel Lambert (Edmonton West) moved:

Motion No. 25

That Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in clause 2 by striking out lines 25 to 29 at page 177 and substituting the following therefor:

"an amount equal to ten per cent at that time of the total domestic assets of the bank in Canada as shown in the compilation of schedule Q of this act."

He said: Mr. Speaker, logically motion No. 24 and motion No. 26 should be discussed together and then motion No. 25. While motions numbered 24 and 26 are really related, motion No. 25 comes at the bottom of the section. This will become clear as I explain it along the way. I want to refer to motion No. 25 in part and then I will come back to it later on.

The purpose of these three amendments, Nos. 24, 25 and 26, is to deal with the ability of the banks to lend money on the security of a mortgage on real property. I remember back to 1966 when we were putting in amendments to the act as it exists today. Up to that time the banks had not been allowed to lend money on the security of a mortgage on real property. It was felt that as major financial institutions they should take some part in the financing of home construction in the coun-

try. Not all banks were willing to do so, however. As a matter of fact, the banks were dragged kicking and screaming to the table. I remember the then president of the Canadian Bankers' Association, a delightful gentleman of Scottish ancestry—I will not name the bank of which he was then general manager—felt that it was quite wrong for the banks to get involved in mortgages of up to 25 years. The banks never lent on anything more than two years. Loans were always liquid. There was no such thing as a loan on a chattel mortgage. The banks were expressly prohibited from dealing on the basis of a chattel mortgage. Nevertheless, the general feeling was that banks should get involved in the mortgage business. We were working from the Porter commission report, remember, and this was one of its recommendations. However, there was a definite limit. One did not forget the bank crisis of either 1932 or 1934 in the United States.

Mr. Knowles: Ten o'clock!

The Acting Speaker (Mr. Blaker): Order, please. I am sorry to interrupt the hon. member but we have now reached ten o'clock.

• (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

FREEDOM OF INFORMATION—DIRECTIVES TO MINISTERS

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Mr. Speaker, on May 14 of this year I asked the Deputy Prime Minister (Mr. MacEachen) if, pending the introduction of the freedom of information bill, the government had issued any directions to cabinet ministers to the effect that they should conduct themselves in strict adherence and compliance with the principles of freedom of information. Although the Deputy Prime Minister answered me in the affirmative, events since that time have led me to doubt the government's sincerity in terms of complying with principles of freedom of information.

Despite the high marks that were given to the bill on its early introduction, subsequent reflection on taking a look at that bill and comparing it with its predecessor from the previous government, C-15, leads one to wonder whether serious changes have not been made which make the bill much more restrictive than its predecessor.

It would take too long this evening for me to enumerate all those problems. Suffice it to say there are a number of changes which will make it more difficult for Canadians to have access to information. First, Bill C-43 will make it harder to discover what documents actually exist. For instance, section 5(3) implies that if information appears to be exempt from release, it does not have to be listed in information bulletins. Second, the exemption categories appear to go further than the previous bill in protecting information from release. Third, the status, powers and pay of the information commissioner have been eroded considerably. Fourth, and perhaps most important, it does not appear as though the additional powers given to the courts will promote the degree of openness that ought to be expected.

For example, if a judge is deciding whether a document in certain categories ought to be withheld, he cannot decide whether the department head is entitled to withhold it, but only whether he had reasonable grounds for doing so. Finally, and if these changes were not bad enough, the provision in the previous government's bill requiring the freedom of information committee to produce a comprehensive review of the effectiveness of the act after three years has been dropped in this new provision.

My concern about the government's policy on freedom of information is not limited strictly to the changes which have been made in the bill which is currently before the House. My most pressing concern relates to the government's activities in recent days and the attitude exhibited over the course of the last several days over the whole question of freedom of information.

Perhaps the best example I can give of how the government has demonstrated that it does not subscribe to the principles of freedom of information was given yesterday in the committee on the constitution. Members of that committee asked the government whether it would make available to the committee, as an aid to study of the government's proposals on the constitution, three polls conducted by the government at public expense which touched on the whole question of constitutional reform.

What I thought incredible was that government members on the committee and the Minister of Justice (Mr. Chrétien) refused to agree with the principle that publicly funded polls should not be classified, that they should be made available to the people of Canada. This is a principle which is essential and one which should be respected by the government if it is serious about the principle of freedom of information. This is why we pressed them in committee to agree that those polls be released. The government has refused.

What we have seen in recent days has been a desire on the part of government to use massive amounts of tax dollars to sell its position on various issues, including on the constitutional issue, where the government—

The Acting Speaker (Mr. Blaker): Order, please. I have listened to the hon. member. He very appropriately used the phrase "as an example". From there on he has been commenting on certain matters before the constitutional committee and some of the proceedings relating to that committee. The problem is that at a certain time he fell afoul of the rule that committee proceedings are not to be commented upon in the

House. He would assist the Chair if he would bring to an end the example and move to the point of his question.

Mr. Beatty: Gladly, Mr. Speaker, because whether the government produces the information before the committee or before Parliament is irrelevant. I would be delighted if the government were prepared to come before this House where they were asked to produce the evidence given in those polls which should be of interest to the whole Canadian public, certainly to every member of this chamber.

I have had on the order paper for up to four months a series of questions asking the government for information relating to the government's advertising campaign. To date all of those questions have gone unanswered. The government has not been prepared to come clean with the Canadian people and disclose the amount of money it is spending at the present time to promote its point of view on various issues. We know that at the present time the government is asking Parliament to appropriate a further $17 million for the Canadian Unity Information Office, $15 million of which appears earmarked for programs such as public opinion surveying and advertising sales campaigns, in large part for the constitution. Again, when we have asked for the breakdown of this information the government has been less than forthcoming. This is why, when we are dealing with the issue of whether or not the government is prepared to subscribe to the principle of freedom of information even prior to the passage of the legislation, it is essential that we take note of the government's policy in so many of these areas. In instance after instance the government is not prepared to level with the Canadian people and give them the information which Parliament and the people of Canada are entitled to see, particularly as it relates to the expenditure of public funds. I call upon the government this evening to reverse that policy and to recognize that the Canadian people are entitled to know how their money is being spent and how decisions are being made which affect their daily lives.

● (2205)

Mr. Peter Stollery (Parliamentary Secretary to Secretary of State and Minister of Communications): Mr. Speaker, I would bring it to the attention of the hon. member that the access to information bill to which he was presumably referring in his rather wide-ranging remarks received first reading July 17 and has not yet gone to committee. I would like to inform him that in keeping with the undertaking made to the Canadian people last July the government introduced a bill containing a package of legislative proposals concerning access to information. The scope of the bill constitutes a vast improvement over attempts of the previous government in the area of public access to information.

Once in force, the access to information legislation will create a right of access to all government records, subject to limited and defined exemptions to protect public and private interests. Government decisions will initially be reviewable by an information commissioner. Denials of access can be referred for judicial review by the Federal Court, which will have the power to order release if it determines that the records were wrongly withheld.

The new legislation will become a central feature of our institutions. It will make them more open and more democratic. It will make decision-makers accountable for their actions and decisions, be they ministers or civil servants.

The hon. member has raised the question of the government's behaviour now that the bill has been tabled. I would remind him that it has only been tabled. The government is moving, and has been moving, on a number of fronts to provide more open government during the interim period which will lead, hopefully, to this legislation being passed by the House. Thus, the Prime Minister (Mr. Trudeau) has asked that all ministers make special efforts to comply with the spirit of the legislation, bearing in mind the limitations which are imposed by existing legal constraints and the absence of the administrative infrastructure which will ultimately be put in place.

The government has also made public the list of cabinet committees and their composition, to which the hon. member referred in his original question, which I believe was asked on May 14. The government has also tabled the list of polls conducted, or in planning, since March, 1979. Consistent with the spirit of the access to information legislation it has made available the results of the vast majority of these polls and justified non-disclosures on the basis of specific exemptions in the access legislation. The government has undertaken to release these latter poll results when their disclosure will not go against any of the public or private interests which are protected by the exemptions. It intends to live up to this undertaking.

● (2210)

The media guidelines laying down the ground rules by which officials should abide in their dealings with parliamentarians and the media have been confirmed and are being followed.

On a more clearly administrative front, the President of the Treasury Board (Mr. Johnston) and his officials are actively preparing for implementation of the legislation. They are hard at work compiling the index or register of federal government information.

I think that adequately and in full answers the question which was originally asked on May 14 last—not the question to which the hon. member referred this evening.

WATER RESOURCES—SKAGIT RIVER VALLEY—REFERENCE BY B.C. GOVERNMENT OF U.S. PROPOSAL TO FLOOD TO INTERNATIONAL JOINT COMMISSION

Hon. John A. Fraser (Vancouver South): Mr. Speaker, I want to address my colleagues in the House tonight on a subject of considerable importance in the province of British Columbia. I think it ought to be of considerable importance to all hon. members from whatever part of Canada they come. It concerns the proposed flooding of the Canadian Skagit Valley in British Columbia, a proposal which has been proceeded with over many years by the Seattle City Light Company in the

state of Washington. What Seattle City Light does is propose to move on a 1942 International Joint Commission order, the validity of which is in serious question, to raise the Ross Dam on the American side of the Skagit River and flood about 15 miles of the Canadian Skagit. They have presumed to pay $34,000 a year for the flooded land, but they will receive many millions of dollars of benefit in power.

I asked a question of the Secretary of State for External Affairs (Mr. MacGuigan) on October 21. In view of the fact that the government of the province of British Columbia has now taken a reference to the International Joint Commission to seek redress in this matter, I asked the minister what steps the Government of Canada is taking to respond to the invitation of the International Joint Commission to put in submissions in support of the application of the province of British Columbia for a review of the order and the consequences of the proposed flooding.

At that time the Secretary of State for External Affairs said, and I quote:

> Madam Speaker, the position of the government has been consistent; we believe this problem should be settled by negotiation. We have consistently offered our good offices to assist the province of British Columbia in that regard.

In effect, knowing almost nothing about this issue, the Secretary of State for External Affairs promised to do almost nothing. However, subsequent to that, in committee I had occasion to ask questions of the Parliamentary Secretary to the Minister of the Environment (Mr. Simmons), and he chose to take a very belligerent view and to accuse the province of British Columbia of not being serious in its opposition to the flooding.

This is, of course, contrary to the facts—that is a problem the parliamentary secretary has had before. It is contrary to the facts because after 1972 two different governments of the province of British Columbia consistently to this day have actively and steadily opposed the flooding of this valley and have gone through protracted negotiations with Seattle City Light to find a solution.

As a consequence of the remarks of the parliamentary secretary the minister of the environment of British Columbia sent a telegram to the federal Minister of the Environment (Mr. Roberts) which said the following:

> Greatly disturbed by press reports quoting Parliamentary Secretary to Minister of Environment saying province of British Columbia not serious in negotiations regarding Skagit River and not keeping federal government informed.
>
> If reports accurate this is in complete contradiction to facts. We have negotiated seriously and kept you informed at all stages. I must insist on retraction of inaccurate statements made by parliamentary secretary.

Happily, the Minister of the Environment for Canada responded immediately and contradicted completely his parliamentary secretary by stating in his telegram, and I quote:

> In reply to your telegram let there be no repeat no misunderstanding that the federal government continues to oppose further flooding of Skagit Valley. We are aware of deep concern this issue poses for British Columbia and recognize your earlier efforts to resolve it. Be assured we support your efforts to have matter resolved. We are now reviewing your "request in application"—
>
> That is the application to the International Joint Commission.
>
> —which is before the International Joint Commission and will offer views on this matter to the commission. My department is fully prepared to meet with and co-operate with yours.

● (2215)

I should add that the British Columbia Minister of the Environment was pleased with that response but not happy with the activities of the parliamentary secretary, and he demanded a retraction. However, I should like to know whether the government can tell me tonight just what steps will be taken to support the application of British Columbia before the International Joint Commission, and whether the government can tell me if those representations will be made by the Department of the Environment alone or in conjunction with the Department of External Affairs.

I realize, of course, that the response of my friend, the Minister of the Environment, is inconsistent with the earlier statement of the Secretary of State for External Affairs, but I put that down to the good work which the Minister of the Environment did in persuading the Secretary of State for External Affairs that this was indeed too important a matter for the government to remain on the sidelines. As a consequence, I commend the Minister of the Environment for his response, but I would like to know tonight whether the department will be making submissions by itself or whether it will be supported by the Secretary of State for External Affairs with the full weight of the Canadian government behind him.

Mr. Norman Kelly (Parliamentary Secretary to Minister of Supply and Services): Mr. Speaker, during the question period on October 21, the hon. member opposite suggested that the government has changed its position on the Skagit Valley flooding. I wish to emphasize emphatically that this is not the case. Over the past decade, the Prime Minister (Mr. Trudeau), successive ministers of environment and other ministers and officials of the Canadian government have, on numerous occasions, taken the position that the environmental and recreational resources of this unique river valley were too important to be sacrificed to a power reservoir. This view was also embodied in unanimous House of Commons resolutions in 1973 and 1977.

However, we have also been conscious of the fact that in 1967 British Columbia signed a 99-year agreement with Seattle by which the province received compensation in return for the flooding, and that until 1973 British Columbia accepted this payment. The Canadian government, therefore, concluded that the most promising avenue for solution of this problem lay in a negotiated settlement involving these two parties. When direct negotiations between province and city began in 1974, the Canadian government made clear its willingness to render all possible assistance by way of good offices to promote such a settlement. We remain prepared to do so should conditions again appear favourable.

Unfortunately, for the moment these negotiations have broken down and British Columbia has filed a "request in the application" with the International Joint Commission, requesting that it annul or rescind its 1942 order giving the city authority to flood the valley, subject to reaching agreement on compensation with British Columbia.

The hon. member asked why the federal government had not supported the province in this request. In fact, British Columbia neither requested nor required any such federal support in making its approach to the commission. The IJC had earlier ruled that it could hear British Columbia's 1974 request on this subject, a position strongly advocated by the Canadian government in support of the province.

The Canadian government believes that British Columbia's request deserves a full and fair hearing and that the IJC is the proper forum for this. The commission has asked for views from interested parties, including the Canadian government, by December 17. We are now preparing our response. We hope that British Columbia's approach to the IJC will be instrumental in promoting a successful resolution of this issue and we will do all in our power to assist such an outcome.

Over the past decade the government has left responsible U.S. authorities, including President Ford, in no doubt that we would view with deep concern any developments which could result in the Skagit Valley being further flooded. We expect that no action will be taken by Seattle until the IJC has had a fair opportunity to consider the full range of subjects raised by the request.

● (2220)

THE CONSTITUTION—INQUIRY WHETHER LETTER RECEIVED FROM NATIONAL INDIAN BROTHERHOOD REQUESTING DISCUSSIONS

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, on Friday, November 7, I wanted to know whether the Prime Minister (Mr. Trudeau) would meet with the leaders of Canada's native organizations to discuss the constitution. We all know the Prime Minister promised that native people would be able to participate in all decisions about the constitution which directly affected them. We all know this promise was broken and that the native people were locked out of any decision-making process regarding the present constitutional resolution. Native people have expressed fears that their rights are being ignored and denied. Experts in constitutional law agreed that their fears well founded.

In response the government pointed to section 24 of the Charter of Rights which indicated that nothing in the charter denied "any rights or freedoms that pertain to the native peoples of Canada". No recognition, no guarantees; only a statement that the charter does not take away any rights which may exist.

Indian, Metis and Inuit leaders want to sit down with the Prime Minister to explain their position. They want to find out what kind of amendment might be acceptable to the government. When I raised this request, the Prime Minister responded by pointing to the $1.4 million the government made available so that native organizations could develop their constitutional position. But money is no substitute for a meeting which could produce results. With regard to money, I might point out that the government spent some $6 million advertising its position and trying to sell it to the Canadian people. Compared to that the $1.4 million to native organizations is not too substantial.

In addition the Prime Minister raised the "ante" for native people wanting to get into the constitutional game. He demands that the various native organizations representing different peoples should reach not only a common understanding of their rights among themselves, but also that their amendments must be acceptable to all parties in the House and hopefully to several of the provincial governments.

I have not noticed any great concern for such unanimity with any other part of the constitution. The Government of Canada, as successor to the Imperial government of Great Britain, is involved in a compact with native people which predates the compact with the provinces at confederation. It is the responsibility of the federal government to honour that compact and to ensure that the provinces honour it also. We see the double standard of the Prime Minister most clearly when we contrast his concern for educational language rights with his laid-back attitude to native rights.

At his November 7 press conference, the Prime Minister said:

> I am convinced that there would never be an entrenched charter of rights. Particularly, there would never be entrenched educational language rights if it weren't done now by the national Parliament the last time, as it were, that we had a possibility of proceeding in this way to amend the constitution. In other words, once we have a constitution in Canada, whether it be with the Victoria formula, or any other formula, we will never get anything saying that all Canadians are equal, because there will always be some provinces—

And he went on to detail the opposition which would come from the provinces.

On October 30, just a week earlier, in a letter to the leaders of national native organizations, he said:

> I believe that Canadians, with new-found pride in their own constitution and in their new maturity as a country, will be more than ever generous in considering the needs and wishes of our first citizens. In short, I believe that constitutional change after patriation will become easier rather than harder—

For language rights he considers that it will be impossible to deal with after patriation; for native rights he takes the very laid-back attitude that it will be easier.

On behalf of the native people of Canada, I ask the government to treat native rights as seriously as it treats language rights. I ask the Prime Minister to sit down with the leaders of Canada's native organizations to find acceptable ways of recognizing those rights and guaranteeing them in our constitution.

● (2225)

Mr. Ron Irwin (Parliamentary Secretary to Minister of Justice and Minister of State for Social Development): Mr. Speaker, I would like to assure the hon. member again that the native peoples will be heard at the constitutional discussions. The hon. member has referred to a letter written by the Prime

Minister (Mr. Trudeau) on October 30 to the three national native organizations.

In that letter the Prime Minister confirmed that there will be no changes in the constitution directly affecting the native peoples without full discussion with them. The Prime Minister expressed the government's desire to discuss with native groups those matters of special concern to them—aboriginal rights, treaty rights and internal native self-government. He also indicated that there will be a good deal of preparatory work required and that there will be a number of meetings between senior officials and native groups.

On at least ten occasions in the past three or four weeks I have heard in this House, and I wish to affirm again, that each of the three groups has been given approximately $400,000, totalling over $1 million, to prepare its case. The Prime Minister has publicly pledged that this will be the first subject at the next first ministers' conference or a priority subject of the federal government.

Naturally, as the hon. member knows, the government has agreed to consultations with the provinces which also have an interest in the matter. I wish to point to the proposed constitution and section 24 which, I am aware, is a reverse declaration and which clearly states that none of the rights of native peoples will be taken away by reason of the constitution. If my good friend wishes to make some proposals, they should be made in the constitutional committee. What wording would he like to see in section 24? What does he want to do in connection with specific problems which can be handled by the government? Does the hon. member have a position on the problem on Vancouver Island or on the Micmac claim in Newfoundland? Does the hon. member have a position on the four claims in the Northwest Territories or on the one claim in northern Ontario or on the three claims in Quebec?

When the hon. member says we are not treating the problem seriously, I suggest that he is showing concern but offering no solutions. We must sit down and look at individual solutions which have been put forth. Solutions should be put forward, not the same questions day after day. The government takes the problem seriously and is trying to solve it.

The Acting Speaker (Mr. Blaker): Order, please. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until eleven o'clock tomorrow morning.

At 10.29 p.m. the House adjourned, without question put, pursuant to Standing Order.

END OF VOLUME IV